

TRANSPAC Transportation Partnership and Cooperation

Clayton, Concord, Martinez, Pleasant Hill, Walnut Creek and Contra Costa County
2300 Contra Costa Boulevard, Ste. 360 • Pleasant Hill, CA 94523 • (925) 969-0841 FAX (925) 969-9135

TRANSPAC TAC MEETING NOTICE AND AGENDA

THURSDAY, April 28, 2011
9:00 am TO 11:30 am
COMMUNITY ROOM
CITY OF PLEASANT HILL CITY HALL
100 GREGORY LANE
PLEASANT HILL
(925) 969-0841

TAC Members – PLEASE bring your jurisdiction’s most current list of school sidewalk gap closure projects for the SR2S discussion

1. **Discussion with Jim Townsend, Trails Development Program Manager, East Bay Regional Park District (EBRPD) on a proposed allocation strategy for funding available to the EBRPD in Measure J.**

Measure J, line item 13, “Pedestrian, Bicycle, and Trail Facilities” sets aside one third of the funds in the category (\$10M) for the EBRPD to use for the development and rehabilitation of paved regional trails. The allocation is to be spent equally in the subregions and must be approved by the respective RTPC.

Attachment: Letter from Mr. Townsend describing the process to discuss an allocation strategy which will be used to develop a project list for each subregion; Measure J excerpt re: funds available to the EBRPD

Action: Report/Recommendation to TRANSPAC requested

2. **Recommendation on the Use of TRANSPAC's Measure J Additional Bus Service Enhancements funding (line item 19a) for FY 2011 -12**

Attachments: Financial spreadsheet and maps for Routes 316 and 16 as well as the CCTA e-mail notification on available Measure J funding

In 2009 and 2010, TRANSPAC approved the allocation of Measure J Central County’s (line item 19a) “Additional Bus Service Enhancements” for County Connection to use in support of Routes #16 and #316. In 2009 and 2010 TRANSPAC established that all future funding from this line item is subject to an annual allocation recommendation by TRANSPAC. Currently \$768,000 is available for allocation from this line item.

The TRANSPAC TAC is requested to review this annual allocation and forward a recommendation to TRANSPAC. County Connection proposes to continue to use the line 19a funds for routes #16 and #316 and requests TRANSPAC's approval.

The proposed action is approval of the allocation of Measure J line 19a funds to County Connection for FY 2011-12. The funds are to be used as follows: \$691,200 for the #16 and \$76,800 for the #316. Please see the attached spreadsheet for additional financial information.

Background: In May 2008, TRANSPAC sent a letter to CCTA to clarify its position that Measure J funding for "Additional Bus Transit Enhancements" (line item 19) is intended to augment bus services through annual payments over the 25 year life of Measure J, with the funds to be used by County Connection at its discretion to best address Central County's bus transit needs. County Connection must report annually to TRANSPAC on how the funds were used, and must consider using annual disbursements to establish a fund reserve to ease expected Measure J revenue variances over its 25-year span.

In February 2009, the CCTA approved a policy that, with respective RTPC approval, would allow eligible bus and paratransit operators to use funds from the Measure J Additional Bus Transit, line item 19, and the Transportation for Seniors and People with Disabilities, line item 20, funding categories for existing services as well as enhanced and supplemental services. TRANSPAC and WCCTAC are the two RTPCs with allocation recommendation authority over respective Measure J line items 19 and 20.

The CCTA's action was taken in response to the serious funding cuts experienced by bus and paratransit service providers during this economically challenging time and the need for flexibility driven by the serious funding cutbacks experienced by transit and paratransit operators. CCTA also noted that the use of these funds to start new service while cutting existing service may be confusing to the public.

At its March 12, 2009 meeting, TRANSPAC approved a request to CCTA for a Measure J amendment to add funding for existing service to the approved uses for its Measure J line items 19a and 20a and to allocate line item 19 funds to County Connection for new routes #16 and #316 for the fourth quarter of FY 2008/09 and FY 2009/10. In June 2010, TRANSPAC approved a total of \$733,182 for these services. TRANSPAC also established that all future funding from these line items remains subject to an annual allocation recommendation by TRANSPAC to CCTA. No funds were approved from line 20, Transportation for Seniors and People with Disabilities.

During the 2009 discussion, the following comments were noted for the record and future consideration of this allocation: TRANSPAC viewed these actions as short-term measures that recognized that decreased funding from standard sources had necessitated these actions; that an annual review/approval process is required to ensure that a precedent is not created which negates the Measure J intention of funding innovative local services; that restoration of this category for additional service is expected in the future and; that an annual approval is at TRANSPAC's discretion. **DOES THE TAC WISH TO CONSIDER A RECOMMENDATION TO TRANSPAC FOR A TWO YEAR ALLOCATION OF THESE FUNDS?**

Route #16 provides a direct connection between the Monument corridor and the County Hospital in Martinez. In the past, riders were forced to transfer at the Amtrak station. Weekend route #316 provides service linking Martinez to the Pleasant Hill BART station via Sun Valley Mall, DVC and downtown Pleasant Hill creating a new and improved connection between downtown Pleasant Hill and the Pleasant Hill BART station.

ACTION: Recommendation to TRANSPAC to approve the allocation of the \$768,000 for Routes 16 and 316 as shown and possibly a recommendation for a two year allocation of these funds and/or as determined

3. Measure J Strategic Plan Update, Hisham Noeimi, CCTA (attachment)

The CCTA Strategic Plan is updated every two years to revisit assumptions related to revenue growth and inflation, and to ensure project commitments do not exceed projected Measure J revenues. In February 2011, the Authority approved the revenue projections for use in the 2011 Measure J Strategic Plan. At this meeting, Authority staff will provide an update on Measure J revenues and impacts on projects in the four sub-regions of the County.

The TAC is requested to develop a recommendation for TRANSPAC to consider in June when Mr. Noeimi will report on the status of Measure J revenues and the need to further cap Measure J funding (another approx. 4%). The TAC may recall that in 2009, Central County's direction was to cap the 680/4 and 680 HOV and not touch the other categories. Options to be considered include not to cap 680/4 any further in the Strategic Plan which would result in a bigger cap on the I-680 SB HOV. Please note that it is likely that there will be a STIP call for projects in June with applications due in mid July.

Attachments: 2/3/11 CCTA Administration and Projects Committee Report; Measure J Strategic Plan Update Presentation (PowerPoint)

ACTION: As determined

4. Update on School Funding – Programs and Projects

Latest information on funding for school programs and projects. Please bring your jurisdiction's most current list of school sidewalk gap closure projects.

Attachment: April 20, 2011 CCTA meeting staff report handout; 511 Contra Costa Recommendation for Central County School Access programmatic funding should funds be available after the identification of eligible/workable capital projects.

ACTION: As determined

5. Oral Update on the SR 4 Integrated Corridor Analysis (ICA) Study

Attachment: None

ACTION: As determined

6. Continued Discussion of Ramp Metering in the SR 4 Corridor

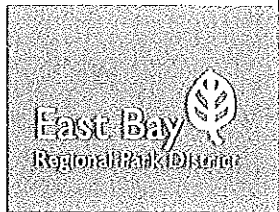
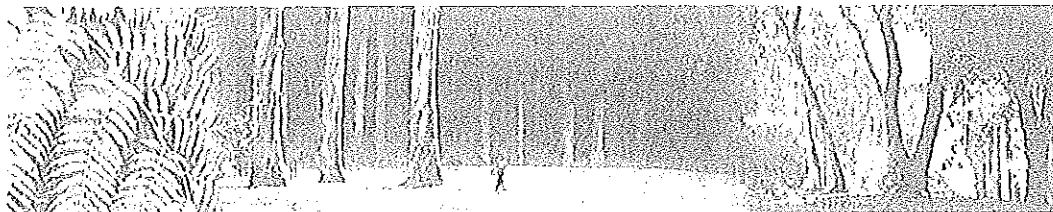
At the March TAC meeting, there was lengthy discussion regarding ramp metering projects and operations generally and in the SR 4 corridor. At the meeting, the TAC did not concur in the inclusion of any ramp metering projects or ITS projects proposed by Caltrans on the TRANSPAC RTP Vision list. Although there was interest in the process that Caltrans now uses to work with corridor stakeholders who also had been discussed with the TRANSPLAN TAC. In an e-mail exchange after the meeting, it was determined to add a "feasibility analysis of Intelligent Transportation Systems (ITS) and ramp metering operations" to the Vision list to bring this issue before TRANSPAC.

In response to that discussion, Erik Alm sent a letter in early April to the TRANSPAC Manager regarding the initiation of a process to develop a ramp metering agreement which would be memorialized in an MOU among Caltrans, MTC and CCTA. East County has received similar information. The TAC may wish to consider working jointly with the TRANSPLAN TAC on this issue.

Attachment: Correspondence from Erik Alm, AICP, District Branch Chief, Office of System Planning, System Planning East

ACTION: As determined

TAC 4 28 11



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April 19, 2011

Barbara Neustadter
TRANSPAC
296 Jayne Avenue
Oakland, CA 94610

RE: April 28 TRANSPLAN TAC meeting

Dear Barbara,

East Bay Regional Park District ("EBRPD") is working with Contra Costa Transportation Authority staff to develop a conceptual spending plan for its one-third allocation of the Measure J Pedestrian, Bicycle and Trail Facilities funds. Measure J requires that the EBRPD share be spent equally in each sub region, and is subject to the review and approval of the RTPC's. To that end, I would to have a discussion of a proposed allocation strategy placed on TRANSPLAN's TAC agenda for April 28th. Once each of the RTPC's has had the opportunity to review and comment on the proposed allocation strategy, East Bay Regional Park District can prepare a project list for each sub region's approval.

Thank you for your consideration.

Yours truly,

Jim Townsend
Trails Development Manager
510-544-2602

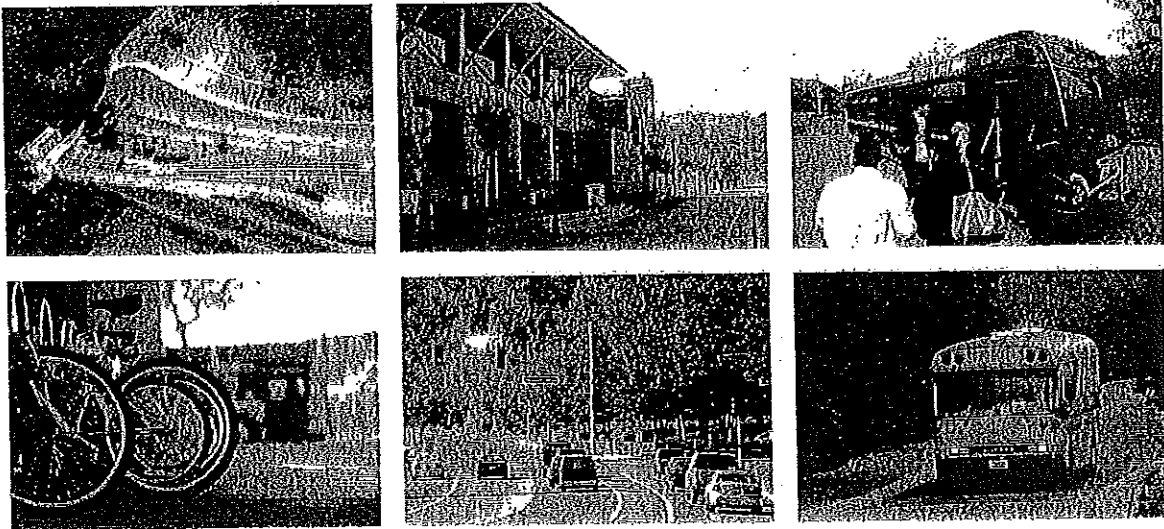
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EXCERPT

Measure J

CONTRA COSTA'S TRANSPORTATION SALES TAX EXPENDITURE PLAN



CONTRA COSTA
transportation
authority

Adopted November 2, 2004, as amended
through July 15, 2009

MEASURE J TRANSPORTATION SALES TAX EXPENDITURE PLAN

Table of Expenditure Plan Allocations

	\$ millions	%	Distribution of Funding By Subregion			
			Central (a)	West (b)	Southwest (c)	East (d)
CAPITAL IMPROVEMENT PROJECTS ¹						
1 Caldecott Tunnel Fault Bore	125	6.3%	62.5		62.5	
2 BART - East Contra Costa Rail Extension	150	7.5%				150.0
3 State Route 4 East Widening	125	6.3%				125.0
4 Capitol Corridor Improvements Including Rail Stations at Hercules and Martinez	15	0.8%	7.5	7.5		
5 East County Corridors (Vasco Rd, SR4 Bypass, Byron Hwy/Non-Freeway SR4)	94.5	4.7%				94.5
6 Interchange Improvements on I-680 & State Route 242	36	1.8%	36.0			
7 I-680 Carpool Lane Extension and Interchange Improvements	30	1.5%		30.0		
8 I-680 Carpool Lane Gap Closure/ Transit Corridor Improvements	100	5.0%	75.0		25.0	
9 Rialto Blvd Parkway	16	0.8%		16.0		
SUBTOTAL	691.5	34.6%	181.0	53.5	87.5	369.5
COUNTYWIDE CAPITAL AND MAINTENANCE PROGRAMS						
10 BART Parking, Access and Other Improvements	41	2.1%	12.0	15.0	3.0	11.0
11 Local Streets Maintenance & Improvements ²	360	18.0%	108.0	82.8	79.2	90.0
12 Transportation for Livable Communities Project Grants ³	100	5.0%	29.0	24.0	18.0	29.0
13 Pedestrian, Bicycle and Trail Facilities ³	30	1.5%	2.5	2.5	2.5	2.5
SUBTOTAL	531	26.6%	151.5	124.3	102.7	132.5
OTHER COUNTYWIDE PROGRAMS						
14 Bus Services	100	5.0%	24.0	52.0	15.0	9.0
15 Transportation for Seniors & People with Disabilities ⁴	100	5.0%	25.0	35.0	17.0	23.0
16 Express Bus ⁵	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%				
SUBTOTAL	366	18.3%	74.8	131.8	55.6	43.8
SUBREGIONAL PROJECTS AND PROGRAMS						
19 Additional Bus Transit Enhancements	68.5	3.4%	24.0	44.5		
20 Additional Transportation for Seniors and People with Disabilities ⁴	23	1.2%	10.0	13.0		

MEASURE J TRANSPORTATION SALES TAX EXPENDITURE PLAN

	\$ millions	%	Distribution of Funding By Subregion			
			Central (a)	West (b)	Southwest (c)	East (d)
21 Safe Transportation for Children (Carbonda and San Ramon Valley School Bus Programs, West County Low Income Student Bus Pass Program, Central County School Access Programs, Pedestrian and Bicycle Improvements, etc.)	90.9	4.5%	10.0	14.5	66.3	
22 Ferry Service in West County ⁴	45	2.3%		45.0		
23 Additional Local Streets and Road Maintenance Improvements	11.8	0.6%	20.0	11.8	10.8	
24 Major Streets: Traffic Flow, Safety and Capacity Improvements	80.4	4.0%	48.0		14.4	18.0
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		
27 Capitol Corridor Rail Station Improvements at Martinez	2.5	0.1%	2.5			
28 Subregional Transportation Needs	30.6	1.5%	16.2	6.0	4.7	3.7
SUBTOTAL	391.5	19.6%	130.7	142.8	96.3	21.7
OTHER						
29 Administration	20	1.0%				
TOTAL	2,000	100.0%				

		Central	West	Southwest	East
Specific Projects and Programs (Total) ⁶	1,900	538.0	452.4	342.1	567.5
Population Share (2020 Estimate) of Total		29.0%	24.0%	18.0%	29.0%
% allocated to Projects and Programs in subregion		28.3%	23.8%	18.0%	29.9%
% of "Fair Share" of Projects and Programs		97.6%	99.2%	100.0%	103.0%

- 1: Funding is for both capital improvements and costs incurred to accelerate delivery into the early years of the program (2009-10 through 2015-16)
- 2: Actual funding levels will be determined by formula: For 18% Local Street Maintenance and Improvements funds, annually; for TLC, every three to five years.
- 3: Pedestrian and bicycle facilities improvements are also eligible to be funded from the Transportation for Livable Communities Project Grants, Local Streets and Roads Maintenance & Improvements, and Major Streets: Traffic Flow, Safety, and Capacity Improvements categories. \$20 million out of the \$30 million to be made available countywide. Remainder (\$10 million) to be divided by sub-region.
- 4: Transit Operators are required to set aside up to 3% of their annual allocation as a reserve to offset potential future revenue downturns.
- 5: A summary of the Transportation for Livable Communities (TLC) program is included in Part IV.
- 6: "Total" excludes \$20 million for Pedestrian, Bicycle and Trail facilities, \$60 million for Congestion Management, Transportation Planning, Facilities & Services, and \$20 million for Administration

MEASURE J TRANSPORTATION SALES TAX EXPENDITURE PLAN

- 8 *Interstate 680 Carpool Lane Gap Closure / Transit Corridor Improvements* \$100 million
 Extend existing bus/carpool lanes on southbound I-680 from North Main Street to Livorna Road and northbound from North Main Street to north of SR 242. Construct bus/carpool on- and off-ramps at Norris Canyon Rd and/or Sycamore Valley Road, and other transit corridor improvements.

- 9 *Richmond Parkway*..... \$16 million
 Upgrade the Richmond Parkway by constructing intersection and interchange improvements, and/or provide funds to maintain the roadway.

Countywide Capital and Maintenance Programs

- 10 *BART Parking, Access, and Other Improvements*..... \$41 million
 Construct improvements to the BART system such as additional parking, station access, capacity, safety and operational improvements.

- 11 *Local Streets Maintenance & Improvements*.....\$360 million
 Eighteen percent of annual revenues are allocated to local jurisdictions on a formula basis for transportation projects to be determined locally, including street and road maintenance, subject to compliance with the Growth Management Program (GMP).

- 12 *Transportation for Livable Communities Project Grants (CC-TLC)*.....\$100 million
 Five percent of sales tax revenues are to be used to implement specific transportation projects that encourage the use of alternatives to the single occupant vehicle such as: pedestrian, bicycle and streetscape facilities, traffic calming and transit access improvements. Allocations are subject to compliance with the GMP, as outlined in the CC-TLC Summary included as Part IV of this Expenditure Plan.

- * 13 *Pedestrian, Bicycle and Trail Facilities*..... \$30 million
 One and a half percent of revenues are for construction of pedestrian and bicycle facilities including regional trails throughout Contra Costa.

Other Countywide Programs

- 14 *Bus Services*\$100 million
 Five percent of annual revenues are for bus service provided by all Contra Costa bus transit operators to alleviate traffic congestion and improve regional or local mobility for Contra Costa.

MEASURE J TRANSPORTATION SALES TAX EXPENDITURE PLAN

bicycling and/or transit usage. Typical investments include pedestrian, bicycle, and streetscape facilities, traffic calming and transit access improvements. Both planning grants and specific transportation capital projects may receive funding under this program.

Jurisdictions will be eligible for projects that meet the eligibility criteria only if they are in compliance with the GMP at the time a grant is approved for funding allocation by the Authority. Eligible projects will be recommended to the Authority by each subregion based on a three- or five-year funding cycle, at the option of the RTPCs. Subregional programming targets will be based on the relative population share of each in 2009, and adjusted every five years thereafter. Criteria are to include flexibility so that urban, suburban and rural communities can be eligible.

A summary of the Transportation for Livable Communities program is included in Part IV.

X

13 Pedestrian, Bicycle and Trail Facilities..... 1.5% (\$30 million)

Pedestrian, bicycle, and trail facilities, including regional trails are an important component of the regional transportation system. Two-thirds of the funds are to complete projects in the Countywide Bicycle and Pedestrian Plan. Consistent with the Bicycle Plan and the importance of bicycle and pedestrian facilities, other potential funding categories in this Plan for pedestrian/bicycle/trail facilities include: (a) Major Streets: Traffic Flow, Safety, and Capacity Improvements; (b) Safe Transportation for Children; (c) Local Streets and Road Maintenance; and (d) the Transportation for Livable Communities project grants. Moreover, where it is appropriate, routine accommodation for pedestrians and bicyclists should be incorporated in construction projects funded from these other categories.

X

One third of the funds are to be allocated to the East Bay Regional Park District (EBRPD) for the development and rehabilitation of paved regional trails. EBRPD is to spend its allocation equally in each subregion, subject to the review and approval of the applicable subregional committee, prior to funding allocation by the Authority. The Authority in conjunction with EBRPD will develop a maintenance-of-effort requirement for funds under this category.

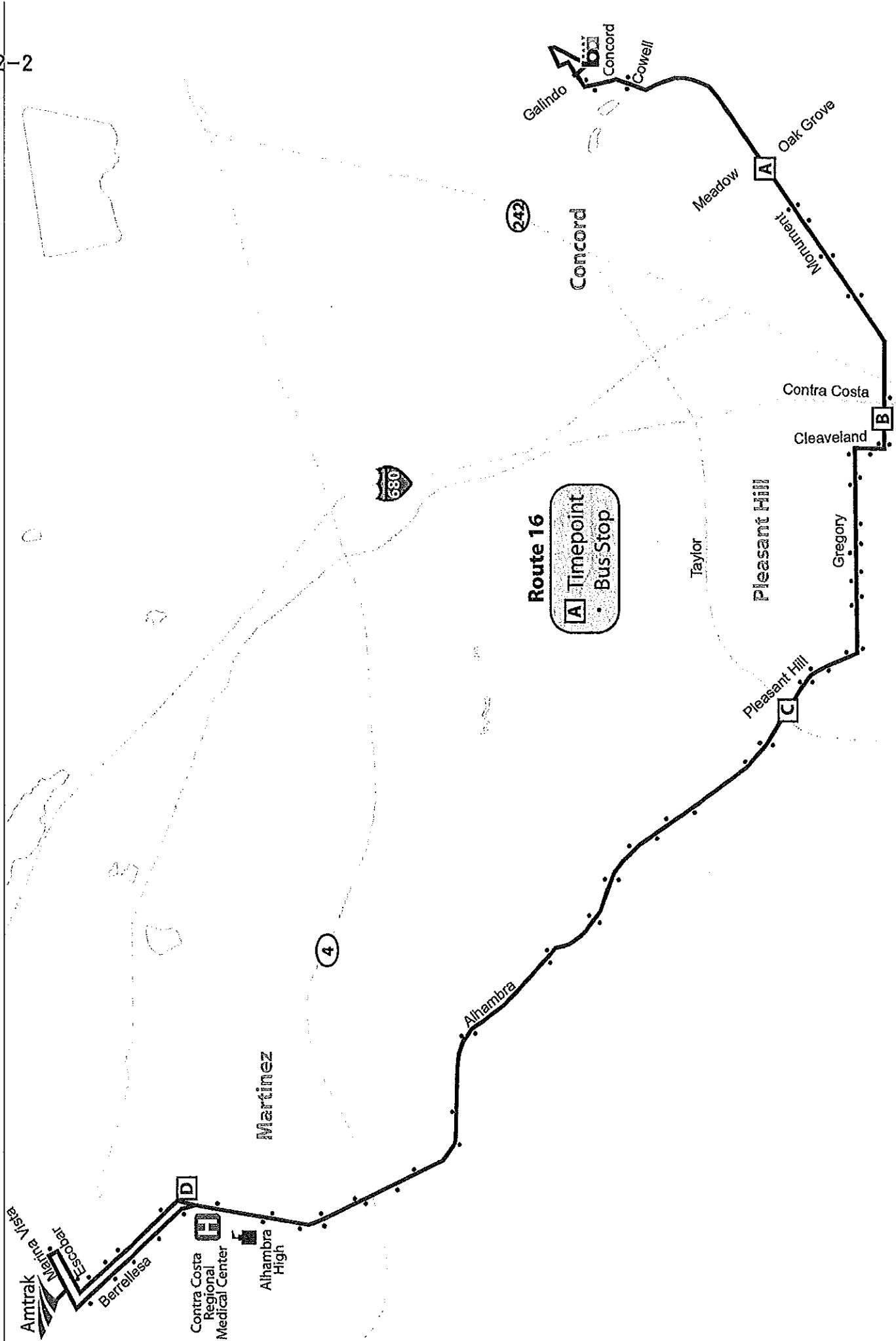
Other Countywide Programs

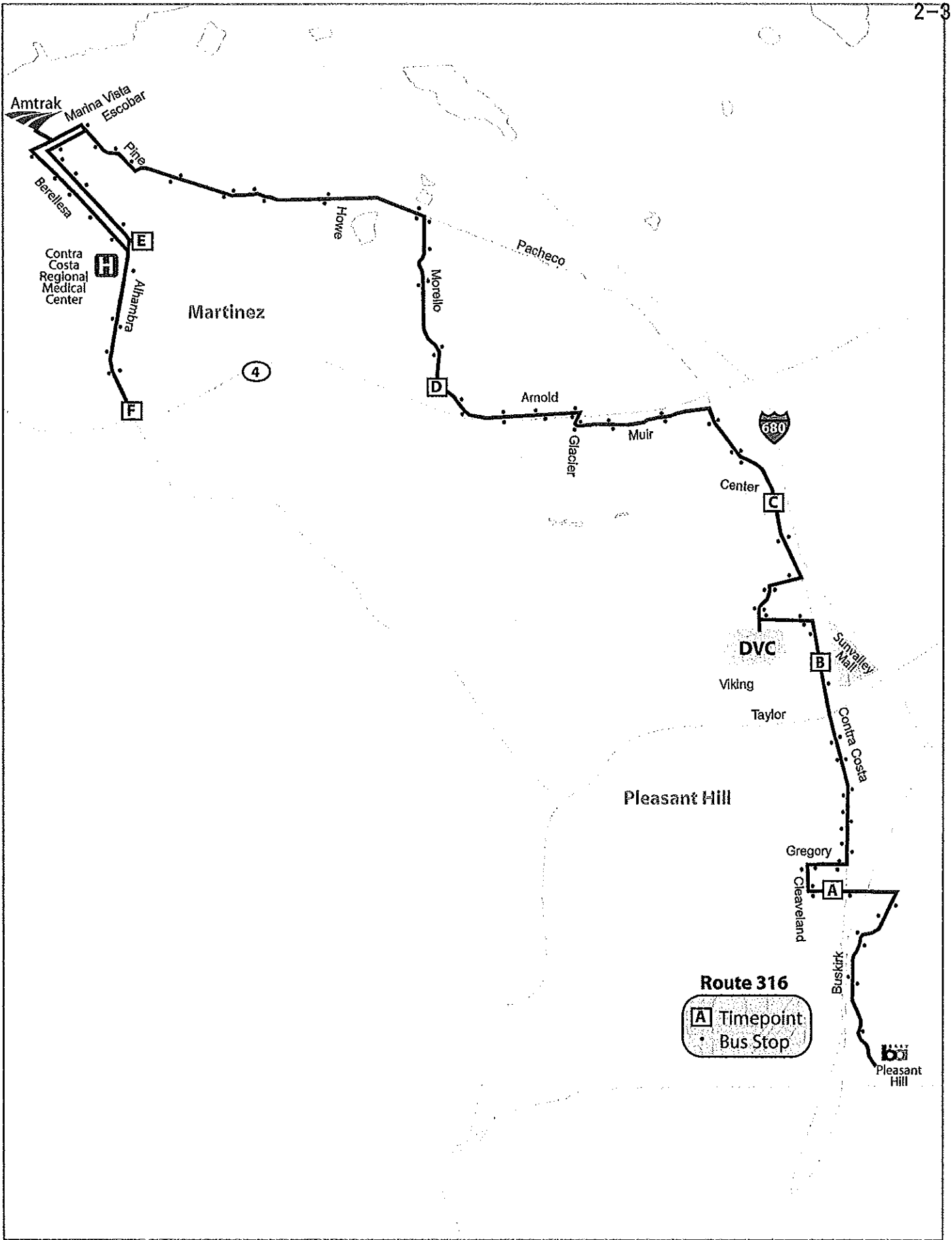
The following programs will be available to fund countywide operational programs, based on a specific percentage of annual revenues received. With respect to transit operations (bus, transportation for seniors and people with disabilities, and express bus), the Authority will allocate funds on an annual basis and will establish guidelines (in cooperation with transit operators through the Bus Transit Coordinating Coun-

FY 2011/12 Additional Bus - TRANSPAC

Route	Annual Passengers (FY09/10 Actual)	Total Hours (FY09/10 Actual)	Total Miles (FY09/10 Actual)	Cost (\$44.21/Total Hr + \$1.95/Total Mi)	Fares (\$1.20/Pass)	Measure J Revenue (FY11-12)	Total Fares and Meas J	TDA/STA	Pass/RHr (Feb 2011)
16	152,144	14,109	143,278	\$903,151	\$192,202	\$691,200	\$883,402	\$19,749	13.5
316	25,830	1,901	23,391	\$129,656	\$31,947	\$76,800	\$108,747	\$20,909	14.3
				\$1,032,807	\$224,148	\$768,000	\$992,148	\$40,658	

	Route	Route
Total	16	316
Share of Total Add'l Bus Services \$768,000	90%	10%
	\$691,200	\$76,800





Route 316
[A] Timepoint Bus Stop



Barbara-

Its time for you and County Connection to get together again and allocate the additional bus funds for FY 2011-12. My goal is to take this to the Authority in June if you can get TRANSPAC approval.

PROGRAM: 19a - Central County Additional Bus Services			FY 2011-12
Sales Tax Revenue Estimate			\$64,000,000
	%	Year	
Program Revenue Estimate	1.2%		\$768,000
Previous Year Allocation Adjustment			
Available for Allocation (Programmed by TRANSPAC)			\$768,000

<mime-attachment.gif>

Peter Engel, Program Manager

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Administration and Projects Committee Meeting **STAFF REPORT**

Meeting Date: February 3, 2011

Subject	2011 Update to the Measure J Strategic Plan: Revenue Projections and Development Schedule
Summary of Issues	<p>The 2011 <i>Update</i> to the Measure J <i>Strategic Plan</i> comes following the end of the "great recession" which adversely affected Measure J revenues and reduced available funding to Measure J projects and programs. Staff is proposing to initiate the <i>Update</i> now to reassess sales tax revenue projections, cash flow needs, and debt service costs. Based on this assessment, the timing and size of future bond issuances will be re-evaluated.</p> <p>The 2011 <i>Update</i> will cover the period between July 1, 2011 and June 30, 2015, and will have four major components:</p> <ul style="list-style-type: none"> • Sales tax revenue projections. • A "Program of Projects" commitment of funding schedule for specific projects through FY2015. • Cashflow projections to ensure funding needs are met. • A policy section to guide the <i>Update</i> to the <i>Strategic Plan</i>. <p>Actual revenues for FY2010 were lower than the 2009 <i>Strategic Plan</i> projections, resulting in a lower overall revenue projection. It is now estimated that \$403 million would be generated through June 30, 2015, compared to \$427 million estimate in the 2009 <i>Strategic Plan</i>.</p>
Recommendations	Staff recommends approval of the overall approach and revenue projection to carry forward in the 2011 <i>Update</i> .
Financial Implications	Measure J sales tax revenues are now estimated to total \$1.5 billion over 25 years (April 1, 2009 through March 31, 2034), compared to the \$1.55 billion estimated in 2009 <i>Plan</i> (or about \$50 million less over the life of the Measure).
Options	The Authority could defer any action pending further deliberations
Attachments	A. Sales Tax Projections
Changes from Committee	

Background

Measure J – a continuation of a half-percent countywide sales tax for transportation – was passed by Contra Costa voters in November 2004. The Measure started on April 1, 2009 and will be in effect for 25 years. The *Strategic Plan* is the blue print for delivering the voter-approved projects included in Measure J Expenditure Plan. It provides details on when and how much funding will be available for the various projects, taking into consideration revenue growth, inflation and debt service costs. The last Measure J *Strategic Plan* was adopted in December 2009, covering the period between FY2010 and FY2015.

Recognizing that there will be economic cycles and that project development might falter, the Authority committed to update the *Strategic Plan* approximately every two years committing to specific projects only for a specified period. 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.

This 2011 update to the *Strategic Plan* comes following the end of the “great recession” which adversely affected Measure J revenues and reduced available funding to Measure J projects and programs. Despite the official end of the recession in June 2009, the impacts of the downturn in the housing market and reduction of sales tax revenues are still expected to impact funding available for Measure J projects.

Sales Tax Revenue Projections Update

The 2009 *Strategic Plan* projected revenues of \$427 million in escalated dollars (or \$351 million in constant 2004 dollars) for the six year period between April 1, 2009 and June 30, 2015. Of the total amount, approximately 59% or \$252 million (escalated) was set aside for *Programs*, leaving approximately \$175 million (escalated) for *Capital Projects* and *debt service*. The projections assumed a relatively shorter recession with the economy continuing to deteriorate in FY2010, but flattening in FY2011. Economic recovery was assumed to start in FY2012.

A real growth rate of 1% was used to develop the estimate beginning in FY2012 with an average real growth rate of 0.84% and inflation rate near 3% for the life of the Measure.

Continuing with the overall average growth rate and inflation rate assumptions used in 2009 *Strategic Plan* but adjusting for actual FY2010 revenues and budgeted amount for FY2011 revenues, it is anticipated that over the life of the Measure \$1.5 billion (in 2004 dollars) would be generated compared to \$1.55 billion projected in the last *Strategic Plan*.

By June 30, 2015, it is now estimated that \$403 million in escalated dollars (or \$339 million in 2004 dollars) would be generated, a reduction of 3.4%. Of the total amount, approximately 59% or \$238 million (escalated) is set aside for *Programs*, leaving approximately \$165 million (escalated) for *Capital Projects* and *debt service*.

Administration and Projects Committee Meeting STAFF REPORT
February 3, 2011
Page 3 of 5

Policy Issues to be addressed in the 2011 Measure J Strategic Plan

The projected reduction in sales tax revenues presents several policy issues for the Authority:

Financial Capacity to Issue Bonds –To expedite high priority projects throughout Contra Costa, the Authority issued \$200M fixed rate Bond Anticipation Notes (BANs) in September 2009, which were re-financed to Floating Rate Notes on October 1, 2010. The *2009 Strategic Plan* anticipated three additional bond issues of \$92M, \$168M and \$26M in FY2011, FY2012 and FY2015, respectively

Staff is proposing to initiate the *Update* now to reassess sales tax revenue projections, cash flow needs, and debt service costs. Based on this assessment, the timing and size of future bond issuances will need to be re-evaluated.

Tightening of Funding Caps – As a first step in implementing Measure J, the Authority adopted a financial framework in May 2006 that segregated 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* receive an annual distribution of the Measure J revenue stream based on percentages set in the Expenditure Plan. Fluctuations in sales tax revenues on a year to year basis are 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).

The Measure J Expenditure Plan has neither an unallocated contingency nor a set aside to recover the cost of borrowing. In the *2009 Measure J Strategic Plan*, the Authority imposed an overall “Expenditure Cap” of ~66% on all Measure J capital project categories to address a 23% projected reduction in Measure J revenues and increased debt service costs.

With sales tax revenues coming below projections for FY2010 and FY2011, the Authority will need to tighten the expenditure caps further (~4%) in the *2011 Strategic Plan*.

Swap Termination - Another factor that will impact the Authority debt capacity (and consequently funding available for projects in the short and long terms) is termination of the \$200 million forward interest rate swap. In May 2005, the Authority entered into a \$300 million swap agreement to secure low interest rates on planned bond issuance in 2009. Following the financial turmoil in 2008 and 2009, \$100 million of the swap was terminated at a cost of \$11.4 million. To reduce risk exposure, the Authority previously discussed terminating the remaining \$200 million when the swap value approaches -\$17 million.

With projected rise in interest rates, the swap value is expected to improve (i.e. termination cost reduced). However, termination of the swap has the following immediate impacts on project delivery:

1) termination cost (if swap value is negative) will come out of Measure J projects funding; 2) since the Authority is presumed to issue fixed-rate bonds in a higher interest rate environment, financing costs will be higher resulting in less funding for projects; 3) ~10% of the bond proceeds will be set aside in a debt service reserve fund resulting in less proceeds to advance projects in the short term.

The termination of the swap means further tightening of the funding caps on projects. Preliminary analysis indicates the impact of the swap termination to project funding at approximately \$40 million. The 2011 Measure J Strategic Plan will assume continuation of the swap. Should the Authority decide to terminate the swap after the adoption of the Plan, an update will be warranted.

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 4th 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.

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

The Authority's current Measure J commitments to the CMIA projects are:

- Caldecott Tunnel: \$127 million (Measure J)
- SR4 East (Somersville to SR160): \$125 million (Measure J), \$30 million (ECCRFFA), \$12 million (Measure C)
- I-80 ICM: \$4.9 million (Measure J)

Given the downturn in the housing market, the Authority and TRANSPLAN will need to discuss the status of the \$30 million in remaining commitment for State Route 4 East Widening from east county transportation mitigation fees (ECCRFFA).

Subregional Equity – During the development of the Measure J Expenditure Plan, each sub-region 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 and 2009 Measure J Strategic Plans, each RTPC was requested to

Administration and Projects Committee Meeting STAFF REPORT

February 3, 2011

Page 5 of 5

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 last bond issue to eBART, which skewed the above percentages in favor of East County, the Authority adopted a policy to focus programming of the 2012 STIP cycle primarily on Measure C and Measure J projects in West, Central and Southwest County, except for the pre-commitment of \$13 million to eBART. This policy will need to be revisited based on the updated size of the last bond issuance dedicated to eBART.

Proposed Schedule for the Development of the 2009 Strategic Plan

- Jan 10: Approve overall approach and revenue projections
- Feb – Apr 11: Work with RTPCs and project sponsors to determine project priorities and cashflow needs for projects through FY2015
- May 11: Discuss policies for *2011 Measure J Strategic Plan*.
- June 11: Present draft *2011 Measure J Strategic Plan*.
- July 11: Finalize the *2011 Measure J Strategic Plan*.

Attachment A

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

Fiscal Year	Real Growth	Projected Sales Tax Rev.	Inflation	Inflation Factor	Total Inflated Sales Tax Rev.	Term	CPI	Escalation Factor	De-Escalation Factor
July 1 - June 30		(2004 \$ x 1000)			(\$ 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	3.28%	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%	58,736	1.66%	13.3873%	64,320	-	223.5792	1.1337	0.8821
2010	-5.51%	53,610	1.24%	14.7874%	61,527	1	226.3405	1.1477	0.8713
2011	0.09%	53,660	1.00%	15.9151%	62,200	2	228.6039	1.1592	0.8627
2012	1.00%	54,197	1.00%	17.0742%	63,450	3	230.8899	1.1707	0.8542
2013	1.00%	54,739	2.00%	19.4157%	65,366	4	235.5077	1.1942	0.8374
2014	1.00%	55,286	2.00%	21.8040%	67,340	5	240.2179	1.2180	0.8210
2015	1.00%	55,839	2.00%	24.2401%	69,374	6	245.0223	1.2424	0.8049
2016	1.00%	56,397	3.00%	27.9873%	72,170	7	252.3729	1.2797	0.7814
2017	1.00%	56,961	3.00%	31.8063%	75,078	8	259.9441	1.3181	0.7587
2018	1.00%	57,531	3.00%	35.7605%	78,104	9	267.7424	1.3576	0.7366
2019	1.00%	58,106	3.00%	39.8333%	81,252	10	275.7747	1.3983	0.7151
2020	1.00%	58,687	3.50%	44.7275%	84,936	11	285.4268	1.4473	0.6910
2021	1.00%	59,274	3.50%	49.7930%	88,788	12	295.4168	1.4979	0.6676
2022	1.00%	59,867	3.50%	55.0357%	92,815	13	305.7563	1.5504	0.6450
2023	1.00%	60,465	3.50%	60.4620%	97,024	14	316.4578	1.6046	0.6232
2024	1.00%	61,070	3.50%	66.0781%	101,424	15	327.5338	1.6608	0.6021
2025	1.00%	61,681	3.50%	71.8909%	106,024	16	338.9975	1.7189	0.5818
2026	1.00%	62,298	3.50%	77.9071%	110,832	17	350.8624	1.7791	0.5621
2027	1.00%	62,921	3.50%	84.1338%	115,858	18	363.1426	1.8413	0.5431
2028	1.00%	63,550	3.50%	90.5785%	121,112	19	375.8526	1.9058	0.5247
2029	1.00%	64,185	3.50%	97.2487%	126,605	20	389.0075	1.9725	0.5070
2030	1.00%	64,827	3.50%	104.1524%	132,346	21	402.6227	2.0415	0.4898
2031	1.50%	65,799	3.50%	111.2978%	139,033	22	416.7145	2.1130	0.4733
2032	2.00%	67,115	3.50%	118.6932%	146,777	23	431.2995	2.1869	0.4573
2033	2.00%	68,458	3.50%	126.3475%	154,952	24	446.3950	2.2635	0.4418
2034	2.00%	52,370	3.50%	134.2696%	122,688	25	462.0188	2.3427	0.4269
MEASURE J TOTAL		1,501,318 **			2,451,162				

* Based on Actual Receipts.

** Includes fourth quarter of 2009

Measure J Revenues Through FY2015	
In 2004 \$	\$339,512
Inflated	\$403,345
Bonds Debt Service Through FY2015	
Inflated	\$90,915

Averages (2010 - 2034):	
Real Growth Rate	0.84%
Inflation Rate	2.95%



Measure J Strategic Plan UPDATE

Presentation to the RTPCs

May 2011



Presentation Outline

- Background
- Revenue Projections
- Bonding Capacity
- Expenditure Caps and RTPCs Input
- Schedule for the **2011 Strategic Plan**

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.

BACKGROUND

Capital Project Categories

in Measure J Expenditure Plan

Distribution of Funding By Sub region

Funding Categories	Millions \$	Distribution of Funding By Sub region			
		(a) Central	(b) West	(c) SW	(d) East
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			
Total	\$816.7	243.5	69.8	104.9	398.5
		40.8 %			

BACKGROUND

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
TOTAL	\$1183.3	59.2%	\$294.5	\$382.6	\$237.2	\$169

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

BACKGROUND

Measure J Strategic Plan

- Blueprint for delivering Measure J Capital Projects
- Anticipates funding needs and availability for next 5 years
- 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

BACKGROUND

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 3rd bond to eBART.
- Imposed 90% funding caps on all Project Categories to pay for debt service on proposed bonds.

BACKGROUND

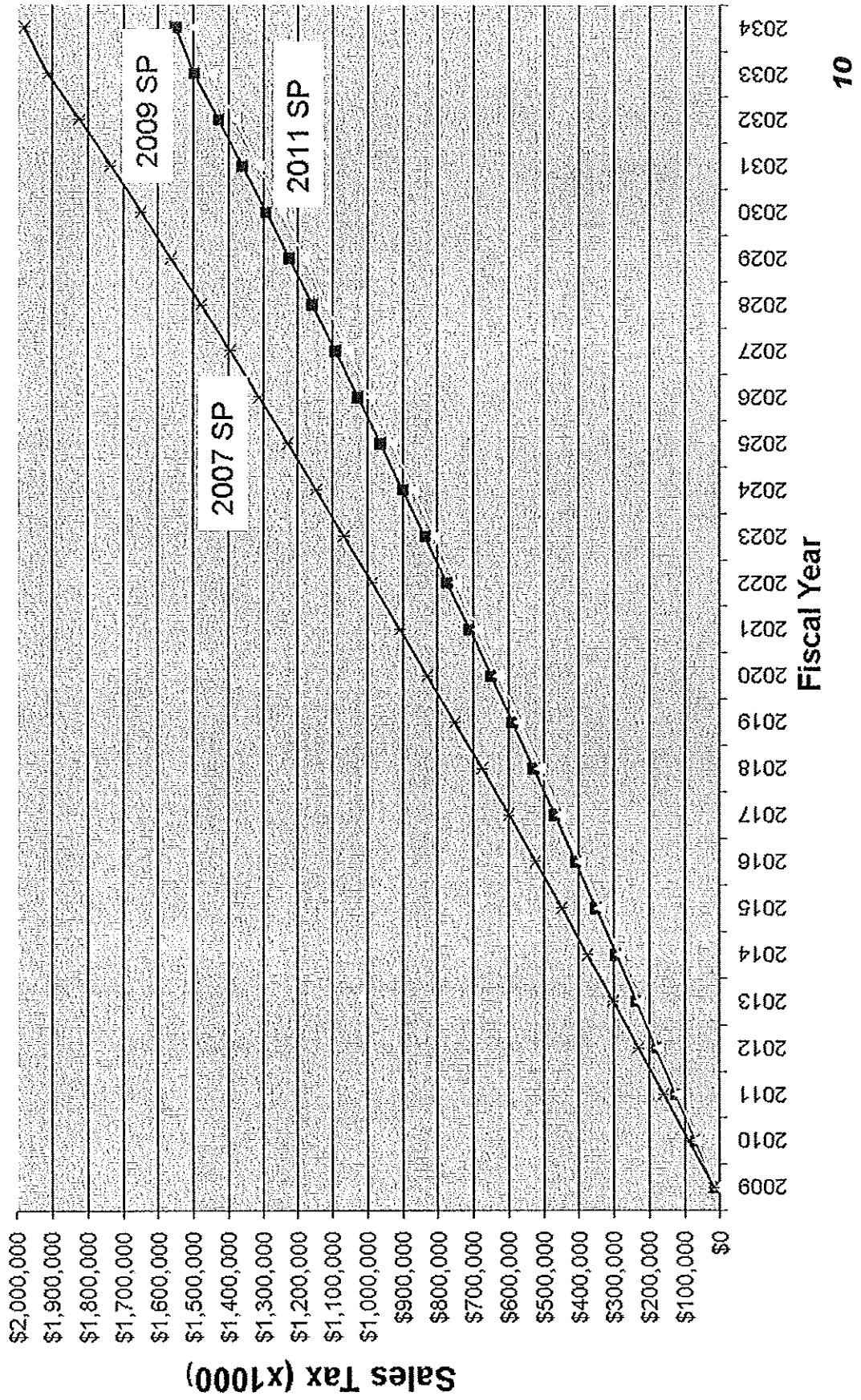
Measure J Strategic Plan

- **Funding Cap** applied to **ALL** project categories
- **Cap** allows Authority to:
 - Pay for debt service and bonding costs
 - Pay for overall program management consultant costs (1.5%)
 - Provide a buffer against reduced revenues
 - Pay for staff project management costs

BACKGROUND

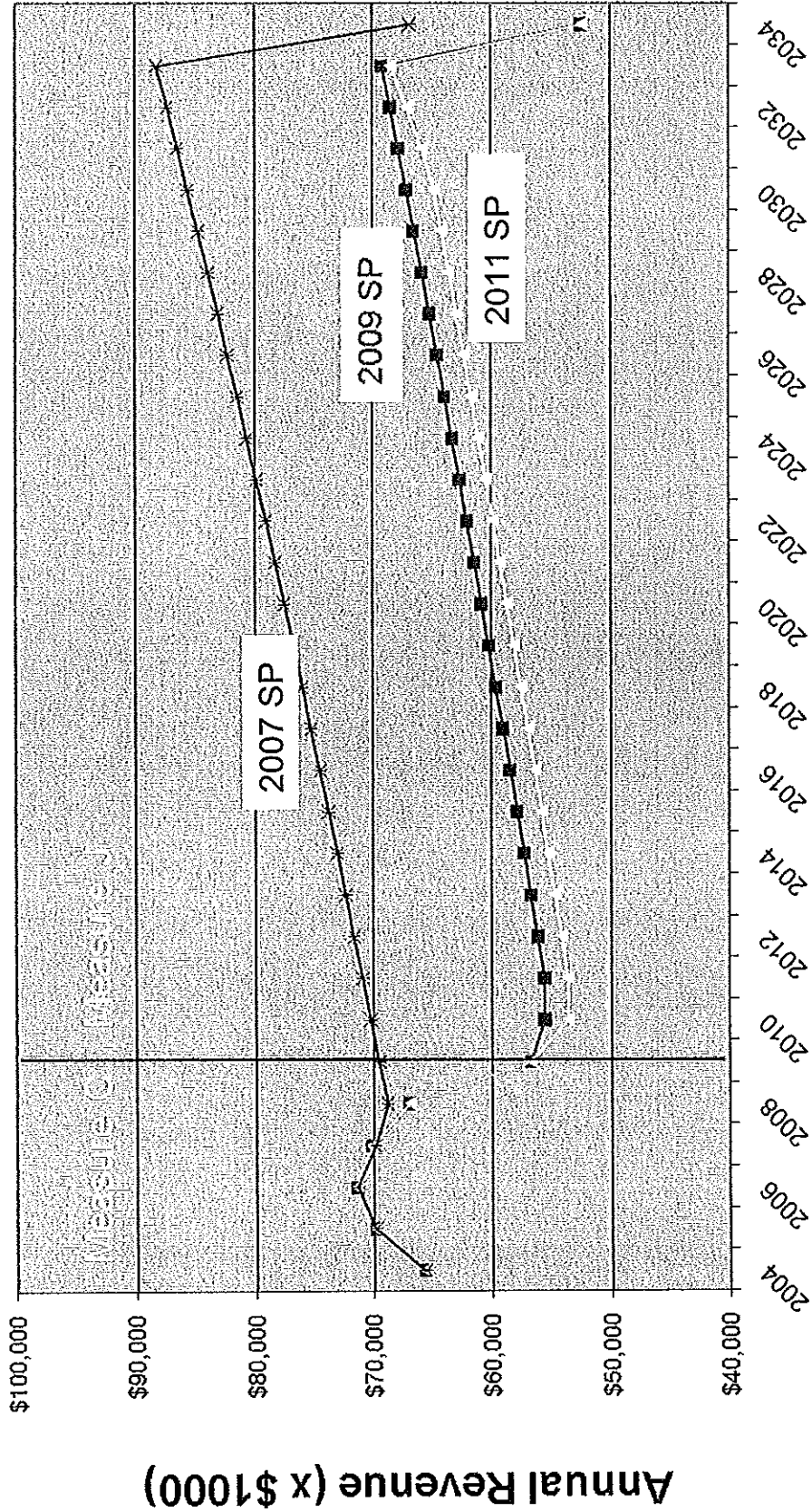
REVENUE PROJECTIONS

MEASURE J Revenue Projections (cumulative 2004 dollars)



REVENUE PROJECTIONS

Annual Sales Tax Revenues (2004 Dollars)



Fiscal Year

REVENUE PROJECTIONS

July 1 - June 30	(2004 \$ x 1000)	(\$ x 1000)	
2003	-	-	1
2004	-	65,684	2
2005	6.31%	69,828	3
2006	2.27%	71,411	4
2007	-1.78%	70,140	5
2008	-4.52%	66,969	6
2009	-15.28%	56,736	7
2010	-5.51%	53,610	8
2011	0.09%	53,660	9
2012	1.00%	54,197	10
2013	1.00%	54,739	11
2014	1.00%	55,286	12
2015	1.00%	55,839	13
2016	1.00%	56,397	14
2017	1.00%	56,961	15
2018	1.00%	57,531	16
2019	1.00%	58,106	17
2020	1.00%	58,687	18
2021	1.00%	59,274	19
2022	1.00%	59,867	20
2023	1.00%	60,465	21
2024	1.00%	61,070	22
2025	1.00%	61,681	23
2026	1.00%	62,298	24
2027	1.00%	62,921	25
2028	1.00%	63,550	
2029	1.00%	64,185	
2030	1.00%	64,827	
2031	1.50%	65,799	
2032	2.00%	67,115	
2033	2.00%	68,458	
2034	2.00%	52,370	
MEASURE J TOTAL	1,501,318	2,451,162	12

Bonding Capacity

- BONDING CAPACITY**
- Authority issued \$200M Floating Rate Notes in October 2010 (no debt service reserve required)
 - Currently \$105M is unspent
 - Capital projects lower cash drawdown due to:
 - Use of state and federal funds first such as ARRA, demo, STIP
 - Lower construction bids
 - Delay in project starts by project sponsors

Planned Bond Issues

- \$222M bond planned for FY2012
- \$67M eBART-specific bond planned for FY2014

BONDING CAPACITY

Expenditure Caps

Overall expenditure cap on Measure J “Project Categories” were tightened to ~66% in **2009 Strategic Plan** to account for:

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

Reduction in revenue projections in the 2011 Strategic Plan, and/or swap termination would require further tightening of the caps.

West County Projects

EXPENDITURE CAPS

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 (Hercules Intermodal Transit Center)	\$7,500	66.6%	4,995	5,891
I-80 Carpool Lane Extension/Interchanges	30,000	66.6%	19,980	24,030
Richmond Parkway (Marina Bay Pkwy Grade Separation)	16,000	66.6%	10,656	12,502
BART Parking, Access & 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

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	25,000	42.0%	10,500	13,708
Southwest County – Norris Canyon HOV Ramps				
BART Parking, Access & Other Improvements	3,000	42.0%	1,260	1,657
Southwest County				
Major Streets. Traffic Flow and Safety Improv.	14,400	42.0%	6,052	7,959
Southwest County				
Southwest County TOTALS	\$104,900	66.6%	\$69,900	\$86,824

EXPENDITURE CAPS

Central County Projects

EXPENDITURE CAPS

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 (Martinez Intermodal Station)	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	2,500	90.0%	2,250	2,602
Central County TOTALS	\$243,500	66.6%	\$162,263	\$203,375

East County Projects

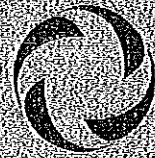
PROJECT DESCRIPTION	Expenditure Plan Amounts in 2004\$	% Cap Set	Capped Expenditure Plan Amounts in 2004\$	Capped Expenditure Plan Amounts in Escalated \$
BART – East Contra Costa Extension	\$150,000	60.4%	\$90,653	114,899
State Route 4 East Widening	125,000	90.0%	112,500	135,105
East County Corridors	94,500	83.2%	78,652	92,097
SR4 Bypass/Vasco (spent)			37,988	42,129
SR4 East ECCRFFA commitments backlog			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

EXPENDITURE CAPS

Schedule

- Feb 11:** Approve revenue projections/schedule
- Mar – Apr 11:** Determine project cashflow needs
- May 11:** Discuss issues/policies
- June 11:** Present draft 2011 plan
- July 11:** Finalize 2011 plan

SCHEDULE



CONTRA COSTA
transportation
authority

Measure J Strategic Plan

2009

EXECUTIVE SUMMARY

Measure J – a continuation of half-percent countywide sales tax for transportation – was passed by Contra Costa voters in November 2004. The Measure which started on April 1, 2009 will be in effect for 25 years. Recognizing that there will be economic cycles, the Contra Costa Transportation Authority (Authority) updates its *Strategic Plan* approximately every two years.

The Authority recognizes that these are extraordinary times. This *Strategic Plan* comes on the heels of a major downturn in the economy – the worst since the depression of the 1930s – that has negatively impacted Measure J revenues, reduced the Authority's debt capacity, and increased the debt service on proposed bonds. As explained in more detail below, the Authority regrets the need to cap and in some cases suspend funding for projects and programs in the Measure. While the Authority felt it had no choice but to make the difficult decisions contained herein, it remains committed to the vision approved by the voters of Contra Costa in November 2004. Just as it did under the economic downturn in the early 1990s (during the Measure C program) the Authority will aggressively pursue opportunities to fulfill the original Measure J vision and approved expenditure plan as funds become available through savings or new revenues.

Approximately \$533 million in escalated dollars (\$444 million in 2004 dollars) is now estimated to be available for *Capital Projects* through June 30, 2015, a reduction of \$174 million in escalated dollars (\$112 million in 2004 dollars) from the 2007 Strategic Plan.

This *Strategic Plan* fulfills three objectives related to the expenditure of sales tax funds generated by Measure J. First, it revises the overall estimate of anticipated sales tax revenues expected to be generated by Measure J. It is now projected that \$1.55 billion (2004 dollars) will be generated by Measure J over its 25-year life, a reduction of \$430 million compared to the 2007 Strategic Plan. The assumptions relative to inflation, real growth rate, and actual sales tax receipts to date are spelled out in the *Plan*, including a cash flow analysis encompassing annual sales tax receipts, interest income, debt service and project commitments. The underlying assumptions in the financial plan and the resultant cashflow estimates are critical to ensuring that the Authority will have the financial resources to deliver its project and program commitments.

Second, the *Plan* includes policies to guide the overall programming of projects and implementation of Measure J. These policies are spelled out in Section III of the main text (*Policies to Guide the 2009 Measure J Strategic Plan*).

Third, the *Plan* makes financial commitments, by fiscal year, to individual projects. The *Program of Projects* (Appendix A) represents the heart of the *Plan* because it 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 keeps 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.

Fund commitments are made in this *Strategic Plan* to numerous high visibility projects such as the Caldecott Tunnel 4th bore, State Route (SR) 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. Appendix B includes a series of Fact Sheets that depict each project proposed for funding. The fact sheets provide a thumbnail sketch of each project, its intended objective, status and funding.

A major challenge addressed by this *Strategic Plan* is achieving full funding for eBART and SR4 East widening despite the reduction in Measure J revenues and slower collection of sub-regional transportation mitigation fees. The *Plan* responded to this challenge by shifting Measure J funding from other project categories (Major Streets, BART Parking and Access Improvements) and programs (Transportation for Livable Communities and Sub-regional Transportation Needs) in East County. As noted above and requested by TRANSPLAN, it is the Authority's intention to assist East County in pursuing new sources of funds, and to restore funding to impacted projects/programs if revenues exceed current projections, project costs are further reduced, and/or new fund sources are secured.

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 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	\$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	60.4	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.

Handout — Item 4.B.4

April 20, 2011

Page 1

Safe Routes to School Recommendations

BACKGROUND

Contra Costa has \$2.47 million in federal CMAQ funding to allocate for Safe Routes to School programs or projects (or some combination of the two). Activities must be CMAQ-eligible and further the purposes of MTC's SR2S program. (Essentially, activities funded must either implement a physical improvement or educate or encourage students to walk or bicycle to school as a way to replace vehicle trips and thus reduce emissions.)

MTC set a minimum size of \$500,000 for each CMAQ-funded project in Contra Costa though they have tentatively agreed to allow projects as small as \$250,000. Since the funds are programmed in fiscal year 2012, all programs and projects must complete the State Local Assistance process by February 1, 2012.

DISCUSSIONS WITH LOCAL AND RTPC STAFF

Authority staff met with the SR2S Task Force, RTPC managers and members of the City-County Engineers Advisory committee familiar with the State Local Assistance process to work out a feasible approach to allocating the \$2.47 million in federal CMAQ funds for Safe Routes to School purposes. At an earlier meeting, the task force and RTPC staff recommended pursuing the exchange of the federal SR2S funds for Measure J funds by substituting Measure funds previously programmed for an existing federalized project with the CMAQ funds from the SR2S program.

After exploring this option further, the Authority staff recommended to the Planning Committee that it *not* exchange the federal funds for Measure funds because:

1. We're not sure that MTC would approve such an exchange.
2. We will also need approval from both Caltrans and FHWA.
3. The exchange would add significantly to demands on Authority staff.
4. The exchange may, by setting a February 1, 2012 deadline for use of CMAQ funds, put the \$2.47 million at risk as the projects that can receive the CMAQ funds are dependent on State bond sales.

The group reviewed the various requirements of the federal and MTC processes and programs and how the RTPCs, such as the size of minimum funding requests, and potential sponsors could successfully respond to them, such as bundling of smaller projects into a single larger project and the creation or expansion of multi-jurisdictional SR2S programs.

Handout — Item 4.B.4

April 20, 2011

Page 2

The group spent considerable time discussing the difficulties in identifying projects that meet the minimum size requirement (\$250,000 plus local match) as either stand-alone projects or programs, or as bundled projects with multiple locations in multiple locations. The biggest concern was that each project sponsor would need to get its right-of-way certification, NEPA clearance and other design approvals by February 1, 2012. Even projects that were categorically excluded from NEPA and required no right of way or utility relocation could have a hard time completing the Local Assistance process by February 1.

Staff and meeting attendees did agree that the RTPCs should recommend how to allocate the funds within their subregions and that the 50/50 split — 50 percent based on population and 50 percent on k-12 enrollment — should be used to determine subregional allocations.

THE TWO RTPC OPTIONS

The group recommended that the RTPCs pursue one of the following two options:

1. Recommend a stand-alone program or project that can meet both the federal and MTC requirements; education and outreach programs could either expand existing programs or create new ones within the subregion.
2. Find an already federalized project that can exchange some or all of its local funds with other SR2S projects for the CMAQ funds.

RTPCs could recommend either the stand-alone option or the “swap” option or a combination of the two. Or an RTPC could propose a stand-alone project and a stand-alone program.

Whether it funds programs or projects, the minimum request of federal funds would be \$250,000. (The total cost of CMAQ-eligible components, including the local match, would have to be at least \$282,500.)

Programs

If the RTPC proposes to use some or all of its share of SR2S funds for program activities, it must identify:

1. What activities will be funded (a detailed set of activities and budget for each set will be required later).
2. How the required local match (11.47 percent) will be provided
3. What agency will implement the program.

Handout — Item 4.B.4

April 20, 2011

Page 3

The Authority could serve as the project sponsor (possibly using STP funds set aside for the SR2S Master Plan). Under this arrangement, the Authority would establish agreements either with existing programs (511 Contra Costa, Streets Smarts in San Ramon Valley, Contra Costa Health Services in West County) or with other providers. Alternatively, these existing programs could serve as the project sponsor to provide new services or cover new areas.

RTPC managers also requested that the Authority consider requests to use comparable amounts of Measure J funds, from the CC-TLC, PBTF or other programs, to be used for sidewalk gap closures and other small SR2S projects.

Projects

If the RTPC proposes to use some or all of its share of SR2S funds for physical improvements, it would identify a project that is already “federalized”, that is, that already has federal funds programmed towards it in the TIP and can meet the February 1, 2012 deadline. The project must have at least \$282,500 in CMAQ-eligible components that the sponsor isn’t already receiving CMAQ funds (both the CMAQ- and the local match-funded components must be CMAQ-eligible)

If \$282,500 of the project is eligible for SR2S funding — for example, by providing sidewalk and crosswalk access to a school — then the project could use all \$250,000 of the SR2S funds. Alternatively, if none of the project was eligible, then the RTPC would need to identify other projects that could use local funds exchanged from the project that would provide \$250,000 in SR2S-eligible components. The Authority would need to request and MTC would need to approve any such exchange funds.

LOCAL MATCH AND ADMINISTRATIVE COSTS

Since the SR2S program is funded with federal CMAQ funds, those funds will need to be matched with local funds. For this program, the local match must be at least 11.47 percent of the total cost of the CMAQ-eligible components of the program or project. Sponsors will need to identify the source of the local match. Staff time used to oversee the project or program can be used to fulfill at least a portion of the local match. (This staff oversight, or “construction management” in the case of a construction project, cannot exceed 15 percent of the cost of the “construction” phase of the project, however. In addition, any consultant staff used for oversight or construction management must be contracted with through a competitively bid process.)

The group discussed using federal STP funds allocated for the Safe Routes to School Master Plan to help set up and administer SR2S programs in Contra Costa funded through

Handout — Item 4.B.4

April 20, 2011

Page 4

MTC's program. The Authority's original scope of work for the Master Plan did include an optional Task 4 — "Implement Initial Program for SR2S Funds" — that noted that "the scope of services for the Consultant Team may be amended to include involvement in the oversight of education and outreach programs funded through the CMAQ program."

While the use some Master Plan funds could be used to oversee and help set up SR2S programs, they would not count as a local match since they too are federal funds.

INFORMATION REQUIRED FOR FMS DATABASE

Sponsors must enter their project or program into MTC's Fund Management System (FMS) database (<http://fms.mtc.ca.gov/fms/home.do>). The first step in this process is for each sponsor to get an FMS ID that will allow him or her to enter the necessary project information.

The FMS project entry form contains nine "tabs" of information that sponsors must fill out:

<i>Tab</i>	<i>Key Information</i>
<i>General information</i>	Project name, county, sponsor, implementing agency, etc.
<i>Project description</i>	Mode and submodes served and percentage of funding for each, project type, purpose, description, expanded description and transportation problem addressed
<i>Project location</i>	Location included political districts
<i>Funding</i>	For each phase and funding source, the programmed year and amount
<i>Delivery milestones</i>	Environmental documents, PSR, and PSE
<i>Screening criteria</i>	Relationship of project to ITS, bicycle-pedestrian and transit plans and facilities and consistency with ADA requirements
<i>Contact information</i>	For both sponsoring and implementing agencies
<i>Project documents</i>	Includes required Resolutions of Local Support

Handout — Item 4.B.4

April 20, 2011

Page 5

Tab	Key Information
<i>Air quality</i>	Questions relating to consistency of project with air quality requirements. Note: <i>sponsors are strongly encouraged to work through this section with Authority staff</i>

SCHEDULE

The Authority will need to request an amendment from MTC, Caltrans and FHWA to add these programs and projects to the TIP. As noted above, either one umbrella TIP entry could cover all of the program activities within Contra Costa or each could be listed separately. Each project will need to have a separate TIP entry.

The next deadline for submitting amendments to the TIP is May 26, 2011. The following schedule would be needed to meet this deadline:

- April 22, 2011 Board approval of SR2S approach (or alternative)
 - RTPCs identify approach to use their subregional share consistent with the preceding options
- May 4, 2011 Planning Committee receives update on RTPC progress to date on defining their subregional approaches
- May 13, 2011 Sponsors complete entry of their projects or programs into MTC's FMS database
- May 18, 2011 Board approves SR2S projects for amendment into the TIP
- May 26, 2011 Deadline for submittal of final project or program entries into FMS
 - MTC staff agrees to submit new projects and programs as part of TIP Amendment 11-09
 - Sponsors begin Local Assistance Process
- February 1, 2012 Deadline for submittal of application for funding to Caltrans

Handout — Item 4.B.4

April 20, 2011

Page 6

Recommendations

1. Ask the RTPCs to recommend how to allocate their share of CMAQ funds available through MTC's SR2S program
2. Base this share 50 percent on population within the subregion and 50 percent on k-12 enrollment
3. Ask the RTPCs to recommend projects or programs that can meet the Caltrans and MTC requirements and that are either:
 - a. A stand-alone program or project, or
 - b. An already federalized project that can exchange some or all of its local funds with other SR2S projects for the CMAQ funds
4. Set a minimum request for SR2S funds of \$250,000 (the minimum program or project size would be \$282,500)
5. Set aside funds, if needed, from the SR2S Master Plan contract to help oversee and support programs or projects funded through MTC's SR2S program

RECOMMENDATION FOR CENTRAL COUNTY SCHOOL ACCESS FUNDING*

Due to last minute recommendations for CCTA allocation of MTC CMAQ SR2S funds, changes in the recommendations for Central County's School Access funding may be preferred. Should the SR2S recommendations be accepted, the following modifications to the requested allocation of the \$828,000 Central County School Access funds (FY 2008/09, 2009/10, 2010/2011) include:

1. Provide local matching funds for any projects/programs from local jurisdictions (or 511 CC) seeking MTC CMAQ SR2S funds. Total local match for TRANSPAC's SR2S allocation is \$88,555.
2. Develop a "pilot" school closure mitigation program to be co-sponsored with Mt. Diablo Unified School District. Superintendent Lawrence has requested assistance in developing a program which would allocate funds to supplement parent contributions for the District to provide school busing for students to travel to El Dorado Middle School in FY 20011/12 due to the closure of Glenbrook Middle school. Estimated cost for one "pilot" year is \$50,000, depending upon final surveying of potential student riders.
3. School bike/ped access improvements (e.g. signage, striping, dynamic speed signage, site surveys, other site improvements) = \$348,945
4. Expansion of the "Peace on the Streets: Ride On" program for 13 schools at \$18,500 each = \$240,500
5. Bike/ped assemblies = \$50,000 (~\$2,500 for 20 schools)
6. Bike/ped challenge days and Bike to School events = \$40,000 (~\$2,000 per school)
7. Develop and distribute bike/ped safety curricula to complement bike/ped safety classes = ~ \$10,000 to develop and customize materials for participating schools

*Should there be any MTC CMAQ SR2S funds available after local jurisdictions have identified sidewalk gap closure projects, a 511 Contra Costa programmatic workplan could be developed using SR2S funds to cover some of items #4-7 above.

DEPARTMENT OF TRANSPORTATION

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*Flex your power!
Be energy efficient!*

April 4, 2011

Ms. Barbara Neustadter
TRANSPAC Committee
2300 Contra Costa Blvd., Suite 360
Pleasant Hill, CA 94523

Dear Ms. Neustadter:

At your request, I am happy to follow up with you on recent discussion related to proposed ramp metering (metering) in the SR-4 Corridor. Clarification was requested on how corridor metering proposals are addressed in the current Regional Transportation Plan (RTP) Call for Projects, as well as a reminder of the process for developing a metering agreement for the SR-4 Corridor.

Regarding the RTP Call for Projects, MTC staff has confirmed that proposed metering projects in the region are considered to be part of the Freeway Performance Initiative (FPI) regional program, which will be submitted by MTC in response to the Call for Projects. As a result, individual metering proposals need not be submitted through the RTP Call for Projects, nor will funding for metering projects come out of the County target "budget" assigned by MTC. As you know, SR-4 metering was one of the recommended projects/strategies identified in the SR-4 CSMP that was completed October 2010 and developed with CCTA and TRANSPAC participation.

The SR-4 CSMP recommended a package of corridor-level improvements focused on the highway which we hope will influence future investment choices made through the regional planning process. The CSMP says this most directly in its signing statement, stating that it is a "document informing the transportation planning process." While we have established that a SR-4 metering proposal need not be submitted to the RTP Call for Projects, there were other capital project recommendations from the SR-4 CSMP that have been suggested for TRANSPAC, TRANSPLAN and/or CCTA sponsorship as part of your current RTP Call for Projects response.

In developing the CSMP with our local and regional partners, Caltrans recognizes that consulting with local jurisdictions along the corridor remains essential prior to initiating any improvement recommendations. A presentation by District 4 Operations Deputy Sean Nozzari in August 2009 to the SR-4 CSMP TAC outlined the principles and process in developing a metering agreement, including recent metering success stories in the region. Those principles included corridor focus, local engagement through an active technical committee, local sensitivity by committing to avoid local impacts and ongoing communication to keep all parties and the public informed. The result would be an MOU between Caltrans, MTC and CCTA.

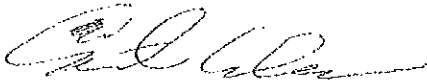
"Caltrans improves mobility across California"

Ms. Barbara Neustadter
April 4, 2011
Page 2

Concern has been previously expressed that the CSMP analysis performed was limited to measuring delay on the mainline, and was not able to include ramps and arterials. Additional technical analysis of metering proposals that includes ramp and arterial assessment is a fundamental part of the process of developing a metering agreement. Caltrans, MTC and CCTA remain committed to work with corridor stakeholders in a Corridor Metering Technical Advisory Committee to develop a detailed ramp metering implementation plan for the entire SR-4 corridor that is acceptable to all parties. This process can begin as soon as all parties are willing to convene.

We greatly appreciate your continued engagement in SR-4 corridor planning, and look forward to our continued partnership in developing mobility solutions for this corridor. Please let me know if you have any additional comments or concerns.

Sincerely,



ERIK ALM, AICP
District Branch Chief
Office of System Planning
System Planning East

c: MEngelmann (CCTA)
AYee (MTC)