



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Antonio Onorato, Director of Administration, Finance, and Policy
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SUBJECT: Notice of Letter of Interest Submittal to the Transportation Infrastructure Finance and Innovation Act (TIFIA) Credit Program

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve filing a Letter of Interest (Attachment 1) to pursue financing with the Transportation Infrastructure Finance and Innovation Act (TIFIA) to complete the Vine Transit Maintenance Facility and Soscol Junction, and Bus Electrification projects.

OTHER OPTIONS FOR CONSIDERATION

Option #1: That the Board proceed with a loan application per the Board's direction at the May 15, 2019 meeting.

Option #2: That the Board delay the loan application until additional funding is made available. The cost of delaying the loan application is 6% or roughly \$2 million a year for construction delays and \$500,000 per year in additional clean mobility grant funds.

COMMITTEE RECOMMENDATION

None

EXECUTIVE SUMMARY

At the March 20, 2019 board meeting, staff presented funding options for the construction of the Maintenance Facility. The Board directed staff to proceed with a TIFIA application for the Maintenance Facility, adding Soscol Junction, and Bus Electrification projects. Submitting the Letter of Interest (LOI) begins the loan approval process administered by the Build America Bureau - a division of the U.S. Department of Transportation (U.S. DOT) which oversees the TIFIA program. The loan application is expected to be approved in 60-90 days from submittal. Staff will return with a complete debt financing

package for Board consideration and formal approval upon receipt of the terms and tentative approval from the Build America Bureau.

PROCEDURAL REQUIREMENTS

1. Staff Report
2. Public Comment
3. Motion, Second, Discussion and Vote

FISCAL IMPACT

Is there a Fiscal Impact? Not for this action.

Consequences if not approved: Staff will halt further efforts to seek the TIFIA loan which would jeopardize and /or delay efforts to build the Maintenance Facility project and acquire zero emission buses in advance of regulatory requirement, further disqualifying NVTB from receiving clean mobility grant funds for early acquisition of zero emission buses.

STRATEGIC GOALS MET BY THIS PROPOSAL

- Goal 1 – Serve the transportation needs of the entire community regardless of age, income, or ability
- Goal 2 – Improve system safety in order to support all modes and serve all users
- Goal 3 – Use taxpayer dollars efficiently
- Goal 4 – Support Napa County's economic vitality
- Goal 5 – Minimize the energy and other resources required to move people and goods
- Goal 6 – Prioritize the maintenance and rehabilitation of the existing system

CEQA REQUIREMENTS

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 16378 (California Environmental Quality Act (CEQA) Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff has explored numerous options for financing the construction of the Maintenance Facility. Given the limited fund sources available for this purpose, it became clear early on in the process that a portion of the construction cost would need to be financed. Staff spoke with financial institutions such as the California State Infrastructure Bank, pursued Standard and Poor's and Moody ratings and contracted with Project Finance Advisory Limited (PFAL) to explore alternative financing solutions.

Working with design and engineering consultants, the 100% design and cost estimate was completed in early 2019. The total cost of the project came in at \$37,780,000 of which \$32,180,000 is for construction. Table 1 summarizes the project expenditure plan.

Table 1: Vine Transit Maintenance Facility Expenditure Plan

	(Estimated) Cost
Preconstruction	
Preconstruction	\$5,600,000
Paid-to-Date	\$5,600,000
Remaining Balance	\$0
Construction	
Site Improvements	10,212,200
Admin/Maint/Bus Wash Buildings	14,687,800
CM/PV System /FF&E/Contingency	7,280,000
Construction- Total	\$32,180,000
Total Project Costs	\$37,780,000

Staff provided the board with different financing and funding scenarios for its consideration at the February and May Board meetings. At the May meeting, the Board tentatively approved a funding package to allow staff to move forward with a TIFIA application.

Table 2 presents the proposed funding plan which uses a combination of transit funds, State Transportation Improvement Program (STIP), Local Partnership Program (LPP) formula funds and competitive funds, which may become available at a future date. The plan identifies available funds for the project, but does not create a financial commitment. Staff will continue to pursue funds for this project which can be exchanged for the grants that have been proposed in the plan. The table also shows the loan amounts with and without the Federal Transit Administration (FTA) 5339b Bus and Bus Facilities competitive grant funds – a grant that has already been submitted to FTA for consideration of funding for the maintenance facility.

Table 2: Proposed Funding Plan

	With Competitive Grants	Without Competitive Grants
Grants		
TDA, STA, FTA	\$569,600	\$569,600
State Transportation Improvement Funds (STIP)	4,100,000	4,100,000
Local Partnership Program	1,100,000	1,100,000
Competitive Grants		
Regional Measure 3	7,898,400	7,898,400
FTA 5339b Bus and Bus Facilities	4,500,000	0
Total Grants	\$18,168,000	\$13,668,000
Loans		
TIFIA	\$14,012,200	\$18,512,000
Total Construction Costs	\$32,180,000	\$32,180,000

At the May meeting, the Board directed staff to maximize the agency's borrowing capacity in applying for a TIFIA loan for the Maintenance Facility including the Soscol Junction and Bus Electrification projects. As a reminder, including Soscol Junction would allow payback of the STIP funds should other competitive funds not come to fruition. With the inclusion of the Bus Electrification Project, the agency would be eligible for California Air Resources Board grants in advance of when NVRTA is subject to the clean bus regulation. Table 3 shows the total borrowing capacity for all the projects included in the Letter of Interest (LOI).

Table 3: TIFIA application amounts (estimates) and borrowing capacity

Project	Total Project Costs	TIFIA Borrowing Capacity
Maintenance Facility	\$37,780,000	\$18,512,200
Soscol Junction	\$40,000,000	\$8,598,000
Bus Electrification	\$39,900,000	\$19,551,000
Totals	\$117,680,000	\$46,661,200

For a LOI to be approved, a full funding package must be secured. PFAL has been in regular communication with TIFIA's loan officers in the last few months. TIFIA officials have given NVRTA a verbal conditional approval pending the submittal of a LOI, which is the final formal documentation for the loan application to be approved.

Notice of Application to Apply for Debt Financing

Per the Joint Powers Agreement (JPA), the submission of the Letter of Interest will trigger official notice to the City Managers and County Executive Officer. Formal notice via a formal letter to the City/Town Managers and County Executive Officer will be sent notifying the jurisdictions of NVTA's intent to apply for a loan so that City Managers and the County Executive Officer may advise their respective councils/board. As a condition of debt approval, no member agency may withdraw from the JPA once loan documents have been executed thereby requiring agencies to remain in the JPA throughout the indebtedness period.

SUPPORTING DOCUMENTS

Attachments: (1) Draft TIFIA Credit Program Letter of Interest
 (2) Draft Letter to City/Town County Executive Managers

TIFIA Credit Program ***Fiscal Year 2016 Letter of Interest Form***

All projects wishing to apply for Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance must first submit a Letter of Interest using this revised form. Pursuant to the recently enacted Fixing America's Surface Transportation (FAST) Act, the application process, which includes the submission of Letters of Interest, will be conducted on a rolling basis by the Department of Transportation (DOT). Applicants for Federal credit assistance must complete an acceptable Letter of Interest and meet all eligibility criteria to be permitted to submit a formal application. In the context of a public-private partnership, where multiple bidders may be competing for a concession such that the obligor has not yet been identified, the procuring agency must submit the project's Letter of Interest on behalf of the eventual obligor. DOT will not consider Letters of Interest from entities that have not obtained the legal rights to develop the project.

This revised Letter of Interest form reflects initial changes made to the TIFIA program by the FAST Act. Additional changes may be forthcoming as DOT considers public comments it may receive while continuing to implement the program. To be considered for TIFIA assistance, projects must submit a Letter of Interest that: (i) describes the project and the location, purpose, and cost of the project, (ii) outlines the proposed financial plan, including the requested credit assistance and the proposed obligor, (iii) provides a status of environmental review, and (iv) provides information regarding satisfaction of other eligibility requirements of the TIFIA credit program. Please reference the Notice of Funding Availability posted on March 11, 2016 in the Federal Register. At this time, the TIFIA Program Guide is being updated. Please check the TIFIA website regularly to identify updated program guidance, Letter of Interest, and application materials. Applicants should refer to the TIFIA website often to ensure that the most up-to-date Letter of Interest form is used (file date is included in the footer).

DOT will review each Letter of Interest and may contact project sponsors for clarification of specific information included in the Letter of Interest. DOT will notify project sponsors if DOT determines that their projects are not eligible, or if DOT will not be able to continue reviewing their Letter of Interest until eligibility requirements are addressed. If DOT does not determine a project to be ineligible based on its initial review, DOT will request additional information to supplement the Letter of Interest and complete its eligibility determination. This information may include, among other things, more detailed descriptions of the project, applicant and its organizational structure, the project's readiness to proceed, the project's financial plan (including a financial model), revenue feasibility studies, and financial commitments to the project from sources other than TIFIA. DOT will also request that the applicant provide a preliminary rating opinion letter at this time and the project sponsor will be required to submit a fee to continue the evaluation process. Once the fees have been received, DOT will engage an independent financial advisor to prepare a report and recommendation acceptable in form and substance to DOT. DOT may also engage an independent legal advisor to help complete its evaluation of a project's eligibility.

Except under limited circumstances as described further, the increased demand on TIFIA's resources has led to the discontinuation of the practice of advancing the entire cost of financial and legal advisors engaged to assist DOT in determining a project's creditworthiness and overall eligibility and having those costs reimbursed to DOT after execution of a credit agreement. As such, upon request, project sponsors must pay fees in the amount of \$250,000 before DOT hires financial and/or legal advisors as part of the Letter of Interest review process. These fees are due upon request. Additional fees will be charged after the credit instrument is executed, including additional amounts required to fully cover TIFIA's financial and legal advisory services costs in connection with the evaluation and negotiation of the terms of TIFIA credit assistance for the project. By submitting this Letter of Interest, the applicant certifies that it will pay all required fees. However, for projects having eligible project costs that are reasonably anticipated to be \$75 million or less, the FAST Act provides for the reservation of not less than \$2 million of the TIFIA program's annual funding authority to be used in lieu of the third-party costs charged by DOT. Project sponsors wishing to be considered for this available funding should indicate such in their Letters of Interest.

After concluding its review of each Letter of Interest and related information submitted by the project, along with the independent financial analysis report from DOT's independent financial advisor, DOT will permit sponsors of eligible projects to submit complete applications. DOT will conduct a rolling application process where project sponsors may submit Letters of Interest at any time and DOT will permit project sponsors to apply once a favorable eligibility determination is made.

The boxes below expand as needed to facilitate provision of a sufficient amount of detail to demonstrate to DOT the project's satisfaction of all eligibility criteria. If you have questions regarding completing this form, please contact the TIFIA program office at (202) 366-1059. Please complete all applicable information using this Letter of Interest form and attach this request via email to TIFIAcredit@dot.gov.

A) Describe the Project, Location, Purpose, and Cost of the Project.

1. Describe the project:

The Napa Valley Transportation Authority (“NVTA”) is seeking a **[\$27 million]** TIFIA loan to assist with delivery of two high priority projects:

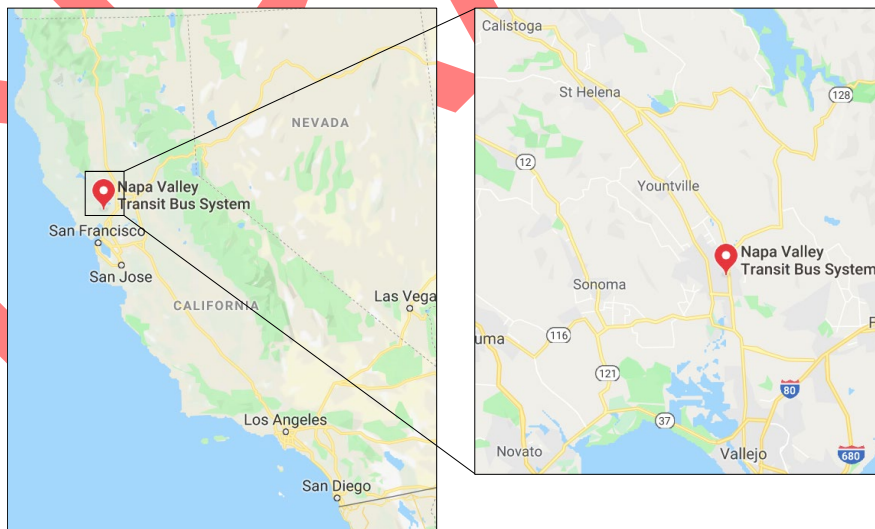
- (1) Vine Transit Bus Maintenance Facility **(\$32.2 million capital cost)**;
- (2) SR 29/SR 221 Soscol Junction Improvement Project **(\$40 million capital cost)**.

This application meets the criteria of the Rural Projects Initiative, so we are seeking 49% of the total capital cost of the two projects in credit assistance.

NVTA is a Congestion Management Agency formed in 1998 as a joint powers authority under California law, by the cities of American Canyon, Calistoga, Napa, St. Helena, the town of Yountville and the County of Napa in California. NVTA serves as the countywide transportation planning agency for the incorporated and unincorporated areas within Napa County and is responsible for programming State and Federal funding for transportation projects★ within the County. NVTA is responsible for coordinating short and long term planning and funding within an intermodal policy framework including highways, streets and roads, transit and paratransit, bicycle and pedestrian network improvements. NVTA’s activities are supported by a variety of funding sources which include:

- Federal Highway Administration Funds
- Federal Transit Administration Funds
- State Programming, Planning, and Monitoring (PPM) Funds
- Transportation Development Act Funds
- State Transit Assistance Funds
- Local Support from Member Agencies
- Various Special and One-Time Grants and Contributions
- Fare revenues collection

NVTA also provides fixed route and on-demand transit services in Napa County including Napa Vine, American Canyon Transit, Calistoga Shuttle, Yountville Trolley, St. Helena Shuttle, and Vine Go paratransit services (“Vine Transit”).



Vine Transit provides safe, affordable and accessible public transportation for all residents and visitors in Napa County. The existing fleet size is **[80]** vehicles. In 2012, NVTA redesigned the Vine Transit system to specifically make transit more responsive and accessible to Napa residents. The new system features more frequent service and more neighborhood routes designed to meet the needs of the average rider. Vine Transit has eight local routes (in the City of Napa), four regional routes

with two inter-county service routes with connections to Solano County, Bay Area Rapid Transit (BART) and the San Francisco ferry terminal in Vallejo.

Vine Transit Bus Maintenance Facility

The NVRTA is planning to construct a new Vine Transit Bus Maintenance Facility (“the BMF Project”), which has an expected capital cost of approximately **[\$32 million]** (2019\$). The BMF Project consists of (1) a new bus maintenance and storage facility, (2) an administration office and transit emergency operations building, and (3) a driver training facility. The purpose of the new bus maintenance and storage facility is to replace NVRTA's currently leased facility in the city of Napa, which is deficient for the current needs of the system and does not have sufficient space for daily operation and maintenance of its transit fleet.

The BMF Project will be secured behind locked gates with access limited to Vine Transit and NVRTA employees and visitors. The administration office and operations building will be a one-story building up to 30 feet maximum height built to Americans with Disabilities Act (“ADA”) and California Building Code (“CBC”) standards.

Two proposed new parking lots will accommodate approximately 79 public transit vehicles as well as 93 employee and visitor vehicles respectively. Four of the 93 spaces for employee and visitor vehicles will be handicapped accessible spaces, as per Napa County code. Five parking spaces will be provided for electrical vehicle charging. Four spaces will be provided for short-term and six long-term bicycle parking. The new structures and parking lots will occupy approximately 4.86 acres of the project site, including approximately 3.8 acres of parking and circulation areas, 30,252 square feet of building footprint, and 15,880 square feet of landscaping.

The facility is planned to operate 24 hours a day seven days a week, and buses will be primarily operational between the hours of 5:00 AM and 8:00 PM with two routes that operate beyond 9:00 PM returning to the yard between 10:00 PM and 11:00 PM. The evening and late night activity that would occur at the facility would be limited to the maintenance, fueling, and washing of buses.

Below are architectural renderings of the proposed design.



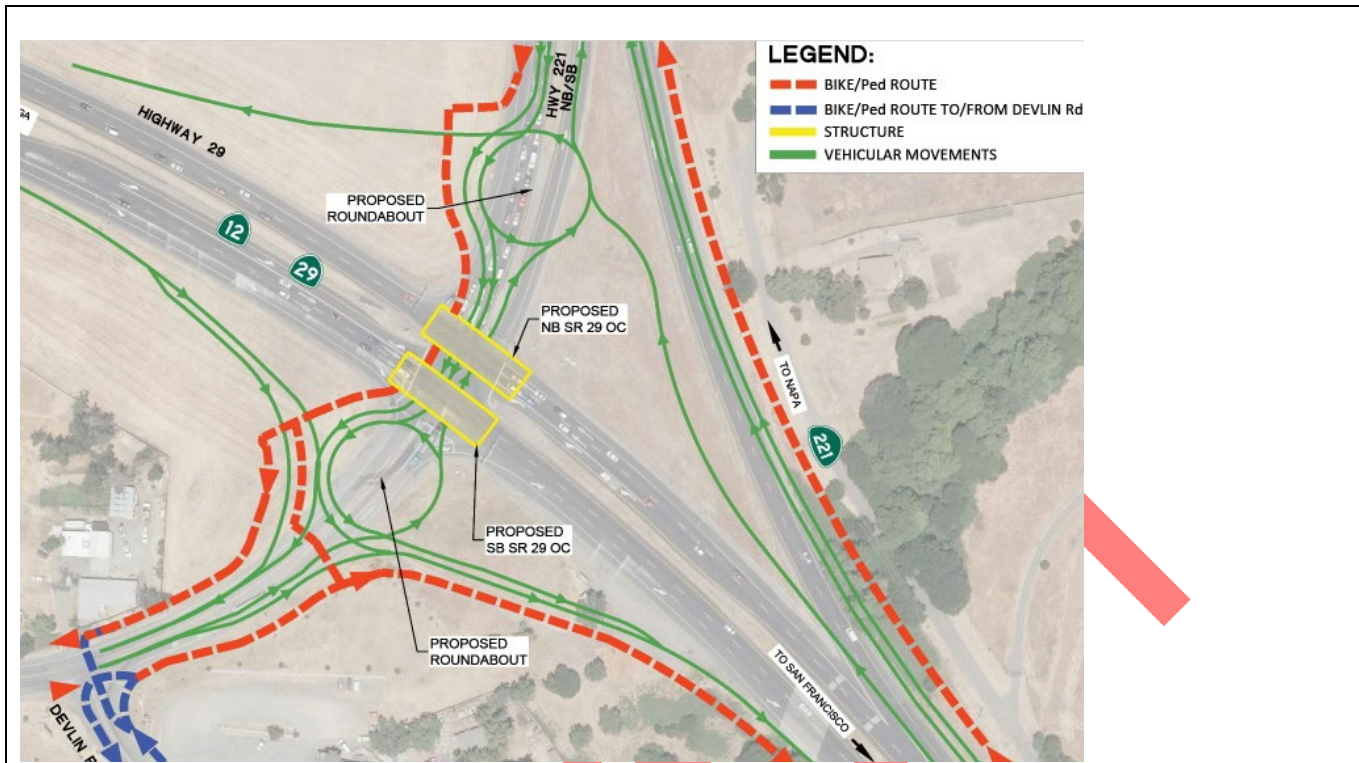
SR 29/SR 221 Soscol Junction Improvement Project

NVRTA, in partnership with the California Department of Transportation (“Caltrans”), is planning to reconfigure the existing signal interchange into a full diamond interchange with roundabout intersections located in Napa County, State Route (“SR”) 29 (“the Soscol Project”).

In order to reduce congestion, the Soscol Project will construct a tight diamond interchange with two, four-legged, multi-lane roundabouts, one on either side of the SR 29 freeway. SR 29 will be re-built as an overcrossing just north of the existing intersection with SR 221, minimizing right of way impacts and providing separation between the adjacent high speed SR 29 to SR 221 northbound ramp and the adjacent roundabout entry. The overcrossing ensures that no eastbound and westbound thru traffic on SR 29 is required to traverse the roundabout. The roundabouts will provide access to the following:

- North Roundabout - SR 221/SR 29 NB Ramps
- South Roundabout - SR 221/SR 29 Ramps & Soscol Ferry Road

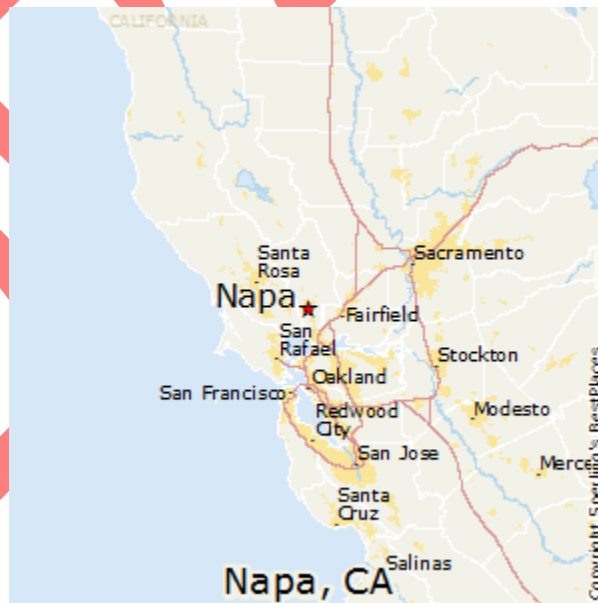
It is anticipated that the alternative will be built in seven stages, however this could change depending on the construction method chosen by the contractor, and take approximately two years. Generally, during all stages of construction, the existing number of lanes on SR 29 and SR 221 will be maintained.



2. Describe the project location:

Vine Transit Bus Maintenance Facility

Napa County is located in the northern San Francisco Bay Area. Refer to the regional map below.



The proposed Project site land is owned by NVT. It is located at the terminus of Sheehy Court, west of its intersection with Devlin Road and 0.7 mile northeast of the Napa County Airport, in the Napa Valley Gateway Business Park, a 300-acre business park which accommodates a combination of industrial, warehouse and service retail in Napa County, California. The Project site is a vacant unbuilt lot approximately 351,965 square feet (8.08 acres) in total land area, comprised of one

parcel to the north that is 257,004 square feet (5.9 acres) and a smaller parcel to the south that is 94,961 square feet (2.18 acres).

The site is about 15 miles south of the existing facility in the city of Napa. The site is regionally accessible from SR 12 and SR 29.



SR 29/SR 221 Soscol Junction Improvement Project

The existing intersection of SR 29/SR 221 is located within the agricultural context of rural Napa County, and provides primary access to major highways that provide circulation within Napa Valley, such as:

- SR 121 (Silverado Trail) which merges with SR 221 north of the intersection, and
- SR 12, which is combined with SR 29 from the Jameson Canyon intersection to the south, to the SR 12 junction north of the subject intersection.

Roadways that provide the primary vehicle circulation within the general vicinity of the intersection of SR 29 and SR 221 include Soscol Ferry Road and Devlin Road. The following brief descriptions present characteristics unique to the roadways providing access to the intersection of SR 29 & SR 221.

SR 29 is a four-lane, divided rural throughway that traverses Napa Valley in the north-south direction between the limits of Interstate 80 (southern limit), and SR 20 in Upper Lake (northern limit). As a major rural highway, SR 29 provides circulation between the townships of Yountville, Oakville, Rutherford, St. Helena, and Calistoga, which are noteworthy destinations within Napa Valley's renowned Wine Country. Within the vicinity of the project intersection, SR 29 runs in the east-west direction and operates at a posted speed limit of 60 mph. SR 29 forms the east and west legs of the study intersection. SR 29 is a Terminal Access Route for Surface Transportation Assistance Act (STAA) trucks.

SR 221 is a four-lane, divided rural throughway that traverses Napa Valley in the north-south direction, between the limits of Imola Avenue (northern limit) and SR 29 (southern limit). As SR 221 runs parallel to the SR 29, this rural arterial provides an alternate route to obtaining direct access to the City of Napa. SR 221 forms the north leg of the study intersection, and operates at a posted speed limit of 55 mph. SR 221 is a Terminal Access Route for STAA trucks.

Soscol Ferry Road is a two-lane rural collector that traverses unincorporated Napa County in the east-west direction. This roadway provides circulation within the rural unincorporated community of Thompson. Soscol Ferry Road forms the south leg of the study intersection.

Devlin Road is a two-lane rural collector that traverses unincorporated Napa County primarily in the north-south direction. This roadway provides access to industrial and office land-use types located within the unincorporated communities of Thompson and Middleton. Devlin Road intersects Soscol Ferry Road approximately 500 feet south of the intersection of SR 29 & SR 221. Devlin Road also provides Class II bicycle facilities along both the easterly and westerly sides of the roadway. The purpose of the proposed project is to alleviate congestion, improve operations, and enhance safety for all modes at the SR 221 and SR 29 intersection.



3. Describe the project's purpose, including quantitative and qualitative details on public benefits the project will achieve:

Vine Transit Bus Maintenance Facility

The purpose of the Project is to replace the existing bus maintenance facility. The existing facility was designed as a city corporation yard and is unable to handle existing needs or future growth. The existing facility services [80] vehicles at present and takes up every square inch of the yard. Based on a one percent annual growth rate the fleet is expected to grow to 97 buses in 20 years, some of which will be stored in the smaller jurisdictions they serve. The existing facility has an insufficient number of service bays and has no parking for visitors or employees. The existing facility is significantly undersized for the fleet currently stored there leading to suboptimal practices and the 60 employees on-site at any given time driving the local streets in search of parking. The site services a mix of bus types: 40 foot, 35 foot and 28 foot fixed route vehicles, as well as a mix of smaller paratransit vehicles that serve 1.15 million passengers per year.

The administrative facilities are undersized and are housed in temporary trailers and no facilities that can accommodate driver meetings and trainings. There are too few service bays for the fleet. A list of major deficiencies are noted in the table below from the 2013 Kimley Horn consultant feasibility study.

In summary, the current overcrowding, lack of sufficient number of service bays and the recent expansion of transit service are compelling evidence of the need for a new facility.

Major Deficiencies	Issue	National Standards
Fleet Parking Patterns	Buses are backed out and parked nose-to-tail	Pull-through parking
Service Bay Ratio	Over 20 buses per Bay	12 buses per Bay
Number of Bays	2.5 existing	8 service bays and 2 optional bays
Fueling Lanes	Not on site: the fleet is fueled at retail vendors	50 buses per lane

A summary of the Project benefits is shown below:

- Supports and encourages the use of transit throughout Napa County
- Address the existing growing needs and add future transit fleet capacity to address year [2040] goals
- Provide parking for visitors and/or employees
- Provide more space for bus maintenance with easier access and egress
- Improve operational efficiencies and safety of fleet management
- Meet ADA requirements

- Provide 1MW photovoltaic system
- Incorporate environmentally sustainable materials using LEED principles
- Incorporate medium voltage electric service and conduit for future chargers for up to 87 electric vehicles

SR 29/SR 221 Soscol Junction Improvement Project

Napa County attracts more than five million visitors annually. Coupled with population growth in Solano and Sonoma counties, SR 29 and 221 have become major interregional highways serving residents, visitors, workers and freight. Annually commuters endure up to 225 hours of delay in the morning and 630 hours of delay in the evening at Soscol Junction due to congestion.

Congestion at Soscol Junction has worsened over time, fueled in part by tourism, population growth and economic development. Housing production is not keeping pace with the creation of new jobs in Napa. Consequently, Napa's workers commute in from adjacent counties contributing to the traffic issues.

The existing highway configuration cannot accommodate the current traffic volumes – volumes that are likely to grow in the future.

The signalized intersection of SR 29/SR 221 is currently experiencing traffic congestion during a.m. and p.m. peak periods and is operating at or near capacity. Peak hour traffic volumes in both the AM and PM on SR 29 and SR 221 are expected to increase by the year 2045. These traffic volumes will be significantly higher than the capacity of the existing intersection.

The Soscol Junction project is a crucial step in relieving future traffic congestion.

The Soscol Junction project will alleviate congestion and improve operations at the SR 29/221/Soscol Ferry Road intersection in south Napa County, as well as accommodate bicyclists along the busy corridor. The new corridor includes two roundabouts — one on SR 221 north of SR 29 and the other on Soscol Ferry Road south of SR 29. The roundabouts will accommodate turning movements on and off the highways.

4. Provide the estimated capital cost of the project:

Vine Transit Bus Maintenance Facility

The estimated capital construction cost for the BMF Project is **[\$32.2 million]**. The Capital cost estimates for the Project are based on 100% design. NVTa intends to procure the construction of the Project through a traditional design-bid-build public procurement approach. The land and right-of-way is owned by NVTa and the purchase is complete. To date \$5.6 million has been spent to pay for land cost, environmental review, preliminary and final design, and appraisal.

SR 29/SR 221 Soscol Junction Improvement Project

The estimated capital construction cost for the Soscol Project is **[\$40 million]**. Since the project footprint will stay inside the existing right of way, no right of way acquisition will be needed, in addition no Temporary Construction Easements (TCE) are required from property owners.

Total estimated cost for both projects is **[\$72.2m]**.

5. Provide the design features, development schedule, and other relevant descriptions of the project:

Vine Transit Bus Maintenance Facility

Proposed design includes;

- Quality 28,000 sq. ft. facility with a **[40 year]** design life
- Includes six service bays, chassis wash, paint and body bay and a modern bus wash
- Driver training center and meeting space so that staff briefings occur efficiently

- Transit Emergency Operations Center, which includes back up power for essential services for 72 hours. This is essential given the recent evacuations performed by the Vine bus fleet during the October 2017 wildfires.
- Ample parking for transit vehicles, employees and visitors
- 1MW photovoltaic power generation system that will provide all of the buildings with power as well as charge up to three electric buses

Schedule

Feasibility Study	December 2013
Lot purchase	September 2016
Architecture/Engineering NTP	August 2017
CEQA Environmental Impact Report	January 2018
Construction Management NTP	November 2018
NEPA Categorical Exclusion	June 2018 (expected)
Project Bid	[August 2019]
Bid Responses Due	[October 2019]
Construction Bidder Selection	[October 2019]
Construction Start	[November 2019]
Construction Complete	[April 2021]
Facility In-Service	[Spring 2021][A1]

SR 29/SR 221 Soscol Junction Improvement Project

In order to reduce congestion, the Soscol Project will construct a tight diamond interchange with two, four-legged, multi-lane roundabouts, one on either side of the SR 29 freeway. SR 29 will be re-built as an overcrossing just north of the existing intersection with SR 221, minimizing right of way impacts and providing separation between the adjacent high speed SR 29 to SR 221 northbound ramp and the adjacent roundabout entry.

To aid pedestrian and bicycle circulation in the vicinity of the roundabouts, a 10 foot minimum shared use path is provided along the northern side of SR 221/Soscol Ferry Road. The shared use path is separated from vehicular traffic by placing a minimum 5 foot wide landscape buffer and will be constructed to conform to a future shared use path constructed by the City of Napa with connection to Corporate Way along the western side of SR 221. Pedestrian crossings are shown a minimum of one car length from the circulatory roadway, and the pedestrian refuges at the splitter islands are at least 6 feet wide, which are consistent with National Cooperative Highway Research Program (NCHRP) Report 672 entitled "Roundabouts: An Information Guide, 2nd Edition". The shared-use path conveys both pedestrian and bicycle traffic through the intersection. The path provides the opportunity for cyclists to exit the bicycle lane via a bicycle ramp and navigate the intersection on the shared-use path and through the crosswalks. As an alternative to taking the shared-use path, cyclists are also given an option to exit the bicycle lane and entering the roadway to ride with vehicle traffic through the roundabout. Crosswalks are split into two separate crossings through the provision of pedestrian refuges at the splitter islands. These two-stage crossings reduce the amount of sustained time a pedestrian is in potential conflict with motorized vehicles by limiting the length of each crossing and limiting each crossing to one direction of vehicle travel at a time.

The roundabouts have also been designed to allow for STAA trucks to maneuver into and out of the new intersections. A mountable truck apron around the perimeter of the central island has also been provided to accommodate the additional width needed for trailer tracking. The passage of large emergency vehicles through the roundabouts is the same as for other large vehicles and may periodically require use of the mountable apron. Fire vehicles do not require preemption to navigate the roundabouts. The additional circulating road width also provides for by-pass of stopped or disabled traffic, simplifying passage by emergency vehicles.

Schedule

Design Start	Spring 2020
Design Complete	Spring 2021
Construction Start	September 2022
Construction Complete	September 2024
Facility In-Service	Fall 2024[A2]

B) Outline the Proposed Financial Plan, including the Requested Credit Assistance.

1. Detail the plan of finance in sufficient detail to assist the DOT in its creditworthiness assessment:

The NVTa's credit is rated A2/A- by Moody's and S&P, respectively. The justification for these good credit ratings includes: very low industry risk and competition; extremely strong economic fundamentals, stemming from good population growth and very strong employment growth in Napa County; strong market position with very strong ridership growth; strong history of support from the State of California.

NVTa is pledging its full faith and credit to repay debt service on the TIFIA loan. The NVTa's three largest sources of revenue available to make timely debt service payments include:

- (1) Transportation development act funds (TDA)
- (2) State Transit Assistance (STA) generated by the sales tax on diesel fuel
- (3) Membership contributions.

Currently we anticipate that the Projects will be funded from a combination of the following sources:

- *Federal funding:* FTA 5339 Formula, BUILD Grant, State Transportation Improvement Program;
- *State funding:* SB1 Local Partnership Program;
- *Local funding:* STA; Regional Measure 3, Developer fees;
- *TIFIA loan* - The share of requested TIFIA credit assistance for both projects will be approximately [38%] of eligible costs at the rural credit rate. The current estimated level of eligible costs is [\$72.2 million].

The table below summarizes the composition of the TIFIA eligible project costs considered for this project.

		Bus Maintenance Facility	Soscol Project	Total
Total Project Costs	\$000s	32,180	40,000	72,180

Combined TIFIA loan and other federal assistance amounts to [77%] of total eligible costs.

2. Detail the sources and uses of funds:

The table below provides an assumed capital structure based on the preliminary financial plan.

		Bus Maintenance Facility	Soscol Project	Total
Total Project Costs	\$000s	32,180	40,000	72,180
Funding Sources				
<u>Federal Funding</u>				
FTA: 5339(a) Formula	\$000s	526		526
FTA: 5339(b) Bus and Bus Facilities	\$000s	-		-
BUILD Grant			10,000	10,000
STIP	\$000s	4,100	13,881	17,981
<u>State Funding</u>				
SB1 Local Partnership Program	\$000s	1,100	-	1,100
<u>Local Funding</u>				
STA	\$000s	43		43
RM3	\$000s	7,899	5,340	13,239
Developer Fees	\$000s		2,181	2,181
<u>Financing</u>				
TIFIA Loan	\$000s	18,512	8,598	27,110
TOTAL		32,180	40,000	72,180
TIFIA Assistance	%	58%	21%	38%
Total Federal Assistance	%	72%	81%	77%

The requested TIFIA Loan amount of **\$27 million** is based on **38%** of total eligible costs for both projects.

Definitions of sources of funds:

FTA 5339 Formula: The Grants for Buses and Bus Facilities Program (49 U.S.C. 5339) makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants.

BUILD Grant: The Better Utilizing Investments to Leverage Development, or BUILD Transportation Discretionary Grant program, provides a unique opportunity for the DOT to invest in road, rail, transit and port projects that promise to achieve national objectives. Previously known as Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grants, Congress has dedicated nearly \$7.1 billion for ten rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact.

SB1 Local Partnership Program: The Road Repair and Accountability Act of 2017 (Senate Bill 1) created the Local Partnership Program, which is modeled closely after the Proposition 1B State Local Partnership Program. The purpose of this program is to provide local and regional transportation agencies that have passed sales tax measures, developer fees, or other imposed transportation fees with a continuous appropriation of \$200 million annually from the Road Maintenance and Rehabilitation Account to fund road maintenance and rehabilitation, sound walls, and other transportation improvement projects.

STA funding: State Transit Assistance, or STA, funds are generated by the sales tax on diesel fuel. Operators have full discretion over the use of most of STA apportioned to them. Funds may be used by transit operators for both capital projects and transit operations.

RM3 funding: To help solve the Bay Area's growing congestion problems, MTC worked with the state Legislature to authorize a ballot measure that would finance a comprehensive suite of highway and transit improvements through an increase tolls on the region's seven state-owned toll bridges. Senate Bill 595 (authored by Sen. Jim Beall of San Jose) was passed by the Legislature and signed into law by Gov. Brown in fall 2017.

Toll revenues will be used to finance a \$4.45 billion slate of highway and transit improvements in the toll bridge corridors and their approach routes.

Fiscal Year 2016 Letter of Interest Form

Developer Fees: Funds from private developers to develop property adjacent to the Soscol project.

3. Type of credit assistance:

Borrower: NVT A

Issue: TIFIA Loan

Maximum principal amount: [\$27 million]

Closing Date: [December 2019]

Principal Payment Schedule: [Amortization to begin in 2030 - five years following substantial completion of both projects.]

Final Maturity: [2059]

4. Amount of credit assistance sought from DOT:

This Project is eligible for the Rural Project Initiative. NVT A is seeking 49% of eligible project costs and a fee assistance waiver.

5. Provide a rationale for the amount of TIFIA credit assistance requested, as a percentage of reasonably anticipated eligible project costs (e.g., a project sponsor can demonstrate that traditional sources of financing are not available at feasible rates without the TIFIA assistance, or that the costs of traditional financing options would constrain the sponsor's ability to deliver the project, or that delivery of the project through traditional financing approaches would constrain the sponsor's ability to deliver a group of related projects, or a full capital program):

NVT A does not have an existing debt program, but it does have an Issuer Credit Ratings in 2018 of 'A2' and 'A-' from Moody's and S&P, respectively. TIFIA credit assistance provides the structural flexibility of a subordinated loan while providing cost effective and an efficient use of the capital structure for NVT A, rendering it critical in the overall capital structure that will be utilized to finance the Project. The TIFIA loan will be structured to receive an investment grade rating from rating agencies.

These Projects are not feasible without a TIFIA loan. The TIFIA loan allows NVT A to access a fixed rate, fully amortizing structure that eliminates refinancing risks at favorable rates, allows for the capitalization of interest during construction, and provides a flexible debt structuring as TIFIA loan payments can be split into scheduled and mandatory tranches. NVT A understands that U.S. DOT's policy for rural TIFIA credit assistance allows up to 49% of eligible project costs and provide a fee assistance waiver. Without TIFIA credit assistance, the affordability of the Projects to NVT A will be severely impaired and Project delivery will be significantly delayed.

6. Explain the flexibility in the financial plan to finance the project with a reduced percentage of TIFIA credit assistance:

As noted above, TIFIA credit assistance is irreplaceable in the plan of finance for the Projects, as it offers low cost borrowing, a long and flexible debt tenor, and debt service prepayment flexibility. As such, a reduced amount of TIFIA credit assistance would challenge the financial viability and affordability of the Projects. A reduced percentage of TIFIA credit assistance could also require reductions in the project scope or delay the Projects, which will jeopardize the Projects' viability and ability to deliver the benefits stated previously.

7. Description of revenue source(s) pledged to repayment:

NVT A, with a catchment area population of 142,417 as of 2016, has had good population and employment growth in recent years. Population growth from 2011 to 2016 was about 3.2%, while employment growth during the same period was 15.4%. The county's economy is famously concentrated in wine production and tourism, but the county is also well integrated into the large and diverse San Francisco Bay Area economy. Income levels are above average - county per capita personal income

Fiscal Year 2016 Letter of Interest Form

in 2016 was \$65,805, 134% of the US average and 117% of the state average. The fires in late 2017 disrupted the tourism industry, but, by all indications, tourism has fully recovered and rebuilding of damaged property is having a positive economic impact.

NVTA is pledging its full faith and credit to repay debt service on the TIFIA loan. The NVTA's three largest sources of revenue available to make timely debt service payments include:

- (1) Transportation development act funds (TDA)
- (2) State Transit Assistance (STA) generated by the sales tax on diesel fuel
- (3) Membership contributions.

TDA Funds

TDA funds consist of the authority's share of a quarter-cent statewide sales tax. It is the authority's largest revenue source. In the period from 2013 to 2018 historical average committed to capital expenditure averaged **[\$2.45 million]**. TDA funds that are not spent within the fiscal year they are drawn must either be returned to the Napa County Local Transportation Fund (LTF; trust account for TDA) or designated as advances for a specific project. Funds returned to the LTF become available to NVTA again in the subsequent fiscal year.

STA Funds

STA funds are generated by the sales tax on diesel fuel. According to MTC Resolution No. 4360. FY 2019-20 Fund Estimate, **[\$1.8m]** of STA funds has been allocated to Napa County for fiscal year 2019-20.

There is no sunset date on this source of funding and it is assumed these revenues will flow in perpetuity.

Operators have full discretion over the use of TDA and most of STA apportioned to them. Funds may be used by transit operators for both capital projects and transit operations.

Membership contributions

Membership fees from NVTA's constituent governments are a new annual revenue stream which is scheduled to commence in **[July 2019]**. It is estimated to bring additional **[\$250,000]** annually which will be available for debt service payments.

Amortized over 30 year period, TIFIA annual debt service is estimated at approximately **[\$1.1 million]**. The amount of revenue (net of operating expenses) available for debt service in 2019 is estimated at approximately **[\$4 million]**. This provides sufficient funds with a healthy cushion to repay debt service on the TIFIA loan.

8. Address the status of any revenue feasibility studies:

Not applicable.

C) Status of Environmental Review.

1. Summarize the status of the project's environmental review:

Vine Transit Bus Maintenance Facility

The NVTA, as sub-grantee, and the Metropolitan Transportation Commission ("MTC") as grantee have received a NEPA Categorical Exclusion ("CE") for the project under 23 CFR 771.118(c)(9).

SR 29/SR 221 Soscol Junction Improvement Project

Environmental clearance for the Soscol Project is expected to be finalized in September 2019. Final design is scheduled to be approved in spring 2020.

2. Discuss whether the project has received a Categorical Exclusion, Finding of No Significant Impact, or Record of Decision or whether a draft Environmental Impact Statement has been circulated:

The CE for the BMF Project has been approved by FTA on June 19, 2019.

D) Information Regarding Satisfaction of TIFIA Eligibility Requirements.

Please demonstrate the following:

1. Creditworthiness:

a. Ability to satisfy applicable creditworthiness standards:

The TIFIA loan will be secured by funding sources and revenues controlled by NVTA. NVTA has Issuer Credit Ratings in 2018 of 'A2' and 'A-' from Moody's and S&P Global, respectively.

b. Rate covenant, if applicable:

Rate covenants consistent with other US transit systems transactions will be established to ensure revenues are sufficient to meet the Project's debt service obligations.

c. Adequate coverage requirements to ensure repayment:

The loan will be secured by revenues of the transit fund, which includes farebox revenue, and state and federal capital and operating subsidies. To ensure repayment of project debt, the proposed TIFIA loan will be sized and structured to produce adequate coverage of debt service payments.

d. Ability to obtain two investment grade ratings on senior debt: two ratings on the TIFIA debt (investment grade if senior); if project costs are less than \$75 million only one rating on the senior debt and the TIFIA debt are needed):

The following Issuer Ratings have been assigned to NVTA:

Moody's Investors Service 'A2' (April 30, 2018)
S&P Global Ratings 'A-' (May 30, 2018)

The issuer rating represents the rating that would be assigned to any bonds secured by the revenues of the NVTA.

2. Foster partnerships that attract public and private investment for the project:

Vine Transit Bus Maintenance Facility

NVTA has a long term contract and incentivized partnership with Transdev Service Inc., an independent private firm that operates the Vine Transit services on a turn-key basis and provides routine maintenance to the Project. NVTA had a successful track record with Transdev (known as Veolia until a recent merger) for 28 years before the formation of NVTA. The current contract term is for five years, with a two year extension option. The current contract commenced in 2016.

Transdev is one of the largest private providers of multiple modes of transportation in North America. Transdev is part of a global company operating in 20 countries on six continents.

Transdev is incentivized to provide innovative investments, such as technology not already owned and operated by NVTA and innovative dispatching methods which can enhance the quality and level of service for citizens, businesses, and visitors of Napa County, while focusing on maximizing ridership, coverage, and efficiencies. The services provided by Transdev are the local fixed route and regional commuter express bus routes, complementary paratransit, on-demand dial-a-ride service, customer service/ticket sales at the Soscol Gateway Transit Center (SGTC), vehicle maintenance, and routine facility

***Fiscal Year 2016 Letter of Interest Form***

maintenance at the SGTC, and operations and maintenance of the existing bus maintenance facility at 720 Jackson Street in the City of Napa, two (2) park and ride lots located in Napa and Yountville, and approximately 321 bus stops throughout Napa County.

For the BMF Project, Transdev or its successor will be responsible for the operation and maintenance of the facility. TransDev as the current NVRTA transit operating is contractually responsible for operations and maintenance of the existing transit maintenance facility and the Transdev or its successor will be contracted for these services at the new facility. [XXX].[A3]

SR 29/SR 221 Soscol Junction Improvement Project

[NVRTA to provide]

3. Enable the project to proceed at an earlier date or reduced lifecycle costs (including debt service costs):**Vine Transit Bus Maintenance Facility**

Without a TIFIA loan, this Project will be delayed by at least [5] years as NVRTA accumulates the funds necessary to pay for construction costs.

SR 29/SR 221 Soscol Junction Improvement Project

Without a TIFIA loan, this Project will be delayed by at least [5] years as NVRTA accumulates the funds necessary to pay for construction costs.

4. Reduce the Contribution of Federal Grant Assistance for the Project:

N/A.

5. Construction contracting process can commence no more than 90 days from execution of a TIFIA credit instrument:**Vine Transit Bus Maintenance Facility**

NVRTA has spent \$5.6 million so far to prepare and ready the Project to commence construction. Currently the design is at [90%] completion. Construction is scheduled to commence in Q2 2019.

SR 29/SR 221 Soscol Junction Improvement Project

The primary delay with this Project is in the availability of funding sources to pay construction costs. Once sufficient funding is available the Project's contractor will be procured.

E) Project Participants.**1. Name of Applicant/Borrower:**

Applicant: Napa Valley Transportation Authority

Borrower: Napa Valley Transportation Authority

2. Overall Organizational Structure:

***Fiscal Year 2016 Letter of Interest Form***

NVTA, formerly known as the Napa County Congestion Management Agency and Napa County Planning and Transportation Agency, was formed on September 3, 1998, under a Joint Powers Agreement to provide coordinated, continuous, and comprehensive transportation planning for the County of Napa (the County) and the cities of the County. NVTA consists of six member agencies with the voting power of each in parenthesis: the Cities of American Canyon (4), Calistoga (2), Napa (10), and St. Helena (2); the Town of Yountville (2); and the County (4). NVTA is charged with coordinating short and long-term planning and funding within an intermodal policy framework in the areas of highways, streets and roads, transit and paratransit, and bicycle path improvements.

The work program for the activities of NVTA is defined by the Board of Directors ("the Board") made up of elected officials from the respective member agencies and a member of the Paratransit Coordinating Council ("PCC"). The PCC member is ex-officio and does not have a vote.

Congestion Management Agencies were created through the passage of Proposition 111 by California voters in 1990. Proposition 111 added 9¢ per gallon to the state fuel tax to fund local, regional and state transportation projects and services. It also required urban counties to designate a congestion management agency, whose primary responsibility is to coordinate transportation planning, funding and other activities in a congestion management program.

NVTA's Joint Powers Agreement was amended effective January 1, 2001, to facilitate the consolidation of transit planning and to allow transfer of Transportation Development Act (TDA) funds directly to NVTA as claimant for transit use to the extent allowed by TDA regulations. The amendment enables NVTA to claim all TDA funds under Articles 4, 4.5, and/or 8 of Chapter 4 of the Public Utilities Code apportioned within the County by the Bay Area Metropolitan Transportation Commission. NVTA is authorized to claim all apportionments to transit services on behalf of the jurisdictions of the County.

In January 2007, the agreement was amended further to change NVTA's name from Napa County Congestion Management Agency to Napa County Transportation and Planning Agency. In February 2016, the name was changed to the Napa Valley Transportation Authority.

Beginning July 1, 2001, NVTA began administering all transit-related activities on behalf of the Cities of Calistoga, Napa, and St. Helena; the Town of Yountville; and the County. Effective July 1, 2006, NVTA assumed direct management of American Canyon Transit.

The NVTA is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. NVTA is not subject to income tax.

The NVTA's goals, duties and composition make it easier for local governments to tackle the increasingly complex problem of traffic congestion.

3. If applicable, detail how the project meets the FAST Act's definition of a rural infrastructure project (a surface transportation infrastructure project with eligible project costs greater than \$10,000,000, but not to exceed \$100,000,000, and located in an area that is outside of an urbanized area with a population greater than 150,000 individuals, as determined by the Bureau of the Census.):

The US Census Bureau Population estimates the population of Napa County, California as of July 1, 2017 to be 140,973 people, therefore, eligible for rural credit assistance.

4. What entity (i.e., public-sector agency/authority or private-sector company) will serve as the applicant?

Napa Valley Transportation Authority is the applicant.



5. Will the applicant and the borrower be the same entity? Who are the members of the project team?

Vine Transit Bus Maintenance Facility

The applicant is the Napa Valley Transportation Authority.

Architect.

Stantec

Civil and Structural Engineers.

Kimley Horn

Industrial Engineers.

MDG

Electrical Engineers.

Aurum

Mechanical and Plumbing Engineers.

Axion

Geotechnical Engineers

PARIKH

[Pending], Construction Team.

To be determined following RFP process in 2019.

Transdev Service Inc., Bus Service Providers & Building Operators.

Transdev is one of the largest private provider of multiple modes of transport in North America. Transdev is part of a global company operating in 20 countries on six continents.

Project Finance Advisory, Ltd., Financial Advisor to NVT

Project Finance Advisory, Ltd. ("PFAL") is an independent financial advisory firm that specializes in developing and implementing financial solutions for infrastructure and real estate projects. The unique service that it provides to its public and private sector clients is agnostic financial advice that incorporates design, engineering, and construction considerations.

SR 29/SR 221 Soscol Junction Improvement Project

[NVT to provide]

Financial Advisor to NVT

Project Finance Advisory, Ltd.

6. Project Website or Applicant/Borrower Website:

<http://www.nvta.ca.gov/vtbfm>

<https://www.nvta.ca.gov/soscol-junction>

F) Other Information.

Briefly discuss any other issues that may affect the development and financing of the project, such as community support, pending legislation or litigation:

None.

**Fiscal Year 2016 Letter of Interest Form****G) Inclusion in Transportation Plans and Programs.**

Is the project consistent with the State Transportation Plan and, if applicable, the metropolitan plan and is the requested TIFIA amount reflected in such plan?

☒ No

☐ Yes

☐ Not applicable

Please briefly elaborate:

[NVRTA is in the process of including the Project in the STIP. This is expected to be finalized in 2019.]

H) Readiness to Apply.

Is the project prepared to submit an application within a short timeframe after receiving an invitation from DOT?

☐ No

☒ Yes

☐ Unsure

What factors could impact this timetable or the applicant's ability to provide all required information?

None.

I) Additional Information.

Please provide any other additional information necessary:

None.

J) Key Contact Person.

Identify a key contact person with whom all communication should flow:

Name: Victoria Taylor

Title: President & CEO

Street Address: 16a Funston Ave

City/State: San Francisco, CA 94129

Phone: (415) 580-5202

Fax: (866) 647-0864

E-mail: Victoria.taylor@pfalimited.com

K) Additional information requested.

DUNS:

Project Location:

State: California

County: Napa County

City: City of Napa

Congressional Districts Impacted by the Project: CA 5th District

Type of Jurisdiction (e.g., rural, urban): Rural

**Fiscal Year 2016 Letter of Interest Form**

Fees. Except under limited circumstances as described further, the increased demand on TIFIA's resources has led to the discontinuation of the practice of advancing the entire cost of financial and legal advisors engaged to assist DOT in determining a project's creditworthiness and overall eligibility and having those costs reimbursed to DOT after execution of a credit agreement. As such, upon request, project sponsors must pay fees in the amount of \$250,000 before DOT hires financial and/or legal advisors as part of the Letter of Interest review process. These fees are due upon request. Additional fees will be charged after the credit instrument is executed, including additional amounts required to fully cover TIFIA's financial and legal advisory services costs in connection with the evaluation and negotiation of the terms of TIFIA credit assistance for the project. For projects that enter credit negotiations, the undersigned further certifies a transaction fee will be paid at closing or, in the event no final credit agreement is reached, upon invoicing by the DOT, in the amount equal to the actual costs incurred by the DOT in procuring the assistance of outside financial advisors and legal counsel. This fee is due whether or not the loan closes.

*Note: For projects having eligible project costs that are reasonably anticipated to be \$75 million or less, the FAST Act provides for the reservation of not less than \$2 million of the TIFIA program's annual funding authority to be used in lieu of the third-party costs charged by DOT. Project sponsors wishing to be considered for this available funding should indicate this in their Letters of Interest, **though the undersigned further certifies its acknowledgment that DOT cannot guarantee that funds will be available to satisfy such a request.***

Debarment. The undersigned certifies that it is not currently, nor has it been in the preceding three years: 1) debarred, suspended or declared ineligible from participating in any Federal program; 2) formally proposed for debarment, with a final determination still pending; 3) voluntarily excluded from participation in a Federal transaction; or 4) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment & Suspension Regulations: 49 C.F.R. Part 29).

Default/Delinquency. The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.

Signature: By submitting this Letter of Interest, the undersigned certifies that the facts stated herein are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Submitted by:

Applicant/Borrower Name _____

Title _____

Organization _____

Date _____

Please attach any relevant documents (e.g., maps, organization charts, etc.).



NAPA VALLEY TRANSPORTATION AUTHORITY

July 17, 2019

ATTACHMENT 2
NVTA Agenda Item 12.4
July 17, 2019

[City/Town Manager/CEO]
[Address]
[City, CA, 94XXX]

RE: Notice of Transportation Infrastructure Finance and Innovation Act Letter of Interest Submittal to the Build America Bureau

Dear City/Town Managers and County Executive Officer,

As you are aware, the Napa Valley Transportation Authority (NVTA) has taken several steps in the last few months assembling a financial package for the construction of a new Vine Transit Maintenance, Operations, and Administration Facility. This letter is to provide official notice of NVTA's intent to submit an application for debt financing to the Transportation Infrastructure Finance and Innovation Act (TIFIA). Staff has been working diligently to assemble the funding for the \$32.18 million construction portion of the project. Since the project's inception, it was known that available grant fund sources would not cover the entire scope and a portion of the project cost would need to be financed.

At its July 17, 2019 meeting, the Board directed staff to submit a Letter of Interest (LOI) to the Build American Bureau- a division of the U.S. Department of Transportation which oversees the TIFIA credit program. Two additional projects will be added to the application: Soscol Junction and Bus Electrification. The purpose of this bundled loan arrangement is to ensure that there is a way to *reimburse* the highway projects funded with the State Transportation Improvement Program (STIP) funds should other fund sources not come to fruition for critical highway projects and to take advantage of clean energy grants that would not otherwise be available to NVTA when the Vine is subject to zero emission bus requirements.

The recently revised and updated Joint Powers Agreement (JPA) between NVTA and member agencies includes noticing of NVTA's intent to assume debt. Any acceptance and assumption of debt by NVTA from a third party provider compels the member jurisdictions to remain in the JPA throughout the life cycle of the debt instrument until all obligations have been paid in full.

If you would like to discuss this matter further, please contact me or NVTA Director of Finance, Antonio Onorato at 707-259-8779 or aonorato@nvta.ca.gov with any questions.

Sincerely,

Kate Miller
Executive Director