

AGENDA ITEM 6

Subject	Final Draft 2009 Measure J Strategic Plan
Summary of Issues	<p>The Authority updates the <i>Strategic Plan</i> approximately every two years committing funds 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 funding 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 has adversely affected Measure J revenues and increased debt service on proposed bonds.</p> <p>Based on the revenue forecast approved by the Authority in September, it is now estimated that \$533 million in escalated dollars (\$444 million in 2004 dollars) will be available for <i>Capital Projects</i> during the first six years of Measure J. Over its 25-year life, Measure J will likely generate only \$1.55 billion (2004 dollars), a reduction of \$430 million compared to the 2007 Strategic Plan.</p> <p>Given lowered revenue targets, the Regional Transportation Planning Committees (RTPCs) provided the Authority with a prioritized list of their Measure J <i>Capital Projects</i> that could be under construction by FY2015. In addition, in order to achieve full funding for eBART and SR4 East, TRANSPLAN recommended shifting funds from some project categories and programs to eBART.</p>
Recommendations	<p>Staff is seeking comments on the format and contents of the final draft 2009 <i>Strategic Plan</i>. Formal approval will be sought in December.</p>
Financial Implications	<p>Measure J sales tax revenues are estimated to total \$1.55 billion over 25 years (April 1, 2009 through March 31, 2034).</p>
Options	<p>N/A</p>
Attachments	<p>A. Draft 2009 Measure J Strategic Plan (separate enclosure for APC members. Copies available upon request or at www.ccta.net)</p>
Changes from Committee	

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.

Fund commitments are made in this *Strategic Plan* to numerous high visibility projects such as the Caldecott Tunnel 4th bore, State Route 4 East widening, BART extension in East County (eBART), construction of a Capitol Corridor Rail Station in Hercules, Major Streets improvements in Central Contra Costa County, and BART Parking and Access improvements. The *Program of Projects* makes financial commitments, by fiscal year, to individual projects. The *Program of Projects* (included as Appendix A in the *Plan*) is the basis for evaluating project proponents' requests for fund appropriations. Fund appropriations – which the Authority makes by Resolution – may not exceed the amounts programmed for the project in the *Program of Projects*. For Measure J, the Authority will keep track of its expenditures in 2004 dollars (the year in which the Measure was passed by the voters). The *Program of Projects* is depicted in both current (or *escalated*) dollars as well as in fixed 2004 dollars.

Appendix B in the *Plan* includes a series of Fact Sheets that depict each project proposed for funding. The fact sheets are a **work in progress** and are meant to provide a thumbnail sketch of each project, its intended objective, status and funding (including sources in addition to Measure J).

Sales Tax Revenue Projections

In September 2009, the Authority approved the revenue forecast for the 2009 Measure J *Strategic Plan*. The forecast is based on actual FY2009 revenues (\$64.3 million) and FY2010 budget (\$64.3 million). It assumes recovery in FY2012 with an average real growth rate of 0.84% over the life of the Measure. Based on this revenue forecast, it is now estimated that \$533 million in escalated dollars (\$444 million in 2004 dollars) will be available for *Capital Projects* during the first six years of Measure J (including bond proceeds). Over its 25-year life, it is now estimated that Measure J will generate only \$1.55 billion (2004 dollars), a reduction of \$430 million compared to the 2007 Strategic Plan.

Bond Sizing and Debt Service

In September 2009 the Authority issued \$200 million of Bond Anticipation Notes (BANs). A BAN is a short-term borrowing instrument typically used as gap financing for a long-term bond issuance in the near future. The purpose of the 2009 BANs was to retire an earlier borrowing of \$69.3 million in Commercial Paper proceeds, terminate \$100 million of a 2005 forward starting swap agreement at a cost of \$11.4 million and raise approximately \$122 million for *Capital Projects*. On or before October 2010 the Authority anticipates issuing “take out” bonds of approximately \$221 million to repay the 2009 BANs. The Authority's financial plan assumes three additional bond issuances of \$92 million, \$168 million and \$26 million in FY2011, FY2012 and FY2015, respectively. The timing and amount of the future borrowings is subject to change, based upon actual reserves. Proceeds from the FY2015 bond are expected to be dedicated entirely to eBART.

Expenditure Caps

The Measure J Expenditure Plan has neither an unallocated contingency nor a set aside to recover the cost of bonding. In order to address the projected 23% reduction in Measure J revenues and increased debt service, the Authority will have to impose an overall “Expenditure Cap” of ~66% on all Measure J *Capital Project Categories* (compared to 90% in the last Strategic Plan). The “Expenditure Caps” will also allow the Authority to pay for bond issuance costs, pay for Overall Program Management consultant costs (1.5%), and staff project management costs.

Although the overall “Expenditure Caps” by sub-region should be around ~66%, “Expenditure Caps” on individual project categories may be higher or lower for the following reasons:

- *Meeting previous Measure J financial commitments and securing leveraged funds:* capping the funding on the Caldecott Tunnel and SR4 East project categories at 66% would mean reducing

Measure J commitments to levels below what has already been committed in agreements with the California Transportation Commission. Proposition 1B funds on both projects were predicated on commitment of specific Measure J amounts (\$127M on Caldecott and \$132M on SR4 East). Therefore caps on both project categories cannot be lower than 83% and 90%, respectively, unless cost savings are realized upon completion of the projects. In addition, since the Authority has to backfill ECCRFFA's commitment of \$50 million on SR4 East widening project - resulting from the slower collection of fees on new housing permits - the East County Corridor category cap cannot be lower than ~83%.

- *Accounting for existing expenditures:* Prior to the start of Measure J, the Authority secured commercial paper to fund the construction of SR4 East Bypass projects (segments 1 and 3), and secure right-of-way and complete environmental clearance design on other projects (Martinez Intermodal Station – Phase 3 and I-80 Integrated Corridor Mobility). The expenditure of these funds places a floor beyond which caps cannot be lowered.
- *Fully funding a high priority project:* In east Contra Costa County, in response to the above constraints (requirement to backfill \$50 million in ECCRFFA for SR4 East, and meeting an original Measure J commitment of \$132M for SR4 East) and in order to secure \$200 million in bridge toll funds and keep both eBART and SR4 East on schedule, TRANSPLAN recommended shifting all Measure J funds from east county share of the following capital project categories/programs to fully fund eBART:
 - BART Parking, Access and Other Improvements
 - Major Streets: Traffic Flow, Safety, and Capacity Improvements
 - Transportation for Livable Communities
 - Subregional Transportation Needs

This in effect places a cap of 0% on those categories. Absent such action, eBART funding from MTC would have been jeopardized which also would have in turn adversely affected SR4 East funding and schedule.

Bid/Cost Savings

Fund commitments are made in the 2009 *Strategic Plan* to numerous high visibility projects such as the Caldecott Tunnel 4th bore, widening of State Route 4 East, and eBART. Bids were opened on the Caldecott on September 29, 2009. The apparent lowest bid was 21% below the engineer's estimate (\$215 million vs \$270 million). It is estimated that the contract award amount will be for \$240 million after adding 10% contingency, supplemental work and state furnished materials. If materialized, this could translate into significant Measure J savings that will help project categories in southwest and central counties. While this is good news, it is premature to shift Measure J savings from the project at this time, given that the project construction period is over 3 years and change orders/claims are highly probable on projects of this nature. Therefore, the savings will be addressed in future updates of this *Strategic Plan*.

On the other hand, project costs were revised downward for eBART and SR4 East widening from Somersville to SR160 as a result of reduced material unit costs, lower right of way costs and more refined engineering. The combined cost of both projects is now reduced by \$60 million to reflect the current favorable bid environment, offsetting some of the reduction of Measure J funding for eBART.

Lastly, bid savings on SR4 East widening from Loveridge to Somersville, which is currently being advertised, and initial eBART contracts expected to be advertised in 2010, may help restore funding to east county project categories/programs. Future updates of the *Strategic Plan* will address those savings.

THIS PAGE INTENTIONALLY BLANK

I. BACKGROUND

The Authority updates its *Strategic Plan* approximately every two years committing funding to specific projects for a specified period (usually 5 to 7 years). The 2009 *Strategic Plan* comes on the heels of a major downturn in the economy that has negatively impacted Measure J revenues, reduced the Authority's debt capacity, and increased the debt service on proposed bonds. The 2009 Measure J *Strategic Plan* achieves the following:

- Reviews funding availability and project needs for the next six years (through June 30, 2015);
- Reaffirms debt financing in order to build projects faster than would be possible under a "pay-as-you-go" scenario;
- Takes into consideration the tighter credit environment and the finance strategy adopted by the Authority which included issuance of \$200 million in Bond Anticipation Notes (BANs) in September 2009;
- Tightens the "Expenditure Caps" on capital projects categories in the Measure J expenditure plan to reflect increased debt service and lower revenues; and
- Commits to a funding schedule for specific projects through FY2015, including a plan to achieve full funding for eBART and SR4 East despite the reduction in Measure J revenues and sub-regional transportation fees.

Four major components make up the 2009 *Strategic Plan*:

- Sales Tax Revenue Projections;
- An Overall Financial Plan;
- Policies to guide the *Strategic Plan* and the implementation of Measure J *Projects* and *Programs*; and
- A "*Program of Projects*" committing to a funding schedule for specific projects through (through June 30, 2015).

II. APPROACH

In May 2006, the Authority adopted a financial framework 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 revenue stream based on percentages set in the Measure J Expenditure Plan. 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).

Determining which *Programs* will receive a set annual percentage of Measure J revenues is one aspect of the *Strategic Plan*. The Measure J Expenditure Plan was divided into *Programs* and *Capital Project* categories. For *Programs* with potential *Capital* elements, sponsors were asked to identify capital components that may be advanced by bond proceeds. Table 1 identifies the *Capital Project Categories* in Measure J Expenditure Plan while Table 2 identifies the *Programs*. Both tables reflect input received from the Regional Transportation Planning Committees (RTPCs) on the capital components of *Programs*. Only West County identified a capital component of its share of the "Additional Bus Transit Enhancements" program to be advanced by bond proceeds.

During the development of the Measure J Expenditure Plan in 2004, 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*. As part of the first *Strategic Plan*, each RTPC was requested to provide its *Capital Project* priorities within a funding target based on each sub-region's proportional share of *Capital Project Categories* in Measure J Expenditure Plan.

Because of the downturn in the economy which has resulted in reduced revenues and increased debt service, the funding target for each sub-region has been lowered compared to the last *Strategic Plan*. Each RTPC was asked in this *update* to delay their proportionate share of capital projects beyond FY2015.

To expedite high priority projects throughout Contra Costa, the Authority reaffirmed its commitment to issue bonds to build projects faster than would be possible under a pay-as-you-go scenario. In September 2009, the Authority issued \$200 million in BANs. The Authority also decided to lower its risk profile by terminating \$100 million of a \$300 million swap agreement entered into with Bank of America and Merrill Lynch in 2005.

In the last *Strategic Plan*, it was assumed the last bond issuance would be exclusively dedicated to the BART extension in East County (eBART). In return, the Authority would focus programming of state funds from the next five cycles of the State Transportation Improvement Program (STIP), on sales tax projects in the other parts of the County. The Authority is still planning on dedicating the proceeds from the last bond to eBART, although the size of the bond will be much smaller due to the reduced Measure J revenues.

Table 1
Capital Project Categories in Measure J Expenditure Plan
(Millions of 2004 Dollars)

Funding Categories	Millions \$	Distribution of Funding By Sub region			
		Central	West	SW	East
		(a)	(b)	(c)	(d)
1. Caldecott Tunnel Fourth Bore	62.5	\$62.5		\$62.5	
2. BART - East Contra Costa Rail Extension	150.0				150.0
3. State Route 4 East Widening	125.0				125.0
4. Capitol Corridor Improvements Including Rail Stations at Hercules and Martinez	15.0	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	36.0	36.0			
7. I-80 Carpool Lane Extension and Interchange Improvements	30.0		30.0		
8. I-680 Carpool Lane Gap Closure/ Transit Corridor Improvements	108.0	75.0		25.0	
9. Richmond Parkway	16.0		16.0		
10. BART Parking, Access and Other Improvements	11.0	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	48.0	48.0		14.4	18.0
27. Capitol Corridor Rail Station Improvements at Martinez	2.5	2.5			
Total	816.7	243.5	69.8	104.9	398.5

(1) Funding amount shown is based on WCCTAC recommendations to advance a portion of the program funds for capital components.

Table 2
Programs in Measure J Expenditure Plan
(Millions of 2004 Dollars)

Funding Categories	Millions \$	%	Distribution of Funding By Sub-region			
			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	3.4%	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
TOTAL	\$1183.3	59.2%	\$294.5	\$382.6	\$237.2	\$169

(1) Program percentage reflects WCCTAC recommendations to advance a portion of the program funds for capital components.

Schedules and Costs

The *Program of Projects* outlines the amount and timing of Measure J funds committed to *Capital Projects*. As a first step in developing the *Program of Projects*, project sponsors were requested to provide information on project scopes, schedules, cost estimates, and secured funding. In general, projects that are in an advanced stage of project development (i.e. in environmentally clearance or design stage) with substantially secured funding are programmed for delivery in the early years of Measure J. Such projects include the Caldecott Tunnel 4th Bore, State Route 4 East Widening, I-680 Southbound Carpool Lane Extension (restripe), Hercules Rail Station and Marina Way Parkway Grade Separation.

In addition, projects and/or project phases that have been advanced with commercial paper proceeds or Measure C funds prior to April 1, 2009, are programmed for reimbursement by proceeds from the September 2009 BANs. The reimbursement which includes advanced funds along with capitalized interest and commercial paper issuance related costs is programmed in the *Program of Project* in FY2010.

Updated Revenue Projections

Prior to the November 2004 election, the Authority had estimated that Measure J would generate \$2 billion in sales tax revenues over 25 years (in 2004 dollars). The estimate was based on a 1% annual real growth rate based on examination of ABAG's 2002 projections for population, household income, and jobs (shown in Table 3).

Table 3

ABAG 2002 PROJECTIONS FOR CONTRA COSTA

Year	Population	% Annual Increase	Jobs	% Annual Increase	Mean Household Income (02\$)	% Annual Increase
1990	803,732	---	314,550	---	\$80,600	---
2000	948,816	3.61%	361,110	2.96%	\$86,500	1.46%
2005	1,013,200	1.36%	385,050	1.33%	\$88,200	0.39%
2010	1,074,500	1.21%	419,140	1.77%	\$92,700	1.02%
2015	1,128,800	1.01%	445,140	1.24%	\$97,400	1.01%
2020	1,179,500	0.90%	470,480	1.14%	\$102,400	1.03%
2025	1,209,900	0.52%	495,460	1.06%	\$107,600	1.02%
Average (2010-2025)		0.81%		1.15%		1.02%

Based on these growth projections for population, jobs and mean household income, the Authority had approved the use of real growth rate of 1% for sales tax revenues after 2009. Subsequently, the 2007 *Strategic Plan* estimated Measure J revenues to total \$1.98 billion in 2004 dollars (\$3.7 billion in escalated dollars) using 1% real growth rate between FY2009 and FY2034.

In this *Update*, forecasted Measure J revenues are reduced to account for the downturn in the economy. It is now projected that Measure J revenues will total approximately \$1.55 billion in 2004 dollars (\$2.55 billion in escalated dollars) over the life of the Measure. The following

assumptions were used in developing the revised revenue forecast (see Table 4):

1. The forecasts are based upon actual sales tax receipts through the end of FY2009 and budgeted amount for FY2010.
2. In FY2012 and each year thereafter, the real growth in sales tax receipts above inflation is assumed to be 1%. No growth is assumed for FY2011.
3. An inflation rate of 2% is assumed for FY2010 through FY2015, followed by 3% through FY2024 and 3.5% thereafter.
4. Interest earnings on cash balances are assumed at 1.6% through FY2013 and 3% thereafter.

Figure 1 compares the current sales tax revenue projections to the 2007 *Strategic Plan*.

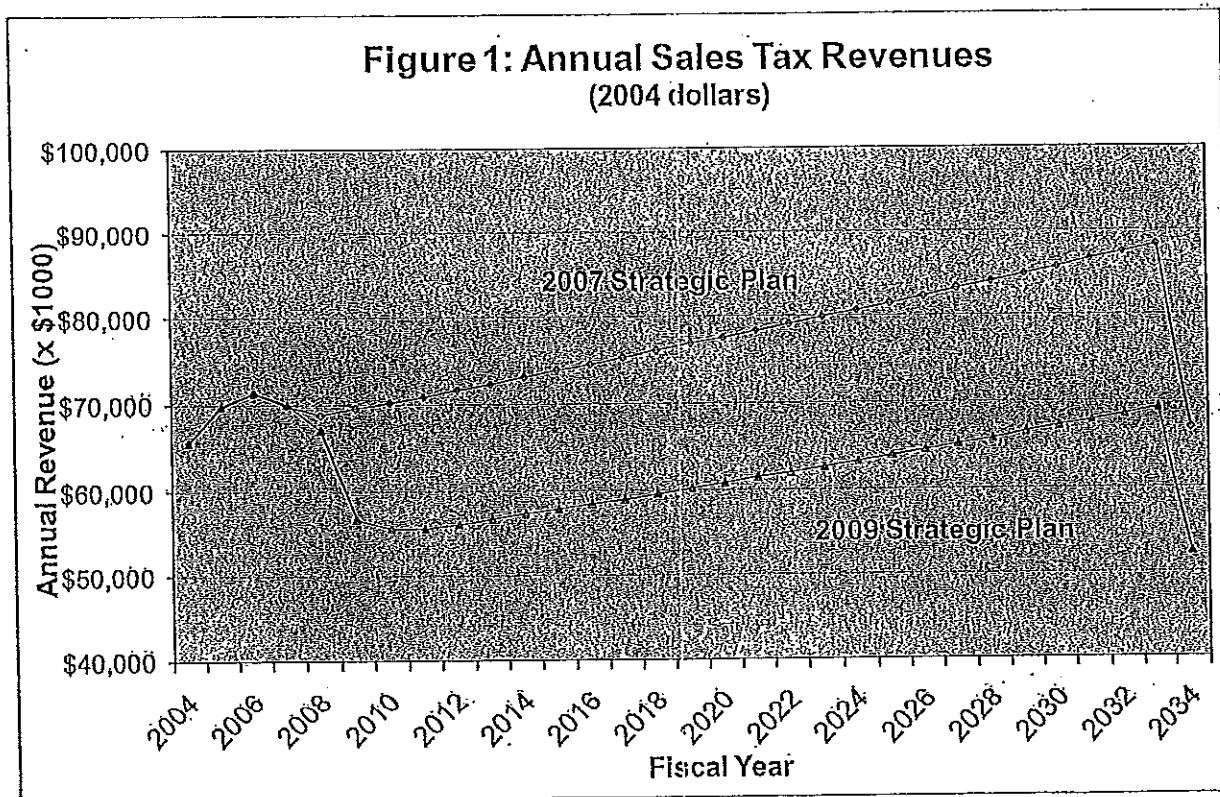


Table 4
CONTRA COSTA TRANSPORTATION AUTHORITY - SALES TAX FORECAST
MEASURE J (starts April 1, 2009)

Fiscal Year	Real Growth	Projected	Inflation	Total Inflated		Term	Escalation CPI	Escalation Factor	De- Escalation Factor	Bonds Debt Service (inflated)
		Sales Tax Rev.		Inflation Factor	Sales Tax Rev.					
July 1 - June 30		(2001 \$ x 1000)								
2003							195,3833			
2004		65,684 *	0.94%		65,684		197,2167	1.0000	1.0000	
2005	6.31%	69,828 *	1.70%	1.6986%	71,014		200,5667	1.0170	0.9833	
2006	2.27%	71,411 *	2.83%	4.5719%	74,676		206,2333	1.0457	0.9563	
2007	-1.78%	70,140 *	3.26%	7.9822%	75,738		212,9588	1.0798	0.9261	
2008	-4.52%	66,969 *	3.27%	11.5136%	74,680		219,9235	1.1151	0.8968	
2009	-15.28%	56,736 *	1.66%	13.3673%	64,320		223,5792	1.1337	0.8821	0
2010	-1.99%	55,606	2.00%	15.6346%	64,300	1	228,0508	1.1563	0.8648	4,036
2011	0.00%	55,606	2.00%	17.9473%	65,586	2	232,6118	1.1795	0.8478	12,156
2012	1.00%	56,162	2.00%	20.3062%	67,566	3	237,2640	1.2031	0.8312	15,928
2013	1.00%	56,723	2.00%	22.7124%	69,607	4	242,0093	1.2271	0.8149	24,676
2014	1.00%	57,291	2.00%	25.1666%	71,709	5	246,8495	1.2517	0.7989	25,251
2015	1.00%	57,864	2.00%	27.6699%	73,874	6	251,7865	1.2767	0.7833	26,523
2016	1.00%	58,442	3.00%	31.5000%	76,852	7	259,3400	1.3150	0.7605	29,056
2017	1.00%	59,027	3.00%	35.4450%	79,949	8	267,1203	1.3545	0.7383	30,378
2018	1.00%	59,617	3.00%	39.5084%	83,171	9	275,1339	1.3951	0.7168	31,709
2019	1.00%	60,213	3.00%	43.6936%	86,522	10	283,3879	1.4369	0.6959	33,081
2020	1.00%	60,815	3.00%	48.0045%	90,009	11	291,8895	1.4800	0.6757	34,500
2021	1.00%	61,423	3.00%	52.4446%	93,637	12	300,6462	1.5244	0.6560	35,985
2022	1.00%	62,038	3.00%	57.0179%	97,410	13	309,6656	1.5702	0.6369	37,526
2023	1.00%	62,658	3.00%	61.7285%	101,336	14	318,9555	1.6173	0.6183	39,127
2024	1.00%	63,285	3.00%	66.5803%	105,420	15	328,5242	1.6658	0.6003	40,796
2025	1.00%	63,917	3.50%	72.4106%	110,200	16	340,0226	1.7241	0.5800	42,747
2026	1.00%	64,557	3.50%	78.4450%	115,198	17	351,9234	1.7845	0.5604	35,639
2027	1.00%	65,202	3.50%	84.6906%	120,422	18	364,2407	1.8469	0.5414	47,404
2028	1.00%	65,854	3.50%	91.1548%	125,883	19	376,9891	1.9115	0.5231	47,475
2029	1.00%	66,513	3.50%	97.8452%	131,592	20	390,1837	1.9785	0.5054	47,470
2030	1.00%	67,178	3.50%	104.7697%	137,560	21	403,8401	2.0477	0.4884	44,881
2031	1.00%	67,850	3.50%	111.9387%	143,798	22	417,9745	2.1194	0.4718	42,411
2032	1.00%	68,528	3.50%	119.3545%	150,319	23	432,6037	2.1935	0.4559	42,412
2033	1.00%	69,213	3.50%	127.0319%	157,136	24	447,7448	2.2703	0.4405	42,412
2034	1.00%	52,429	3.50%	134.9780%	123,197	25	463,4159	2.3498	0.4256	5,670
MEASURE J TOTAL		1,550,435 **			2,556,339					819,249

* Based on Actual Receipts.

** Includes fourth quarter of 2009

Between April 1, 2009 and June 30, 2015, Measure J is estimated to generate an estimated \$427 million in escalated dollars (or \$351 million in constant 2004 dollars). Of that total, approximately 59% or \$252 million (escalated) is assumed to be set aside to programs leaving approximately \$175 million (escalated) for capital projects and debt service. During the same period approximately \$109 million (escalated) will be needed for debt service on the proposed bonds, leaving approximately \$66 million (escalated) in Measure J sales tax revenues to carry out Measure J projects. When combined with proceeds from proposed BAN/bond issuances, interest earnings on cash balances, and increased funding for projects in east county resulting from capitalizing east county's share of the TLC and subregional needs programs, approximately \$533 million in escalated dollars (\$444 million in 2004 dollars) will likely be available through FY2015 for *Capital Project Categories* in the Measure J Expenditure Plan.

Updates to the *Strategic Plan* are necessary to revise the forecasts and to ensure that project commitments do not exceed projected revenues, since forecasting sales tax revenues 25 years into the future is inherently uncertain.

Imposition of "Expenditure Caps"

The Measure J Expenditure Plan has neither an unallocated contingency nor a set aside to recover the cost of bonding. In order to address the projected 23% reduction in Measure J revenues and increased debt service, the Authority has to impose an overall "Expenditure Cap" of ~66% on all Measure J *Capital Project Categories*. The "Expenditure Caps" will also allow the Authority to pay for bond issuance costs, pay for Overall Program Management consultant costs (1.5%), and staff project management costs.

Although the overall "Expenditure Caps" on by sub-region should be around ~66%, "Expenditure Caps" on individual project categories may be higher or lower for the following reasons:

- *Meeting previous Measure J funding commitments and securing leveraged funds:* Capping the Caldecott Tunnel and SR4 East funding at 66% would mean reducing Measure J commitments to levels below what has been agreed to with the California Transportation Commission. Proposition 1B funds on both projects were predicated on commitment of specific Measure J amounts (\$127M on Caldecott and \$132M on SR4 East). Therefore caps on both project categories cannot be lower than 83% and 90%, respectively, unless cost savings are realized upon completion of the projects. In addition, since the Authority has to backfill ECCRFFA's commitment of \$50 million on SR4 East widening project - resulting from the slower collection of fees on new housing permits - the East County Corridor category cap cannot be lower than 83%.
- *Accounting for existing expenditures:* Prior to the start of Measure J, the Authority secured commercial paper to fund SR4 East Bypass projects (e.g. segments 1 and 3), secure right-of-way and complete environmental clearance design on other projects (e.g. Martinez Intermodal Station – Phase 3 and I-80 Integrated Corridor Mobility). The expenditure of these funds places a floor beyond which caps cannot be lowered.

-
- *Fully funding a high priority project:* In east Contra Costa County, in response to the above constraints (requirement to backfill \$50 million in ECCRFFA for SR4 East, and meeting an original Measure J commitment of \$132M for SR4 East) and in order to secure \$200 million in bridge toll funds and keep both eBART and SR4 East projects on schedule, TRANSPLAN recommended shifting all Measure J funds from its share of the following capital project categories/programs to fully fund eBART:

- BART Parking, Access and Other Improvements
- Major Streets: Traffic Flow, Safety, and Capacity Improvements
- Transportation for Livable Communities
- Subregional Transportation Needs

This in effect places a cap of ~0% on those categories. Absent such action, eBART fund allocations from MTC would have been jeopardized which in turn would have had a negative impact on SR4 East funding and schedule.

In addition, all of the debt service associated with the last bond issue will be attributed to the eBART category in Measure J. Therefore, the overall cap for project categories in East County will be slightly less than 66% since eBART would bear the entire cost of the last bond.

Expenditure caps will not apply to *Programs* except for the regional and sub-regional TLC Grants and Pedestrian/ Bicycle Programs (No. 12, 13, 25, 26 shown in Table 2) where a cap of 98.5% would apply to recover program management costs. (Bond proceeds will not be used for these two programs.)

Should revenue projections improve and/or projects are completed at lower costs, the Authority will raise the "Expenditure Caps" in future *Strategic Plan* updates. Table 5 identifies the "Expenditure Cap" for each project category, summarizes the programmed commitments in the *2009 Plan*, and compares those commitments with the "Expenditure Caps" and the Measure J Expenditure Plan. Table 6 identifies the cap for each project category by sub-region.

Table 5

Measure J Strategic Plan Summary

(x \$1,000)

PROJECT DESCRIPTION	ORG No	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Program of Projects (FY2007 thru FY2034) Total in 2004 \$	Program of Projects (FY2007 thru FY2015) Total in 2004\$	Funds Available for Future Programming (2004\$) Capped amounts - Program of Projects	Funds Available for Future Programming (2009\$) (2004 \$ amount x 1.1337)
Caldecott Tunnel 4th Bore	9625	\$ 125,000	83.3%	\$ 104,176	\$ 104,176	\$ 104,176	\$ (0)	\$ (0)
BART - East Contra Costa Extension ¹	9626	\$ 150,000	60.4%	\$ 90,653	\$ 90,653	\$ 63,810	\$ 26,842	\$ 30,431
State Route 4 East Widening	9627	\$ 125,000	90.0%	\$ 112,500	\$ 112,500	\$ 112,500	\$ 0	\$ 0
Capitol Corridor Improvements	9628	\$ 15,000	78.3%	\$ 11,745	\$ 11,745	\$ 11,745	\$ (0)	\$ (0)
Central County		\$ 7,500	90.0%	\$ 6,750	\$ 6,750	\$ 6,750	\$ (0)	\$ (0)
West County		\$ 7,500	66.6%	\$ 4,995	\$ 4,995	\$ 4,995	\$ -	\$ -
East County Corridors	9629	\$ 94,500	83.2%	\$ 78,652	\$ 78,652	\$ 78,652	\$ 0	\$ 0
Interchange Improvement on I-680 and SR242	9630	\$ 36,000	42.5%	\$ 15,300	\$ 15,300	\$ 2,531	\$ 12,769	\$ 14,476
I-80 Carpool Lane Extension and Interchange Improvements	9631	\$ 30,000	66.6%	\$ 19,980	\$ 19,980	\$ 17,266	\$ 2,714	\$ 3,077
I-680 Carpool Lane Gap Closure and Transit Corridor Improvements	9632	\$ 100,000	42.4%	\$ 42,375	\$ 42,375	\$ 3,110	\$ 39,265	\$ 44,513
Central County		\$ 75,000	42.5%	\$ 31,875	\$ 31,875	\$ 2,603	\$ 29,272	\$ 33,184
Southwest County		\$ 25,000	42.0%	\$ 10,500	\$ 10,500	\$ 507	\$ 9,993	\$ 11,329
Richmond Parkway	9633	\$ 16,000	66.6%	\$ 10,656	\$ 10,656	\$ 10,223	\$ 433	\$ 491
BART Parking, Access and Other Improvements	9634	\$ 41,000	53.8%	\$ 22,050	\$ 22,050	\$ 6,141	\$ 15,909	\$ 18,035
Central County		\$ 12,000	90.0%	\$ 10,800	\$ 10,800	\$ 3,763	\$ 7,037	\$ 7,977
West County		\$ 15,000	66.6%	\$ 9,990	\$ 9,990	\$ 2,378	\$ 7,612	\$ 8,630
Southwest County		\$ 3,000	42.0%	\$ 1,260	\$ 1,260	\$ -	\$ 1,260	\$ 1,428
East County		\$ 11,000	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Bus Transit Enhancement (capital part of a hybrid program)	9643	\$ 1,322	66.6%	\$ 880	\$ 880	\$ 880	\$ 0	\$ 1
Major Streets, Traffic Flow and Safety Improvements	9648	\$ 80,400	61.3%	\$ 49,252	\$ 49,252	\$ 30,650	\$ 18,602	\$ 21,089
Central County		\$ 48,000	90.0%	\$ 43,200	\$ 43,200	\$ 30,650	\$ 12,550	\$ 14,228
Southwest County		\$ 14,400	42.0%	\$ 6,052	\$ 6,052	\$ -	\$ 6,052	\$ 6,861
East County		\$ 18,000	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Capitol Corridor Rail Station Improvements at Martinez	9651	\$ 2,500	90.0%	\$ 2,250	\$ 2,250	\$ 2,250	\$ -	\$ -
Transportation for Livable Communities - East County		\$ 28,827	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Subregional Transportation Needs - East County		\$ 3,619	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -
Total		\$ 849,168	66.0%	\$ 560,469	\$ 560,469	\$ 443,933	\$ 116,536	\$ 132,114
Central County		\$ 243,500	66.6%	\$ 162,263	\$ 162,263	\$ 100,635	\$ 61,628	\$ 69,865
West County		\$ 69,822	66.6%	\$ 46,501	\$ 46,501	\$ 35,741	\$ 10,760	\$ 12,199
Southwest County		\$ 104,900	66.6%	\$ 69,900	\$ 69,900	\$ 52,595	\$ 17,305	\$ 19,619
East County		\$ 430,946	65.4%	\$ 281,805	\$ 281,805	\$ 254,962	\$ 26,843	\$ 30,431

Table 6
Measure J Strategic Plan Summary by Subregion (x \$1000)

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

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

*Only half is attributed to Southwest County

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

*Only half is attributed to Central County

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Escalated \$
BART – East Contra Costa Extension	\$150,000	60.4%	\$90,653	114,899
State Route 4 East Widening	125,000	90.0%	112,500	135,105
East County Corridors	94,500	83.2%	78,652	92,097
<i>SR4 Bypass/Vasco (spent)</i>			37,988	42,129
<i>SR4 East ECRFFA commitments backfill</i>			40,664	49,968
BART Parking, Access and Other Improvements East County	11,000	0.0%	0	0
Major Streets, Traffic Flow and Safety Improvements East County	18,000	0.0%	0	0
Transportation for Livable Communities – East County	28,827	0.0%	0	0
Subregional Transportation Needs – East County	3,619	0.0%	0	0
East County TOTALS	\$430,946	65.4%	\$281,805	\$342,101

Debt Financing

Bond proceeds can only be used for *Capital Projects* and are intended to be expended within three years of the bond issuance. Federal law related to tax exempt bonds and arbitrage provisions mandate an explicit expenditure schedule for bond proceeds. An arbitrage rebate or penalty may accrue if expenditure milestones are not met.

In September 2009 the Authority issued \$200 million of Bond Anticipation Notes (BANs). A BAN is a short-term borrowing instrument typically used as gap financing for a long-term bond issuance in the near future. The purpose of the 2009 BANs was to retire an earlier borrowing of \$69.3 million in Commercial Paper proceeds, terminate \$100 million of a 2005 forward starting swap agreement at a cost of \$11.4 million and raise approximately \$122 million for *Capital Projects*. On or before October 2010 the Authority anticipates issuing "take out" bonds of approximately \$221 million to repay the 2009 BANs. Three other bond issuances of \$92 million, \$168 million and \$26 million could follow in FY2011, FY2012 and FY2015, respectively. The timing and amount of the future borrowings is subject to change.

Debt service, which will have the first call against sales tax revenues under the bond covenants, was structured to increase over time. Table 4 shows the projected debt service for the proposed bonds.

While this *Strategic Plan* does not specifically identify which projects will be funded by BAN/bond proceeds (as opposed to pay-as-you-go sales tax revenues), the expectation is that projects ready for delivery in the earlier years of Measure J will be funded by bond proceeds. It is also assumed that the bond issuance in FY2015 will be dedicated exclusively towards the funding of the eBART project.

Project delivery milestones implicit in the *Program of Projects* are feasible because of the decision to pursue debt financing to build projects earlier than would be possible under a pay-as-you-go approach. However, the net cost of bonding for the first three bond issuances has been treated as an across-the-board cost to be shared by all *Project Categories* in the "Expenditure Plan" (whether advanced by the bonds or not). This burden is imposed through the "Expenditure Caps." In regard to BART Extension to East County (eBART) category, all of the debt service associated with the bond issue in FY2015 will be entirely attributed to the eBART category in Measure J. No other project categories will share in this burden.

Termination of the Swap

In 2005 the Authority entered into a forward starting interest rate swap agreement to secure a low interest rate of 3.653% on a \$300 million bond planned to be issued in 2009. At the time, interest rates were historically low and liquidity costs (cost charged by banks to purchase Variable Rate Demand Bonds (VRDB) in case they are not sold on the market) were about 0.25%. The total all inclusive rate therefore was expected to be approximately 3.9%. The agreement called for the Authority to pay 3.653% for 25 years to Bank of America and Merrill Lynch (now one entity), in return for a payment that historically has been equivalent to what the Authority would pay as interest on issued bonds. The banks payment is 63.5% of LIBOR (*The London Interbank Offered Rate*)¹ + 0.29%.

With the collapse of the financial markets in 2008 and the ensuing credit crunch, liquidity costs soared to 1.25% and the gap between the rate paid by Bank of America and Merrill Lynch, and what the Authority would pay to investors on its VRDB increased dramatically. In September 2009, the all inclusive interest rate would have been approximately 5.37% on the VRDBs (compared to 3.9% aimed for in 2005). In addition, the swap agreement termination cost carried a price tag of \$66 million at the peak of the crisis.

In order to reduce the Authority risk exposure and maintain its excellent credit rating, the Authority decided to wait for more favorable financial conditions. In September 2009, the termination cost dropped to about \$33 million and the Authority terminated \$100 million of the swap at a cost of \$11.4 million. Both Moody and S&P rated the Authority credit rating in the AA category.

The Authority can still terminate the swap agreement when the termination cost becomes more favorable.

Proposed Financial Plan

The financial plan, depicting Measure J revenues and expenditures, is shown in Table 8. This table has been prepared using the best currently available information, but should not be interpreted as absolute commitments. The financial plan is fiscally prudent and it represents a sound approach to programming projects – for the next two years. Should assumptions relative to project costs, inflation, or underlying economic growth change the Authority will be able to make a correction when the *Plan* is updated in the future.

¹LIBOR is a daily reference rate based on the interest rates at which banks borrow unsecured funds from other banks in the London wholesale money market

Table 8 - Financial Plan

Contra Costa Transportation Authority Financing Plan Cashflow		Reinvestment Rate on Cash Balances (FY09 - FY13) Reinvestment Rate on Cash Balances (FY14-FY34) Required Fund Balance									
		1.0798	1.1151	1.1337	1.1563	1.1795	1.2011	1.2271	1.2517	1.2767	
SOURCES OF FUNDS (\$000)		FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	
1 Escalation Rates											
2 Cash Balances											
3 Beginning Cash Balances		-	-	0.0	4,800.3	79,848.1	96,277.8	146,693.1	78,572.8	65,823.9	
4 Interest Earnings on Cash Balances		-	-	0.0	0.0	1,200.8	262.9	1,512.6	2,043.8	204.0	
5 Total Cash Balances		0.0	0.0	0.0	4,800.3	81,048.8	96,540.7	148,210.7	80,616.5	66,027.9	
6 Measure J Revenues											
7 Measure J Revenues (2004 \$)		-	-	12,425.2	55,605.8	55,605.8	55,161.8	56,723.5	57,290.7	57,853.6	
8 Measure J Revenues (Inflated \$)		-	-	14,646.1	64,239.5	65,585.5	67,558.2	69,605.7	71,708.8	73,874.4	
9 Bond Funds & Proceeds (Current Period)					187,828.0	81,467.0	150,000.0			22,844.8	
10 Total Bond Funds & Proceeds											
11 Other Financing Sources (Measure C, commercial paper, SUFF)		15,859.0	17,366.0	24,915.0					26,000.0		
12 TOTAL SOURCES OF FUNDS (INFLATED \$)		15,859.0	17,366.0	39,601.1	256,927.8	228,101.3	314,106.9	217,817.4	178,325.3	167,747.1	
USES OF FUNDS (\$000)		FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	
13 Total Gross Debt Service (Inflated \$)		-	-	-	4,036.4	12,156.4	15,928.4	24,676.0	25,250.7	26,522.5	
14 Total Gross Debt Service (2004 \$)		-	-	-	3,490.6	10,305.7	13,239.9	20,108.8	20,173.6	20,774.3	
15 Bond Insurance Related Costs - Issuance, Surety Bond, Underwriting, Amortization (Inflated \$)		-	-	-	12,572.0	1,881.0	1,362.0	-	-	505.7	
16 Bond Insurance Related Costs (2004 \$)		-	-	-	10,872.2	1,594.7	1,132.1	-	-	396.1	
17 Measure C/Commercial Paper Payback (cost shown in POB, not here) (Inflated \$)		-	-	-	58,140.0	-	-	-	-	-	
18 Measure C/Commercial Paper Payback (cost shown in POB, not here) (2004 \$)		-	-	-	50,279.1	-	-	-	-	-	
19 Defeasance (Inflated \$)		-	-	-	-	-	-	-	-	-	
20 Defeasance (2004 \$)		-	-	-	-	-	-	-	-	-	
39 Programs (Inflated \$)											
40 Local Streets Maintenance & Improvements - 18%				2,535.5	11,573.9	11,805.4	12,161.9	12,513.2	12,867.6	13,237.4	
41 TLC - 3.5588%				591.3	2,283.2	2,333.9	2,404.4	2,477.0	2,551.8	2,618.9	
42 Fed/Bike - 1.5%				211.3	561.5	593.8	1,013.5	1,044.1	1,075.6	1,108.1	
43 Bus Service - 5%				704.3	3,215.0	3,279.3	3,378.3	3,489.3	3,585.4	3,693.7	
44 Transportation for Seniors & People with Disabilities - 5%				704.3	3,215.0	3,279.3	3,378.3	3,489.3	3,585.4	3,693.7	
45 Express Bus - 4.3%				605.7	2,764.9	2,820.2	2,895.3	2,993.1	3,083.5	3,176.6	
46 Commute Alternatives - 1%				140.9	643.0	655.9	675.7	695.1	717.1	738.7	
47 Congestion Management, Transportation Planning, Facilities - 3%				422.6	1,923.0	1,967.6	2,027.0	2,088.2	2,151.3	2,216.2	
48 Additional Bus Transit Enhancements - 3.3513%				473.1	2,159.8	2,203.0	2,269.5	2,338.0	2,409.6	2,484.4	
49 Additional Transportation for Seniors and People with Disabilities - 1.15%				162.0	733.4	754.2	777.0	800.5	824.7	849.6	
50 Safe Transportation for Children - 4.545%				640.2	2,922.4	2,989.9	3,070.9	3,163.6	3,259.2	3,357.6	
51 Ferry Service in West County - 2.25%											
52 Additional Streets and Roads Maintenance - 2.01%				234.4	1,343.9	1,370.7	1,412.1	1,454.8	1,498.7	1,544.0	
53 Additional TLC - 0.4%				55.3	257.2	262.3	270.3	278.4	286.8	295.5	
54 Additional Fed/Bike - 0.04%				5.6	25.7	26.2	27.0	27.8	28.7	29.5	
55 Subregional Transportation Needs - 1.345%				199.0	897.4	854.7	911.5	939.0	967.4	995.6	
56 Administration - 1%				140.9	643.0	655.9	675.7	695.1	717.1	738.7	
57 Programs Total (2004 \$)				6,870.1	30,745.3	30,745.3	31,052.7	31,353.2	31,676.9	31,993.6	
58 Programs Total (Inflated \$)				7,788.4	35,552.2	35,263.2	37,358.4	38,436.6	39,648.9	40,816.3	
73 Projects (Inflated \$)											
74 Coliseum Tunnel 4th Bore		0	0	0	4073	8779	38068	49111	26969	0	
75 BART - East Contra Costa Extension		0	0	0	10000	10000	0	0	0	59501	
76 State Route 4 East Widening		0	0	8796	13843	29436	39702	25162	5000	13165	
77 Capital Corridor Improvements		0	0	6000	1685	5891	0	0	0	0	
78 East County Corridor		15032	15843	7363	3691	0	26928	0	15020	8019	
79 Interchange Improvement on I-680 and SR4		0	0	0	0	2003	1001	0	0	0	
80 I-680 Carpool Lane Extension and Interchange Improvements		649	1232	3618	3838	4716	662	0	0	5745	
81 I-680 Carpool Lane Gap Closure and Transit Corridor Improvements		68	269	495	2739	0	0	0	0	0	
82 Richmond Parkway		110	23	0	5646	6153	0	0	0	0	
83 BART Parking, Access and Other Improvements		0	0	0	3305	2203	1703	0	0	0	
84 Additional Bus Transit Enhancements (Capital Component of Hybrid Program)		0	0	0	1018	0	0	0	0	0	
85 Major Streets, Traffic Flow and Safety Improvements		0	0	0	13572	11762	4106	1207	0	5801	
86 Capital Corridor Rail Station Improvements at Martinez		0	0	0	2602	0	0	0	0	0	
87 Projects Total (2004 \$)		14,685.9	15,573.4	21,175.6	57,260.2	68,628.0	93,237.5	61,510.3	37,540.8	72,320.6	
88 Projects Total (Inflated \$)		15,833.2	17,366.4	26,273.5	69,212.6	69,944.9	112,170.5	75,490.7	45,983.5	92,331.7	
90 Program Management Costs (1.5%) - (2004 \$)				122.5	490.0	490.0	490.0	490.0	490.0	490.0	
91 Program Management Costs (1.5%) - (Inflated \$)				138.9	556.6	578.0	589.5	601.3	613.4	625.6	
92 TOTAL USES OF FUNDS (INFLATED \$)		15,859	17,366	31,201	177,080	131,824	167,409	139,245	112,501	160,832	
93 Ending Balance w/o Deferrals		(0)	0	4,800	79,848	96,278	146,698	78,573	65,824	1,915	
94 Deferred Projects				0	0	0	0	0	0	85	
95 Ending Balance		(0)	0	4,800	79,848	96,278	146,698	78,573	65,824	2,000	

III. POLICIES TO GUIDE THE 2009 STRATEGIC PLAN

The Authority has adopted the following policies to guide the implementation of Measure J and the development of the 2009 *Strategic Plan*:

- **Policy 1:** *Programs* will receive an annual allocation of sales tax revenues based on percentages set in the Measure J Expenditure Plan, as modified by Regional Transportation Planning Committees requests to advance capital components of programs.
- **Policy 2:** The Authority will impose an overall 66% “*Expenditure Cap*” on *Project Categories* and any advanced capital components of programs [whether advanced by bonds or not]. The “*Expenditure Caps*” allow the Authority to:
 - Address reduced revenues
 - Pay for debt service and bond issuance costs
 - Pay for *Overall Program Management* consultant costs (1.5%)
 - Pay for staff project management costs.

Expenditure Caps on individual project categories may be higher or lower than 66% to meet previous Measure J funding commitments, secure leveraged funds, account for existing expenditures, and/or fully fund a high priority project.

- **Policy 3:** Each *Project Category* will be eligible to receive total allocations up to the Measure J funding amounts programmed in the Strategic Plan.
- **Policy 4:** Overall Management consultant costs will not exceed 1.5% of *Project Categories* established in Measure J and will cover the cost of overall management of the program of projects.
- **Policy 5:** *Expenditure Caps* do not apply to *Programs* except for the TLC Grants and Pedestrian/Bicycle Programs (No. 12, 13, 25, 26) where a cap of 98.5% will apply to recover program management costs. [Bond proceeds will not be used for these two programs].
- **Policy 6:** Updates to the Measure J *Strategic Plan* will be adopted approximately every two years or sooner to evaluate revenue projections and assess adequacy of the *Expenditure Caps*.
- **Policy 7:** If Measure C funds were used to advance a Measure J Project, the advanced funds including interest will be repaid from Measure J revenues earmarked for the Project in October 2009.
- **Policy 8:** If Commercial Paper proceeds were used to advance a Measure J Project, the advanced funds including interest and each advanced Project’s proportional share of the Commercial Paper issuance costs will be repaid from Measure J revenues earmarked for

the Project in October 2009.

- **Policy 9:** Project sponsors are expected to adhere to policies and developed procedures in regard to the management of Measure J projects and compliance audits, as detailed in Resolutions 08-13-P and 08-05-A.

- **Policy 10:** In response to the significant challenges to achieve full funding for eBART by the end of 2015, the Authority will:
 - Shift \$50 million (escalated) from the East County Corridor category to backfill ECCRFFA commitment on SR4 East Widening.
 - Shift all Measure J funds from east county share of the following capital project categories to eBART:
 - BART Parking, Access and Other Improvements (Program No.10)
 - Major Streets: Traffic Flow, Safety, and Capacity Improvements (No. 24)
 - Shift remaining uncommitted Measure J funds from east county share of the following programs to eBART:
 - Transportation for Livable Communities (No. 12)
 - Subregional Transportation Needs (No. 28)
 - Funding to the above program/project categories shall be restored if actual revenues exceed projections, project cost estimates are reduced, and/or other fund sources are secured to complete eBART and/or SR4 East Widening projects.

- **Policy 11:** In addition to Policy 10, the Authority will:
 - ^{Reverse} Cap the cost to accommodate the eBART "footprint" in the median of State Route 4 from Loveridge Road to Route 160 at \$105 million, a savings of \$20 million compared to the pre-recession forecast; (This footprint cost includes only right-of-way costs and additional construction costs for a wider freeway median. It does not include eBART structures, tracks, or other eBART items).
 - Transfer \$20 million in projected savings for State Route 4 East Widening from Somersville to Route 160 to eBART; thereby providing a total Measure J commitment to eBART of \$135 million in escalated dollars;
 - To the extent feasible, advance a portion or all of the \$35 million (escalated) in committed funding for eBART currently assumed to be available after June 30, 2015. Such an advance in funding would be possible if the Authority's cash flow benefits from: (a) lower draw-down for other Authority projects, and/or (b) higher than forecast sales tax or bond revenues, and/or (c) other grants received by the Authority that reduce the sales tax cash flow for other committed projects; and

-
- Revisit the overall capital costs and funding plan for the combined State Route 4 Widening / eBART project by ~~June 30~~, 2011.

Jan 31

- **Policy 12:** In response to dedicating FY2015 bond proceeds to eBART, the Authority will focus programming 2012 STIP (State Transportation Improvement Program) funds to sales tax projects in west, southwest and central portions of Contra Costa county, except for the pre-commitment of \$13 million to eBART. In addition, debt service associated with that bond will be attributed entirely to BART Extension to East County (eBART) project category.
- **Policy 13:** Decisions on future bond issues will be contingent upon continuing robust sales tax revenues and updated analyses of the Authority's financial capacity.
- **Policy 14:** In order to reap the benefits of congestion relief as early as possible, the Authority may choose to appropriate and reimburse project proponents with funds programmed in the *Plan* in the current and immediately following fiscal year, subject to adequate cash reserves; If a project is not adhering to its schedule, it may be rescheduled and any available revenues may be reprogrammed to other projects which are deliverable. First priority for advancement, in such instances, would be given to projects contained within the *Strategic Plan* in the same sub-region.
- **Policy 15:** Local agencies may advance a project included in the *Plan* with local funds. Following such a request from a local sponsor, the Authority would commit, by resolution, to reimbursement at a future date consistent with project programming in the *Strategic Plan* and other applicable policies.

IV. THE PROGRAM OF PROJECTS

A Firm Commitment

The *Program of Projects* (Appendix A) represents the heart of the *Plan* because it is the yardstick by which project proponents' requests for fund appropriations will be judged in the ensuing two-year period. Fund appropriations – which the Authority makes by Resolution – may not exceed the amounts programmed for the project in the *Program of Projects*. For Measure J, the Authority will keep track of its expenditures in 2004 dollars (the year in which the Measure was passed by the voters), and the *Program of Projects* is depicted in both current (or *escalated*) dollars as well as in fixed 2004 dollars.

The 2009 *Strategic Plan* commits to projects through FY 2015. A funding commitment to an individual project represents a "not to exceed" amount of Measure J funds, and does not represent a commitment to set aside cash if it is not needed for the defined project; nor does it represent a commitment to the particular jurisdiction for a substitute project. "Savings" accrued from implementation of a specific project component are available as a first priority for completion of the overall project as defined in the Measure J Expenditure Plan.

Other Funding Sources

Funding shortfalls still exist for several projects that have been included in the Measure J expenditure plan. To the extent that Measure J funds are not sufficient to complete the original Expenditure Plan approved as part of Measure J, the Authority is committed to seeking other supplementary funds to implement the vision passed by the voters. The Authority may elect to submit projects, partially funded with Measure J funds, as candidates for federal or state funds in order to conserve Measure J funds.

Similarly, Measure J project proponents are expected to apply for all available funds from other sources to maximize the “leveraging” of Measure funds. Although the *Plan* may show full funding of a project from Measure J, the Authority may seek competitive federal or state funds, if available, to conserve the drawdown of Measure J funds. If unsuccessful in obtaining federal or state funds, the original commitment of Measure J funds would remain.

Other funding sources currently being monitored that could impact several projects in the *Plan* include:

a. Proposition 1B

With the passage of Proposition 1B in November 2006, the Authority successfully secured funding from the Corridor Mobility Improvement Account (CMIA) for three Measure J projects: 1) \$175 million for the Caldecott Tunnel 4th bore; 2) \$85 million for State Route 4 East Widening from Somersville to SR160; 3) \$76.8 million for the I-80 Integrated Corridor Mobility in Alameda and Contra Costa counties.

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

On January 21, 2009, the Authority approved Resolution 09-02-P to augment the Measure J revenue stream for capital projects with funds from the Proposition 1B State Local Partnership Program (~\$26 million) in a manner that would benefit each sub-region proportional to its share of capital projects in Measure J expenditure plan.

In Summer 2009, both Metropolitan Transportation Commission and the California Transportation Commission replaced unavailable state funds (Proposition 1B and STIP) on the Caldecott Tunnel with American Reinvestment and Recovery Act federal stimulus funds to expedite the project.

b. Federal Surface Transportation Reauthorization Bill

The current federal reauthorization act expired on September 30, 2009. Congress subsequently extended it for a month and is expected to be extended into 2010. The reauthorization of this act could be a good opportunity to seek additional funds. In the past, federal bills contained significant funding for projects in Contra Costa.

c. Sub-regional Fee Program Revenues

Local jurisdictions in West County have updated the Subregional Transportation Mitigation Program (STMP) fee structure and expenditure plan. This fee currently provides funds towards several Measure J projects of regional significance: (1) Hercules Rail Station, (2) I-80/San Pablo Dam Road Interchange Improvements, and (3) I-80/Central Avenue Interchange modification.

Similarly, local jurisdictions in East County are continuing the collection of subregional fees on new development, although at much slower rate. The fees are providing significant funding for SR4 East Widening from Somersville to SR160 and SR4 Bypass projects.

In the Tri-Valley Region, two fees are being collected on development. Both sources could provide needed funding for projects along I-680 south of SR24 interchange.

d. Bridge Toll Funds

Significant funding from Regional Measure 1 (\$52 million), Regional Measure 2 (\$96 million) and AB1171 (\$115 million) totaling approximately \$263 million are programmed for eBART. In addition, the I-680 southbound carpool lane gap closure project between N. Main and Livorna has an earmark of \$14 million in Regional Measure 2. Future increases in bridge tolls could provide much needed funding for projects with projected funding shortfalls.

Other Issues

Consistent with SWAT's direction during the development of the 2007 *Strategic Plan*, funding for the "Major Streets" category was allocated to SWAT jurisdictions in the *Program of Projects* based on population-and-road-miles formula. Under the formula, each jurisdiction share of that category funding was determined as follows:

Danville: 21.16%
Lafayette: 13.74%
Moraga: 9.10%
Orinda: 12.28%
San Ramon: 22.94%
Contra Costa County: 20.78%

Distribution of funding collected under the "Additional Local Streets and Roads Maintenance and Improvements" program (Program No. 23) is expected to follow the same formula used for the "Local Streets Maintenance Improvements" (Program No. 11).

THIS PAGE INTENTIONALLY BLANK

PROGRAM OF PROJECTS

2004 DOLLARS

CONTRA COSTA TRANSPORTATION AUTHORITY
PROGRAM PROJECTS
(200+ dollars x 1000)

PLAN 027109

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16-34	TOTAL
9625 CALDECOTT TUNNEL FOURTH BORE											
1001 Caldecott Tunnel Fourth Bore	-	-	-	3,522	7,443	31,643	40,021	21,546	-	-	104,176
Subtotal	-	-	-	3,522	7,443	31,643	40,021	21,546	-	-	104,176
9626 BART - EAST CONTRA COSTA EXTENSION											
2001 East Contra Costa Rail Extension (eBART)	-	-	-	8,648	8,478	-	-	-	46,684	26,843	90,653
Subtotal	-	-	-	8,648	8,478	-	-	-	46,684	26,843	90,653
9627 STATE ROUTE 4 EAST WIDENING											
3001 SR 4 East Widening, Somersville Road to SR160	-	-	7,759	9,874	7,670	18,955	16,431	(0)	2,479	-	63,168
3002 Commercial Paper Net Cost	-	-	-	2,097	-	-	-	-	-	-	2,097
3003 SR4 East Widening, Lovridge to Somersville	-	-	-	-	17,287	14,046	-	-	-	-	31,333
3004 East Contra Costa Rail Extension (eBART); SR4 East Savings	-	-	-	-	-	-	4,075	3,995	7,833	-	15,902
Subtotal	-	-	7,759	11,971	24,957	33,001	20,505	3,995	10,312	-	112,500
9628 CAPITOL CORRIDOR IMPROVEMENTS											
4001 Hercules Rail Station	-	-	-	-	4,995	-	-	-	-	-	4,995
4002 Martinez Intermodal Station - Phase 3	-	-	5,293	917	-	-	-	-	-	-	6,210
4003 Commercial Paper Net Cost to Martinez Intermodal Station - Phase 3	-	-	-	540	-	-	-	-	-	-	540
Subtotal	-	-	5,293	1,457	4,995	-	-	-	-	-	11,745
9629 EAST COUNTY CORRIDORS											
5001 SR4 Bypass-WB-SR4 to NB-SR160 Connector	-	-	-	-	-	-	-	-	-	-	-
5002 SR4 Bypass: Widen to 4 Lanes - Laurel Rd to Sand Creek Rd	-	693	2,836	-	-	-	-	-	-	-	3,529
5003 SR4 Bypass: Sand Creek Interchange - Phase 1	30	4,546	3,088	-	-	-	-	-	-	-	7,665
5004 SR4 Bypass-Balfour-Road-Interchange -Phase-1	-	-	571	-	-	-	-	-	-	-	571
5006 Vasco Road Safety Improvements (CC County)	-	-	-	-	-	-	-	-	-	-	-
5007 SR239 Study	-	-	-	-	-	-	-	-	-	-	-
5008 Commercial Paper Net Cost	-	-	-	3,365	-	-	-	-	-	-	3,365
5009 SR4 East Widening from Somersville to 160 (ECCRFFA share)	-	-	-	-	-	22,383	-	12,000	6,281	-	40,664
5010 SR4 Bypass Seg 1 and 3	13,891	8,968	-	-	-	-	-	-	-	-	22,859
Subtotal	13,921	14,207	6,495	3,365	-	22,383	-	12,000	6,281	-	78,652
9630 INTERCHANGE IMPROVEMENT ON I-680 & STATE ROUTE 242											
6001 I-680/SR4 Interchange Improvements - Phase 1	-	-	-	-	849	-	-	-	-	-	8,244
6002 SR242/Clayton Road Southbound Off-Ramp	-	-	-	-	-	-	-	-	-	1,669	2,518
6003 I-680/Marina Vista Interchange Modifications	-	-	-	-	849	-	-	-	-	1,018	1,018
6004 SR242/Clayton Road Northbound On-Ramp	-	-	-	-	-	-	-	-	-	326	1,175
6005 Willow Pass Road/SR4 Ramp Reconstruction	-	-	-	-	-	832	-	-	-	1,512	2,345
Subtotal	-	-	-	-	1,698	832	-	-	-	12,769	15,300

CONTRA COSTA TRANSPORTATION AUTHORITY
PROGRAM OF PROJECTS

(2004 Dollars x 1000)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16-34	TOTAL
9631 I-80 CARPOOL LANE EXTENSION AND INTERCHANGE IMPROV.											
7002 I-80/San Pablo Dam Road Interchange Improvements	367	949	1,641	224	3,379	-	-	-	-	-	6,560
7003 I-80/Central Avenue Interchange Improvements	234	156	35	242	620	550	-	-	4,500	2,714	9,052
7005 I-80 Integrated Corridor Mobility	-	-	1,516	2,749	-	-	-	-	-	-	4,265
7006 Commercial Paper Net Cost to I-80 Integrated Corridor Mobility	601	1,105	3,192	3,319	3,999	550	-	-	4,500	2,714	19,980
Subtotal											
9632 I-680 CARPOOL LANE GAP CLOSURE/TRANSIT CORRIDOR IMPROV.											
8001 I-680 Carpool Lane Gap Closure (Central County)	-	-	-	2,338	-	-	-	-	-	29,272	29,272
8002 I-680 Southbound Carpool Lane Extension (Restripe)	-	-	265	-	-	-	-	-	-	-	2,603
8003 I-680/Norris Canyon Road Bus/Carpool On- and Off-Ramps	63	241	172	31	5,217	-	-	-	-	9,993	10,500
Subtotal	63	241	437	2,369	-	-	-	-	-	39,265	42,375
9633 RICHMOND PARKWAY											
9001 Richmond Parkway Upgrade Study	102	21	-	-	-	-	-	-	-	-	123
9002 Richmond Parkway Upgrade	-	-	-	4,883	5,217	-	-	-	-	433	433
9003 Marina Bay Parkway Grade Separation	102	21	-	4,883	5,217	-	-	-	-	433	10,100
Subtotal	204	21	-	9,766	10,434	-	-	-	-	866	10,656
9634 BART PARKING, ACCESS, and OTHER IMPROVEMENTS											
10001 BART Parking, Access and Other Improvements - Central County	-	-	-	2,165	849	749	-	-	-	7,037	10,800
10002 BART Parking, Access and Other Improvements - West County	-	-	-	693	1,019	666	-	-	-	7,612	9,990
10003 BART Parking, Access and Other Improvements - Southwest County	-	-	-	-	-	-	-	-	-	1,260	1,260
10004 BART Parking, Access and Other Improvements - East County	-	-	-	2,838	1,868	1,415	-	-	-	15,909	22,050
Subtotal	-	-	-	5,696	3,736	3,830	-	-	-	31,628	44,040
9643 ADDITIONAL BUS TRANSIT ENHANCEMENT											
19001 AG-Transit-Capital-Improvements	-	-	-	880	-	-	-	-	-	-	880
19002 WestCAT Transit Capital Improvements	-	-	-	880	-	-	-	-	-	-	880
Subtotal	-	-	-	1,760	-	-	-	-	-	-	1,760
9648 MAJOR STREETS: TRAFFIC FLOW, SAFETY, & CAPACITY IMPROV.											
24001 Marsh Creek Road Upgrade (Clayton)	-	-	-	-	-	-	984	-	-	-	984
24002 Pine Hollow Road Widening (Clayton)	-	-	-	252	-	-	-	-	-	-	252
24003 Pacheco Blvd Realignment and Widening (Contra Costa County)	-	-	-	-	-	-	-	-	-	3,997	3,997
24004 Kirker Pass Road Truck Lanes (Contra Costa County)	-	-	-	-	-	-	-	-	4,544	-	4,544
24005 Court Street Overcrossing - Phase 1 (Martinez)	-	-	-	433	-	-	-	-	-	7,401	7,834
24006 Buskirk Avenue Widening - Phase 2 (Pleasant Hill)	-	-	-	3,464	4,160	1,748	-	-	-	-	9,373
24007 Geary Rd. Widening - Phase 3 (Walnut Creek & Pleasant Hill)	-	-	-	2,794	5,000	-	-	-	-	-	7,794
24008 Waterford Parkway Bridge (Concord)	-	-	-	-	-	1,665	-	-	-	1,152	2,817

CONTRA COSTA TRANSPORTATION AUTHORITY
PROGRAM F PROJECTS
(200 - dollars x 1000)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16-34	TOTAL
24009 Major Streets in Danville	-	-	-	-	-	-	-	-	-	1,281	1,281
24010 Major Streets in Lafayette	-	-	-	-	-	-	-	-	-	831	831
24016 Major Streets in Moraga	-	-	-	-	-	-	-	-	-	551	551
24017 Major Streets in Orinda	-	-	-	-	-	-	-	-	-	743	743
24021 Major Streets in San Ramon	-	-	-	-	-	-	-	-	-	1,388	1,388
24024 Major Streets in County (Southwest)	-	-	-	-	-	-	-	-	-	1,258	1,258
24025 Major Streets in East County	-	-	-	-	-	-	-	-	-	-	-
24026 Contra Costa Blvd Improvements (Pleasant Hill)	-	-	-	990	-	-	-	-	-	-	990
24027 Ygnacio Valley Road Permanent Restoration - Phase 2 (Concord)	-	-	-	2,937	-	-	-	-	-	-	2,937
24028 Clayton Rd/Treat Blvd/Denkinger Rd Intersection Capacity Improvements (Concord)	-	-	-	866	812	-	-	-	-	-	1,678
Subtotal	-	-	-	11,737	9,972	3,413	984	-	4,544	18,602	49,252
9651 CAPITOL CORRIDOR RAIL STATION IMPROVEMENTS AT MARTINEZ	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16-34	TOTAL
27001 Capitol Corridor Rail Station Improvements at Martinez	-	-	-	2,250	-	-	-	-	-	-	2,250
Subtotal	-	-	-	2,250	-	-	-	-	-	-	2,250
MEASURE J TOTAL	14,687	15,573	23,176	57,260	68,628	99,237	61,510	37,541	72,321	116,536	560,469

PROGRAM OF PROJECTS

ESCALATED DOLLARS

CONTRA COSTA TRAVEL ORIENTATION AUTHORITY
PROGRAM OF PROJECTS

(Escalated Dollars x 1000)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY 16-34	TOTAL
9625 CALDECOTT TUNNEL FOURTH BORE											
1001 Caldecott Tunnel Fourth Bore	-	-	-	4,073	8,779	38,068	49,111	26,969	-	-	127,001
Subtotal	-	-	-	4,073	8,779	38,068	49,111	26,969	-	-	127,001
9626 BART - EAST CONTRA COSTA EXTENSION											
2001 East Contra Costa Rail Extension (eBART)	-	-	-	10,000	10,000	-	-	-	59,601	35,298	114,891
Subtotal	-	-	-	10,000	10,000	-	-	-	59,601	35,298	114,891
9627 STATE ROUTE 4 EAST WIDENING											
3001 SR 4 East Widening: Somersville Road to SR160	-	-	8,796	11,418	9,047	22,804	20,162	(0)	3,165	-	75,391
3002 Commercial Paper Net Cost	-	-	-	2,425	-	-	-	-	-	-	2,425
3003 SR4 East Widening: Lovelidge to Somersville	-	-	-	-	20,390	16,898	-	-	-	-	37,288
3004 East Contra Costa Rail Extension (eBART): SR4 East Savings	-	-	-	-	-	-	5,000	5,000	10,000	-	20,000
Subtotal	-	-	8,796	13,843	29,436	39,702	25,162	5,000	13,165	-	135,101
9628 CAPITOL CORRIDOR IMPROVEMENTS											
4001 Hercules Rail Station	-	-	-	-	5,891	-	-	-	-	-	5,891
4002 Martinez Intermodal Station - Phase 3	-	-	6,000	1,061	-	-	-	-	-	-	7,061
4003 Commercial Paper Net Cost to Martinez Intermodal Station - Phase 3	-	-	-	624	-	-	-	-	-	-	624
Subtotal	-	-	6,000	1,685	5,891	-	-	-	-	-	13,571
9629 EAST COUNTY CORRIDORS											
5001 SR4 Bypass-WB SR4 to NB SR160-Contractor	-	-	-	-	-	-	-	-	-	-	-
5002 SR4 Bypass: Widen to 4 Lanes - Laurel Rd to Sand Creek Rd	-	773	3,215	-	-	-	-	-	-	-	3,988
5003 SR4 Bypass: Sand Creek Interchange - Phase 1	32	5,070	3,501	-	-	-	-	-	-	-	8,603
5005 SR4 Bypass-Balboa Road Interchange - Phase 1	-	-	-	-	-	-	-	-	-	-	-
5006 Vasco Road Safety Improvements (CC County)	-	-	647	-	-	-	-	-	-	-	647
5007 SR242 Study	-	-	-	-	-	-	-	-	-	-	-
5008 Commercial Paper Net Cost	-	-	-	3,891	-	-	-	-	-	-	3,891
5009 SR4 East Widening from Somersville to 160 (ECCRFPA share)	-	-	-	-	-	26,928	-	15,020	8,019	-	49,966
5010 SR4 Bypass Seg 1 and 3	15,000	10,000	-	-	-	-	-	-	-	-	25,000
Subtotal	15,032	15,843	7,363	3,891	-	26,928	-	15,020	8,019	-	92,097
9630 INTERCHANGE IMPROVEMENT ON I-680 & STATE ROUTE 242											
6001 I-680/SR4 Interchange Improvements - Phase 1	-	-	-	-	-	-	-	-	-	10,840	10,840
6002 SR242/Clayton Road Southbound Off-Ramp	-	-	-	1,001	-	-	-	-	-	2,195	3,196
6003 I-680/Marina Vista Interchange Modifications	-	-	-	-	-	-	-	-	-	1,339	1,335
6004 SR242/Clayton Road Northbound On-Ramp	-	-	-	1,001	-	-	-	-	-	429	1,430
6005 Willow Pass Road/SR4 Ramp Reconstruction	-	-	-	-	-	1,001	-	-	-	1,989	2,990
Subtotal	-	-	-	2,002	-	1,001	-	-	-	16,792	19,796

CONTRA COSTA TRANSPORTATION AUTHORITY
PROGRAM OF PROJECTS

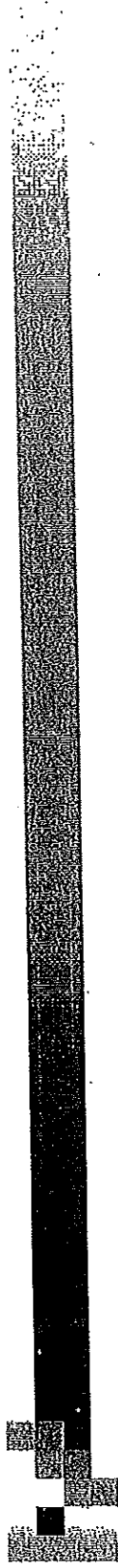
(Escalated Dollars x 1000)

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY 16-34	TOTAL
9631 I-80 CARPOOL LANE EXTENSION AND INTERCHANGE IMPROV.											
7002 I-80/San Pablo Dam Road Interchange Improvements	397	1,058	1,861	259	3,985	-	-	-	-	-	7,59
7003 I-80/Central Avenue Interchange Improvements	253	174	40	280	731	662	-	-	5,745	3,569	11,45
7005 I-80 Integrated Corridor Mobility	-	-	1,718	3,179	-	-	-	-	-	-	4,89
7006 Commercial Paper Net Cost to I-80 Integrated Corridor Mobility	649	1,252	3,618	3,838	4,716	662	-	-	5,745	3,569	24,03
Subtotal											
9632 I-680 CARPOOL LANE GAP CLOSURE/TRANSIT CORRIDOR IMPROV.											
8001 I-680 Carpool Lane Gap Closure (Central County)	-	-	-	2,704	-	-	-	-	-	-	38,49
8002 I-680 Southbound Carpool Lane Extension (Restripes)	-	-	301	-	-	-	-	-	-	-	3,00
8003 I-680/Norris Canyon Road Bus/Carpool On- and Off-Ramps	68	269	195	36	-	-	-	-	-	13,141	13,70
Subtotal	68	269	496	2,739	-	-	-	-	-	51,633	55,20
9633 RICHMOND PARKWAY											
9001 Richmond Parkway Upgrade Study	110	23	-	-	-	-	-	-	-	-	13
9002 Richmond Parkway Upgrade	-	-	-	5,646	6,153	-	-	-	-	569	56
9003 Marina Bay Parkway Grade Separation	110	23	-	5,646	6,153	-	-	-	-	569	11,80
Subtotal	110	23	-	5,646	6,153	-	-	-	-	569	12,20
9634 BART PARKING, ACCESS, and OTHER IMPROVEMENTS											
10001 BART Parking, Access and Other Improvements - Central County	-	-	-	2,504	1,001	901	-	-	-	-	13,66
10002 BART Parking, Access and Other Improvements - West County	-	-	-	801	1,202	801	-	-	-	10,010	12,81
10003 BART Parking, Access and Other Improvements - Southwest County	-	-	-	-	-	-	-	-	-	1,657	1,65
10004 BART Parking, Access and Other Improvements - East County	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	3,305	2,203	1,703	-	-	-	20,970	28,13
9643 ADDITIONAL BUS TRANSIT ENHANCEMENT											
19001 AG-Transit-Capital-Improvements	-	-	-	1,018	-	-	-	-	-	-	1,01
19002 WestCAT Transit Capital Improvements	-	-	-	1,018	-	-	-	-	-	-	1,01
Subtotal	-	-	-	2,036	-	-	-	-	-	-	2,03
9648 MAJOR STREETS: TRAFFIC FLOW, SAFETY, & CAPACITY IMPROV.											
24001 Marsh Creek Road Upgrade (Clayton)	-	-	-	291	-	-	1,207	-	-	-	1,21
24002 Pine Hollow Road Widening (Clayton)	-	-	-	-	-	-	-	-	-	-	21
24003 Pacheco Blvd Realignment and Widening (Contra Costa County)	-	-	-	-	-	-	-	-	5,801	5,256	5,21
24004 Kirker Pass Road Truck Lanes (Contra Costa County)	-	-	-	501	-	-	-	-	-	9,732	10,21
24005 Court Street Overcrossing - Phase 1 (Martinez)	-	-	-	4,006	4,907	2,103	-	-	-	-	11,01
24006 Buskirk Avenue Widening - Phase 2 (Pleasant Hill)	-	-	-	3,231	5,897	-	-	-	-	-	9,11
24007 Geary Rd. Widening - Phase 3 (Walnut Creek & Pleasant Hill)	-	-	-	-	-	2,003	-	-	-	1,515	3,51
24008 Waterworld Parkway Bridge (Concord)	-	-	-	-	-	-	-	-	-	1,684	1,61
24009 Major Str Danville	-	-	-	-	-	-	-	-	-	-	-

CONTRA COSTA COUNTY PORTATION AUTHORITY
PROGRAM J OF PROJECTS

(Escalated Dollars x 1000)

24010	Major Streets in Lafayette	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,093	1,05	
24016	Major Streets in Moraga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	725	72	
24017	Major Streets in Orinda	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	978	97	
24021	Major Streets in San Ramon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,826	1,82	
24024	Major Streets in County (Southwest)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,654	1,65	
24025	Major Streets in East County	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
24026	Contra Costa Blvd Improvements (Pleasant Hill)	-	-	-	-	-	-	-	1,145	-	-	-	-	-	-	-	-	-	1,14	
24027	Ygnacio Valley Road Permanent Restoration - Phase 2 (Concord)	-	-	-	-	-	-	-	3,396	-	-	-	-	-	-	-	-	-	3,39	
24028	Clayton Rd/Treat Blvd/Denkinger Rd Intersection Capacity Improvements (Concord)	-	-	-	-	-	-	-	1,002	958	-	-	-	-	-	-	-	-	1,96	
	Subtotal	-	-	-	-	-	-	-	13,572	11,762	4,106	1,207	-	-	-	-	-	5,801	24,462	60,91
9651	CAPITOL CORRIDOR RAIL STATION IMPROVEMENTS AT MARTINEZ	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16-34	TOTAL								
27001	Capitol Corridor Rail Station Improvements at Martinez	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	MEASURE J TOTAL	15,859	17,366	26,273	66,213	80,945	112,170	75,481	46,989	92,332	153,244	686,87								



MEASURE J
STRATEGIC PLAN
UPDATE

FINAL DRAFT

Presentation to APC
November 5, 2009



Presentation Outline

- Revenue Projections
- Bonding Capacity
- Expenditure Caps and RTPCs Input
- Key New Policies

Revenue Projections

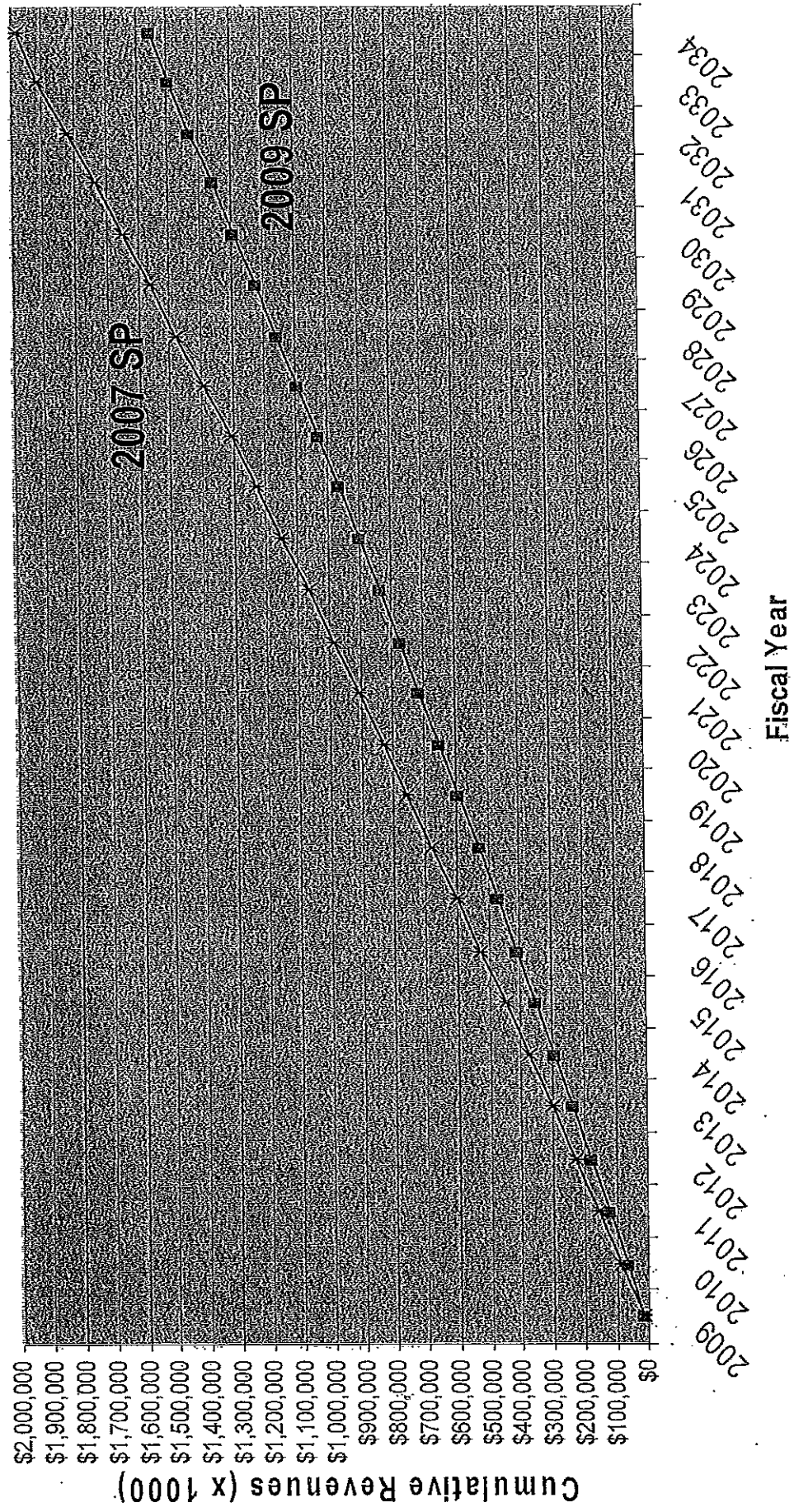
Real Growth Rates

- 2007 Strategic Plan assumed 1% “real growth rate”
- 2009 Strategic Plan assumes -2% in FY2010, 0% in FY2011, 1% afterwards (0.84% average over life of Measure J)

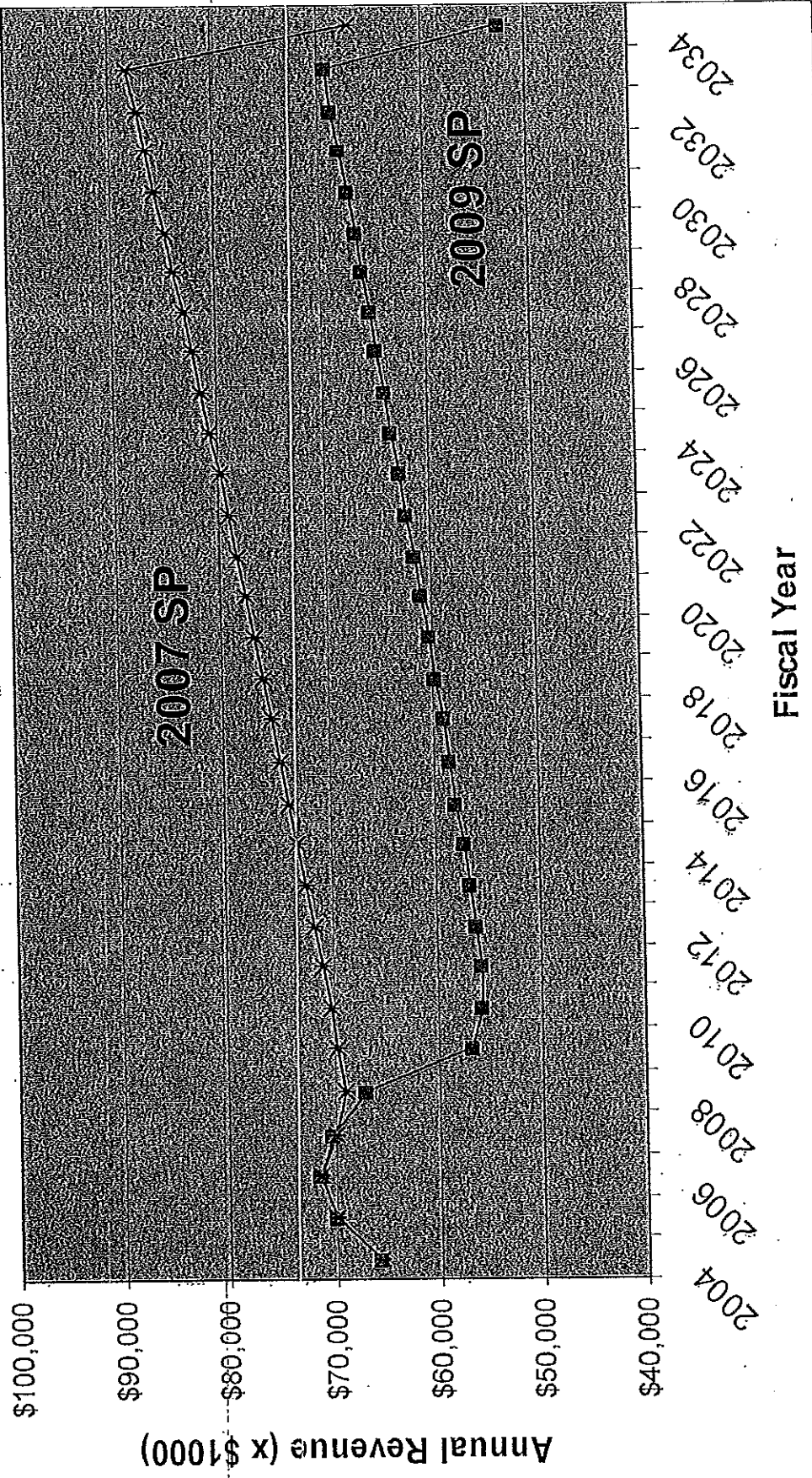
Inflation Rates

- 2007 Strategic Plan assumed 3.5% inflation rate/year
- 2009 Strategic Plan assumes 2% inflation rate thru FY2015, 3% between FY2016-2024 and 3.5% thereafter

MEASURE J Revenue Projections (2004 dollars)



Annual Sales Tax Revenues (2004 dollars)



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

Expenditure Caps

Overall expenditure cap on Measure J “Project Categories” must be tightened to ~66% to account for:

- 23% reduction in revenues
- Higher debt service costs on proposed bonds
- Swap termination cost

West County Projects

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Escalated \$
Capitol Corridor Improvements West County	\$7,500	66.6%	4,995	5,891
I-80 Carpool Lane Extension/Interchanges Richmond Parkway	30,000	66.6%	19,980	24,030
BART Parking, Access & Other Improv. West County	16,000	66.6%	10,656	12,502
Additional Bus Transit Enhancement West County	15,000	66.6%	9,990	12,814
	1,274	66.6%	848	1,018
West County TOTALS	\$69,774	66.6%	\$46,469	\$56,256

Southwest County Projects

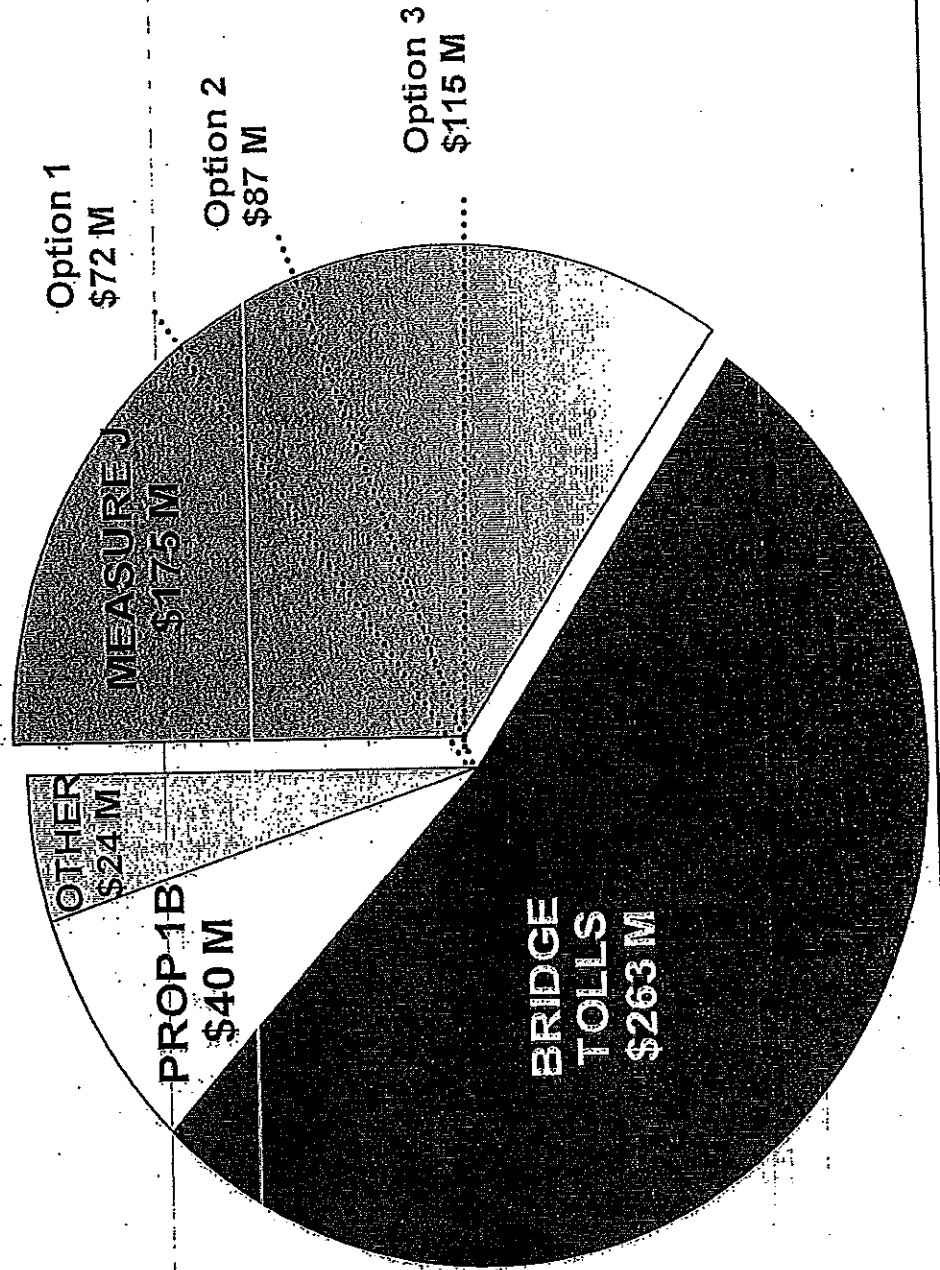
PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Escalated \$
Caldecott Tunnel 4 th Bore*	\$125,000/2	83.3%	\$104,176/2	\$127,000/2
I-680 Carpool Lane Gap Closure Southwest County - Norris Canyon HOV Ramps	25,000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

Central County Projects

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

Meeting eBART Commitments

eBART



eBART funding Options

		in millions	
		Funding (esc)	Shortfall compared to 2007 SP (esc)
Option 1	Meeting SR4 East Commitments	72	103
Option 2	In addition to 1, shift all remaining capital 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)
- East County recommended Option 3 on Sept 10, 2009
- Option 3 shortfall eliminated by \$60 M in cost savings on eBART/SR4

East County Projects (Option 3)

PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap. Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Escalated \$
BART - East Contra Costa Extension	\$150,000	60.4%	\$90,653	114,899
State Route 4 East Widening	125,000	90.0%	112,500	135,105
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 East County	11,000	0.0%	0	0
Major Streets. Traffic Flow and Safety Improv. East County	18,000	0.0%	0	0
Transport. for Livable Communities - East Co	28,827	0.0%	0	0
Subregional Transportation Needs - East Co.	3,619	0.0%	0	0
East County TOTALS	\$430,946	65.4%	\$281,805	\$342,101

Key New Policies – Policy 10

In response to the significant challenges to achieve full funding for eBART by 2015, the Authority will:

Shift \$50 million (escalated) from the East County Corridor category to backfill ECCRFFA commitment on SR4 East Widening.

Shift all Measure J funds from east county share of the following capital project categories to eBART:

- BART Parking, Access and Other Improvements
- Major Streets: Traffic Flow, Safety, and Capacity Improvements

Shift remaining uncommitted Measure J funds from east county share of the following programs to eBART:

- Transportation for Livable Communities
- Subregional Transportation Needs

Funding to the above program/project categories **shall be restored** if actual revenues exceed projections, project cost estimates are reduced, and/or other fund sources are secured to complete eBART and/or SR4 East Widening projects.

Key New Policies – Policy 11

In addition to Policy 10, the Authority will:

Revise the cost to accommodate eBART “footprint” in the median of SR4 from Loveridge Rd to Route 160 to \$105 million, a savings of \$20 million compared to the pre-recession forecast;

Transfer \$20 million in projected savings for SR4 East Widening from Somersville to Route 160 to eBART, thereby providing a total Measure J commitment to eBART of \$135 million (esc. \$);

To the extent feasible, advance a portion or all of the \$35 million (esc.) in committed funding for eBART currently assumed to be available after June 30, 2015. Such an advance in funding would be possible if the Authority’s cash flow benefits from: (a) lower draw-down for other Authority projects, and/or (b) higher than forecast sales tax or bond revenues, and/or (c) other grants received by the Authority that reduce the sales tax cash flow for other committed projects; and

Revisit the overall capital costs and funding plan for the combined SR4 Widening / eBART project by Jan. 31, 2011.

Key New Policies – Policy 12

In response to dedicating FY2015 bond proceeds to eBART, the

Authority will:

Focus programming 2012 STIP (State Transportation Improvement Program) funds to sales tax projects in west, southwest and central portions of Contra Costa county, except for the pre-commitment of \$13 million to eBART.

In addition, debt service associated with that bond will be attributed entirely to BART Extension to East County (eBART) project category.