

**EAST CONTRA COSTA
REGIONAL FEE AND FINANCING AUTHORITY**

Antioch – Brentwood – Contra Costa County – Oakley – Pittsburg

A JOINT EXERCISE OF POWERS AGENCY

255 Glacier Drive, Martinez, CA 94553

**AGENDA
Board of Directors**

**Special Meeting
(No In-person Meeting)**

**Monday, February 20, 2023
12:00 p.m.**

Tri-Delta Transit Meeting Room
801 Wilbur Avenue
Antioch, California

To slow the spread of COVID-19, in lieu of a public gathering, the East Contra Costa Regional Fee and Financing Authority Board of Directors meeting will be accessible via Zoom to all members of the public as permitted by Government Code Section 54953(e). Members of the public may participate in the meeting online, or by telephone. To participate in the meeting please use the information.

To participate by phone, dial **+17207072699 US.**

The meeting ID is 824 9661 6150 Passcode: 711258

To participate online using Zoom, hold down CTRL + click the following:

[Join Zoom Meeting Here](#) Meeting ID: 824 9661 6150 (Passcode: 711258).

In lieu of making public comments at the meeting, members of the public also may submit public comments before or during the meeting by emailing comments to Program Manager Dale Dennis at dodennis@thecyberjungle.com. If you have difficulty emailing a public comment, please contact Nancy Wein, Contra Costa County Public Works Department, at (925) 313-2275.

All comments submitted by email to the above email address before the conclusion of the meeting will be included in the record of the meeting. When feasible, the Board Chair, or designated staff, also will read the comments into the record at the meeting, subject to a two-minute time limit per comment.

The Board Chair may reduce the amount of time allotted to read comments at the beginning of each item or public comment period depending on the number of comments and the business of the day. Your patience is appreciated. A break may be called at the discretion of the Board Chair.

Board of Directors:

Diane Burgis, Contra Costa County – Chair
Lamar Thorpe, City of Antioch – Vice Chair
Joel Bryant, City of Brentwood
Aaron Meadows, City of Oakley
Shanelle Scales-Preston, City of Pittsburg

Authority Staff Office:

Contra Costa County
255 Glacier Drive
Martinez, CA 94553
(925) 313-2000

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To obtain a copy of a staff report or other written materials related to an open session item on the agenda, please contact Nancy Wein, at the Contra Costa County Public Works Department, by phone at (925) 313-2275, or by email to Nancy.Wein@pw.cccounty.us.

**Agenda
February 20, 2023**

1. Call to Order
2. Public Comment
3. Determination

Sand Creek Road Extension Project: The Board will consider the following:

- **FIND** that, due to unexpected cost increases in the James Donlon Extension Project (“JDE Project”) and due to construction of the Sand Creek Road Extension Project (“SCE Project”) currently proceeding, there are extenuating circumstances regarding regional priorities, and there are difficulties implementing the JDE Project as a Third Priority project.
- **APPROVE** reprioritizing the Sand Creek Road Extension Project as the Third Priority project in the ECCRFFA fee program and **APPROVE** changing the JDE Project to the Fourth Priority in the ECCRFFA fee program.

4. Consent Items.
5. Boardmember Comments
6. Adjournment

The Authority will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Staff at least 24 hours before the meeting, at (925) 595-4587. Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the East Contra Costa Regional Fee and Finance Authority to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspection at 255 Glacier Drive, Martinez, CA during normal business hours.

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**EAST CONTRA COSTA
REGIONAL FEE AND FINANCING AUTHORITY**

DATE: February 20, 2023

TO: Board of Directors

FROM: Dale Dennis, Program Manager *LD for*

SUBJECT: Reimbursement request from DeNova Homes, Inc., for ECCRFFA's share of the Sand Creek Road Extension project cost for the Aviano Road Segments

Recommendation: The Board will consider the following:

1. **FIND** that, due to unexpected cost increases in the James Donlon Extension Project ("JDE Project") and due to construction of the Sand Creek Road Extension Project ("SCE Project") currently proceeding, there are extenuating circumstances regarding regional priorities, and there are difficulties implementing the JDE Project as a Third Priority project.
2. **APPROVE** reprioritizing the SCE Project as the Third Priority project in the ECCRFFA fee program and **APPROVE** changing the JDE Project to the Fourth Priority in the ECCRFFA fee program.

Background:

On February 9, 2023, the ECCRFFA Board of Directors approved a reimbursement agreement with DeNova Homes, Inc., to authorize DeNova to be reimbursed when the SCE Project is prioritized for funding. Currently, the SCE Project is the Fourth Priority project behind the JDE Project – the current Third Priority project. The Board requested that an item be brought back to the Board at a Special Meeting on February 15, 2023 to have the Board consider reprioritizing the SCE Project as the Third Priority project, ahead of the JDE Project, which will allow DeNova to be reimbursed for ECCRFFA's share of the cost of project segments that DeNova constructed once those segments are accepted by the City of Antioch. This change in priority also will allow other parties that construct other segments of the SCE Project – a shovel-ready project – to be reimbursed for the regional share of the cost of those other segments. The JDE Project will be the Fourth

ACTION OF BOARD ON _____

APPROVED AS RECOMMENDED ___ OTHER ___

VOTE OF DIRECTORS

_____ UNANIMOUS (ABSENT _____)
AYES: _____ NOES: _____
ABSENT: _____ ABSTAIN: _____

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Directors on the date shown.

ATTESTED _____
Secretary to the Authority

Priority in the ECCRFFA fee program.

Discussion:

Effective February 16, 2021, the ECCRFFA member agencies entered into a fourth amendment to the ECCRFFA joint exercise of powers agreement (“JEPA”) to add the SCE Project to the ECCRFFA project list, without prioritizing the project. ECCRFFA also approved the September 2020 East Contra Costa County Regional Fee Program Update in October 2020, which includes a nexus study for the SCE Project. The SCE Project nexus study determined that ECCRFFA RTDIM fee revenues can be used to fund a certain percentage of each segment of the SCE Project. The percentage varies by segment but represents approximately 31% of the overall cost of the project.

DeNova constructed two segments of the SCE Project, the Aviano – Phase II and Aviano – Phase III segments, between an extension of Dozier-Libbey Road to the west and an extension of Hillcrest Avenue to the east (together, the two segments are referred to collectively as the “Roadway Segment”). Consistent with the SCE Project nexus study and the JEPA, the portion of the Roadway Segment costs that are eligible for funding from ECCRFFA RTDIM fees amounts to \$2,499,912 (the “Reimbursable Costs”). The amount includes 28.2% of the Developer’s cost for soft costs and construction of the Roadway Segment. Under the JEPA, DeNova would be entitled to reimbursement after the SCE Project is prioritized for funding.

In July 2022, the SCE Project was prioritized as the Fourth Priority project in the ECCRFFA fee program, behind the JDE Project, the Third Priority project. At that time, based on the then-anticipated cost of the JDE Project, staff anticipated funding for the SCE Project to become available in Fiscal Year 2022/2023, considering ECCRFFA had collected approximately \$70 million to fund the projected ECCRFFA’s share of the JDE Project costs. Both of these projects were included in a Strategic Plan approved by the Board in July 2022.

Since July 2022, staff has received written information regarding significant cost increases of the JDE Project. That information shows the cost of the JDE Project to be up to \$300 million, which, if accurate, would require an ECCRFFA contribution of approximately \$200 million, and a City of Pittsburg contribution of approximately \$100 million, toward the project cost. Under the JEPA, and unless a reprioritization of projects is approved, ECCRFFA would need to set aside funds for its share of the project costs before ECCRFFA could fund any other projects. City of Pittsburg and ECCRFFA staff will be looking at the JDE Project to determine if the new cost estimate can be reduced.

The increased costs of the JDE Project presents a substantial difficulty in implementing the JDE Project as a Third Priority project because it could take another estimated 4-5 years to collect sufficient funds to fund ECCRFFA’s share of the newly estimated cost of that project (assuming no other projects were funded during that time), and the impacts to the ECCRFFA fee program would need to be evaluated by ECCRFFA. This could significantly delay the construction or funding of other projects that would benefit the region and mitigate the impacts of new development in east Contra Costa County.

Due to these extenuating circumstances regarding regional priorities, and also due to the difficulties with implementing the JDE Project as the Third Priority project, the Board will consider whether to reprioritize the SCE Project ahead of the JDE Project to allow the SCE Project to be funded now. ECCRFFA's share of the total cost of that project is approximately \$10.8 million (December 2019 cost estimate). Reprioritizing that project will allow ECCRFFA to reimburse DeNova for the cost of the segments of the SCE Project that they constructed following acceptance of those segments into the City of Antioch's road system. Other segments of the SCE Project also could be funded. ECCRFFA will continue to set aside approximately \$70 million for the regional share of the cost of the JDE Project while ECCRFFA staff works with City of Pittsburg staff to evaluate the JDE Project construction cost estimate to determine whether the cost estimate can be reduced.