

Measure J Strategic Plan UPDATE

Presentation to WCCTAC TAC

Feb 10, 2011

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Presentation Outline

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

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BACKGROUND

Measure J

- ❑ Approved by Contra Costa voters in November 2004
- ❑ Extends **½ 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			
		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	80.4	48.0		14.4	18.0
27. Capitol Corridor Rail Station Improvements at Martinez	2.5	2.5			
Total	\$816.7	40.8 % 243.5	69.8	104.9	398.5

Programs in Measure J Expenditure Plan

Distribution of Funding By Sub-region

Funding Categories	Millions \$	%	Distribution of Funding By Sub-region			
			Central (a)	West (b)	SW (c)	East (d)
11 Local Streets Maintenance & Improvements	\$360	18.0%	108.0	\$ 82.8	\$79.2	\$90.0
12 Transportation for Livable Communities Project Grants	100	5.0%	29.0	24.0	18.0	29.0
13 Pedestrian, Bicycle and Trail Facilities	30	1.5%	2.5	2.5	2.5	2.5
14 Bus Services	100	5.0%	24.0	52.0	15.0	9.0
15 Transportation for Seniors & People with Disabilities	100	5.0%	25.0	35.0	17.0	23.0
16 Express Bus	86	4.3%	20.0	40.0	20.0	6.0
17 Commute Alternatives	20	1.0%	5.8	4.8	3.6	5.8
18 Congestion Management, Transportation Planning, Facilities & Services	60	3.0%	n/a	n/a	n/a	n/a
19 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

BACKGROUND

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

BACKGROUND

- ❑ 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

Measure J Strategic Plan

BACKGROUND

- ❑ 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.

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

Revenue Projections

Real Growth Rates

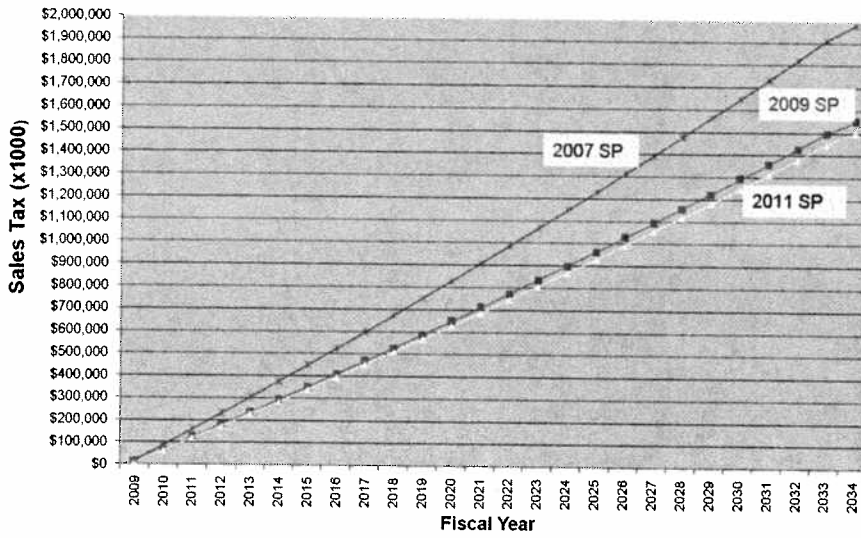
- 2007 Strategic Plan assumed 1% "real growth rate"
- 2009 Strategic Plan assumed -2% in FY2010, 0% in FY2011, 1% afterwards (0.84% average over life of Measure J)
- 2011 Strategic Plan continues to assume 0.84% average growth rate over life of Measure J but reflects lower than projected revenues for FY2010 and FY2011

Inflation Rates

- 2007 Strategic Plan assumed 3.5% inflation rate/year
- 2009 Strategic Plan assumed 2% inflation rate thru FY2015, 3% between FY2016-2024 and 3.5% thereafter
- 2011 Strategic Plan reflects lower than projected inflation for FY2010 and FY2011 but average inflation rate maintained at 2.96% over life of Measure J.

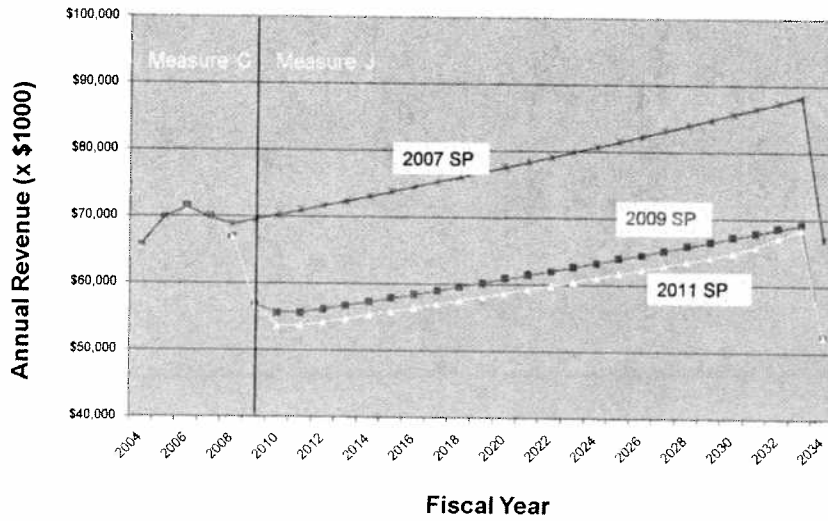
REVENUE PROJECTIONS

MEASURE J Revenue Projections (cumulative 2004 dollars)



REVENUE PROJECTIONS

Annual Sales Tax Revenues (2004 Dollars)



July 1 - June 30		(2004 \$ x 1000)		(\$ x 1000)	
2003	-	-	-	-	-
2004	-	65,684	0.94%	65,684	
2005	6.31%	69,828	1.70%	71,014	
2006	2.27%	71,411	2.83%	74,676	
2007	-1.78%	70,140	3.20%	75,738	
2008	-4.52%	66,969	3.27%	74,680	
2009	-15.28%	56,736	1.66%	64,320	
2010	-5.51%	53,610	1.24%	61,527	1
2011	0.09%	53,660	1.00%	62,200	2
2012	1.00%	54,197	1.00%	63,450	3
2013	1.00%	54,739	2.00%	65,366	4
2014	1.00%	55,286	2.00%	67,340	5
2015	1.00%	55,839	2.00%	69,374	6
2016	1.00%	56,397	3.00%	72,170	7
2017	1.00%	56,961	3.00%	75,078	8
2018	1.00%	57,531	3.00%	78,104	9
2019	1.00%	58,106	3.00%	81,252	10
2020	1.00%	58,687	3.50%	84,936	11
2021	1.00%	59,274	3.50%	88,788	12
2022	1.00%	59,867	3.50%	92,815	13
2023	1.00%	60,465	3.50%	97,024	14
2024	1.00%	61,070	3.50%	101,424	15
2025	1.00%	61,681	3.50%	106,024	16
2026	1.00%	62,298	3.50%	110,832	17
2027	1.00%	62,921	3.50%	115,858	18
2028	1.00%	63,550	3.50%	121,112	19
2029	1.00%	64,185	3.50%	126,605	20
2030	1.00%	64,827	3.50%	132,346	21
2031	1.50%	65,799	3.50%	139,033	22
2032	2.00%	67,115	3.50%	146,777	23
2033	2.00%	68,458	3.50%	154,952	24
2034	2.00%	52,370	3.50%	122,688	25
MEASURE J TOTAL		1,501,318		2,451,162	

Revenues Projections

Measure J Revenues thru FY2015:

Constant 2004 dollars:	\$339,512
Inflated dollars:	\$403,345

Measure J (2010-2034) v. Measure C (1991-2009)

Average Real Growth Rate:	0.84% v. 1.14%
Average Inflation Rate:	2.96% v. 3.10%

Bonding Capacity (\$ millions)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	SUM	Project Proceeds
2007 Strategic Plan	300		150			138	588	580
2009 Strategic Plan	221	92	168			26	507	454
2011 SP w/o swap termination	201		222		67		490	459
2011 SP w/ swap termination	232		206		22		460	419

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

Measure J Revenues Thru FY2015 (inflated)

Fiscal Year July 1 - Jun 30	Annual Inflated Sales Tax Rev. (\$ x 1000)	Annual Revenues Allocated to Programs & Admin 59% (\$ x 1000)	Annual Debt Service for Bonds (\$ x 1000)	Annual Sales Tax Revenues Available on Pay as Go Basis for Projects (\$ x 1000)	Bond Proceeds Available for Projects (\$ x 1000)	Cumulative Funding Available for Projects (\$ x 1000)
2009	14,086	8,339	0	5,747	0	5,747
2010	61,527	36,424	2,611	22,492	200,000	228,239
2011	62,200	36,822	8,373	17,004	0	245,243
2012	63,450	37,563	8,841	17,047	198,000	460,290
2013	65,366	38,697	21,061	5,608	0	465,898
2014	67,340	39,866	21,700	5,775	60705	532,378
2015	69,374	41,070	28,328	-23	0	532,355
SUM (2009-2015)	403,345	238,780	90,915	73,650	458,705	532,355
SUM (2016-2034)	2,047,818	1,212,308	753,846	81,664	0	81,664
SUM (2009-2034)	\$2,451,162	1,451,088	844,761	155,314	458,705	614,019

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	\$7,500	66.6%	4,995	5,891
I-80 Carpool Lane Extension/Interchanges	30,000	66.6%	19,980	24,030
Richmond Parkway	16,000	66.6%	10,656	12,502
BART Parking, Access & Other Improv.				
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

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Southwest 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 4th 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

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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	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

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East 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 \$
BART - East Contra Costa Extension	\$90,000	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

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Policy Issues

POLICY ISSUES

- ❑ Swap Termination
- ❑ Further Tightening of Expenditure Caps
- ❑ Commitments to Major Capital Projects
 - SR4 East
 - eBART
- ❑ Sub-regional Equity and STIP Exclusion Period for East County

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Schedule

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

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Impacts of SWAP termination

SWAP TERMINATION

Measure J Project Funding (millions in esc. dollars)

	w/ termination	w/o termination	difference
eBART	115.3	134.7	19.4
I-680 SB HOV	20.0	30.0	10.0
I-680/SR 4	2.2	7.0	4.8
I-680/Norris	6.6	10.4	3.8
SW Arterials	3.1	4.8	1.7
Marina Bay Grade Crossing	10.7	11.7	1.0
BART Parking (SW)	10.9	11.8	0.9
BART Parking (West)	0.8	1.2	0.4
Hercules Rail Station	5.1	5.5	0.4
I-80/SPDR	6.2	7.0	0.8
I-80/Central	9.5	10.3	0.8
			44.0

Funding Cap (w/ v. w/o termination): ~57% v ~62% (66% in 2009 SP)

eBART funding: \$19.4M less with \$21M after FY16+

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QUESTIONS?

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