

Contra Costa County Public Works Department

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January 5, 2017

Dale Dennis, Program Manager
East Contra Costa Regional Fee and Financing Authority
255 Glacier Drive
Martinez, California 94553

Dear Mr. Dennis,

Contra Costa County (County) would like to request that East Contra Costa Regional Fee and Financing Authority (ECCRFFA) evaluate its current fund balance and the status of the ECCRFFA Program to determine if it would be possible to expedite the reimbursement of the Prop 1B funds (\$3 million plus interest) that was provided to ECCRFFA in March 2008 to facilitate the completion of Segment 3 of the SR4 Bypass and the County's share of the Cost of Relinquish payments for the transfer of the SR4 Bypass and relinquishment of the old SR4 facility, which was relinquished to the County in January 2012 (\$1.862 million). Due to a downturn in gas tax revenue and a resultant funding shortage (discussed in more detail below), the County is requesting reimbursement of the Prop 1B funds and the Cost of Relinquishment payment in FY 2016/17 to support our transportation construction program. Reimbursement/payment of these two items is currently shown in the 2015 ECCRFFA Strategic Plan in FY 2017/18 and FY 2018/19.

Over the years, the County has been a committed partner in delivering the various regional projects included in the ECCRFFA Strategic Plan and CCTA Measure J Funding Plan. As mentioned above, when funding issues surfaced during the recent tough economic times, the County assisted by providing the \$3 million of Prop 1B funds to ECCRFFA to complete Segment 3 of the SR4 Bypass. The original agreement between the County and ECCRFFA provided for reimbursement no later than June 30, 2011. However, due to cash flow issues and the importance of delivering other important regional projects, the County agreed to delay reimbursement of these funds. The County worked with ECCRFFA to restructure the payment schedule to ensure the regional projects moved forward. In a similar fashion, the County also partnered with ECCRFFA and Caltrans during the Transfer and Relinquishment process for the SR4 Bypass and old SR4 and agreed to have the Cost to Relinquishment payment deferred to help with the delivery of important regional projects. The County used its own local gas tax funds to provide much needed road work on the section of old SR4 between

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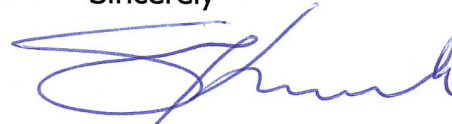
255 Glacier Drive Martinez, CA 94553-4825
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Sellers Avenue and Marsh Creek Road, which was relinquished to the County in poor condition.

The County's main source of revenue for its local road program is gas tax revenue. With more fuel efficient vehicles and the electric vehicle market increasing, coupled with the decline in the sales price of gasoline, County gas tax revenues have declined from a high of \$26 million just 3 years ago to approximately \$19 million annually. As a result, we have delayed construction of several minor projects in FY 16/17 and are looking at needing to delay several more projects, including major safety projects in FY 17/18, and are also looking at cancelling the surface treatment program for FY 17/18. Although the reimbursement/payment of funds from ECCRFFA will not fix a long standing State transportation funding issue, it will help us get through this fiscal year and next fiscal year in hopes that the legislature in Sacramento can finally arrive at a transportation funding fix.

Again, the County would respectfully request reimbursement of Prop 1B and Cost of Relinquishment funds in full in FY 16/17. Based on discussions with ECCRFFA staff, it is our understanding that ECCRFFA revenues have been higher than expected and there may be an opportunity to reimburse the County sooner than shown in the 2015 ECCRFFA Strategic Plan. Thank you in advance for your consideration and we look forward to working with you to accomplish this much needed action.

Sincerely



for Julia R. Bueren
Public Works Director

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c: Steve Kowalewski, Deputy Director
Jerry Fahy, TE
Nancy Wein, TE
John Cunningham, DCD
Michele Wara, Administration