



## NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

---

### **SUBJECT**

Approval of Napa Valley Transportation Authority (NVTA) Agreement No. 20-14 for Financial Advisory Services with KNN Public Finance to secure a Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance for the construction of the new Vine Transit Maintenance Facility

### **STAFF RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute Agreement No. 20-14 with KNN Public Finance.

### **EXECUTIVE SUMMARY**

NVTA contracted with Public Finance Advisory Limited (PFAL) for financial advisory services with the tasks of engaging with the federal Build America Bureau (BAB) to submit a Letter of Interest (LOI) for financing the construction portion of the Vine Transit Maintenance Facility, and to assist with obtaining an indicative creditworthiness rating from Moody's Investment Services. Those tasks have been completed and the agreement has expired.

To continue the credit financing process, NVTA must enter into a new agreement to secure extended financial advisors to negotiate and secure a TIFIA loan. A review committee composed of NVTA staff determined that was the most qualified firm for the financial advisory portion of the agreement was KNN Public Finance based in Oakland, California.

As part of the procurement process, NVTA staff requested that the submitting financial firms also recommend legal counsel. Legal counsel is necessary to negotiate and validate the legality of the TIFIA debt structure. NVTA will negotiate a separate agreement for the Board's consideration at a future meeting.

### **FISCAL IMPACT**

Not to exceed \$112,750 which includes a 10% contingency for minor scope changes, but does not include legal expenditures.



## NAPA VALLEY TRANSPORTATION AUTHORITY

### Board Agenda Memo

---

**TO:** NVTA Board of Directors  
**FROM:** Kate Miller, Executive Director  
**REPORT BY:** Antonio Onorato, Director - Administration, Finance and Policy  
(707) 259-8779 / Email: [aonorato@nvta.ca.gov](mailto:aonorato@nvta.ca.gov)  
**SUBJECT:** Approval of Napa Valley Transportation Authority (NVTA) Agreement No. 20-14 for Financial Advisory Services

---

#### **RECOMMENDATION**

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute and make minor changes to Agreement No. 20-14 (Attachment 1) with KNN Public Finance for financial advisory services to secure Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance in an amount not to exceed \$112,750.

#### **COMMITTEE RECOMMENDATION**

None

#### **BACKGROUND**

NVTA contracted with Public Finance Advisory Services (PFAL) for financial advisory services to engage with the Build America Bureau (BAB), submit a Letter of Interest (LOI) (Attachment 2) to assist with financing the construction of the Vine Transit Maintenance Facility, and to assist with obtaining an indicative creditworthiness rating from Moody's Investment Services (Attachment 3). Those tasks have been completed and the agreement has expired.

To continue the credit assistance process, a Request for Proposals was issued on July 7, 2020 for the specific task of securing a credit agreement with the Build America Bureau. Four proposals were received. The bidders were asked to demonstrate their knowledge and experience in successfully obtaining and securing credit financing through the TIFIA process. A review committee composed of NVTA staff unanimously determined that KNN Public Finance was the most qualified firm.

Financial advisors and attorneys specializing in the TIFIA credit assistance process is crucial to navigate the extremely complex requirements of obtaining a federal loan. NVTA is seeking to secure credit assistance of up to \$19 million, or 49% of total project costs, although the actual funds needed is expected to be less. This will ensure NVTA will have maximum financial flexibility to complete the project.

The current borrowing rate is  $\frac{1}{2}$  of the comparable US Treasury rate of 1.22%, or 0.61% as of August 3, 2020. Any unused funds will be relinquished at no cost or penalties to the agency. This element differs from other lending firms, such as the State Infrastructure Bank, which assesses a significant penalty for early pre-payment of loans. Further, to alleviate cash flow issues, NVTA will request to make interest only payments for the first five (5) years of the 35 year loan. This element significantly reduces any risks associated with making the debt payment and few lending institutions provide this option.

As part of the RFP process, NVTA staff requested that proposing financial advisors also recommend legal counsel. Legal counsel will act similarly to bond counsel to ensure that the TIFIA debt structure terms and agreements will not conflict with any laws, regulations, or policies associated with the funding that NVTA staff is proposing to pledge (Transportation Development Act funds) to make the debt payment on the TIFIA loan. Once the financial advisor agreement is in place, NVTA staff will negotiate for legal services to support this effort and will present the agreement to the board for its consideration at a future meeting.

### **ALTERNATIVES**

The agency could forgo the use of industry experts to negotiate and secure a TIFIA loan. However, staff does not have the technical knowledge nor expertise to pursue the type of complex financing arrangement that will result in a federal loan agreement. Seeking other funds would delay the project indefinitely.

### **STRATEGIC GOALS MET BY THIS PROPOSAL**

Goal 3: Use taxpayer dollars efficiently.

TIFIA funds will supplement the budget for Vine Transit Maintenance Project. The assistance is highly desirable since assistance provides a number of attractive features such as low interest financing and waiver of most, if not all, origination and underwriting fees.

### **ATTACHMENT**

- (1) NVTA Agreement No. 20-14
- (2) Letter of Interest for RRIF and TIFIA Credit Assistance
- (3) Moody's Investors Service Indicative Ratings Letter for NVTA

**NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA)****AGREEMENT NO. 20-14**

THIS AGREEMENT is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2020, by and between the Napa Valley Transportation Authority, a joint powers agency under the laws of the State of California, hereinafter referred to as "NVTA", and KNN Public Finance, LLC, whose mailing address is 1300 Clay Street, Suite 1000, Oakland, CA 94612, a Limited Liability Company registered in doing business in the State of California, hereinafter referred to as "CONTRACTOR";

**RECITALS**

**WHEREAS**, NVTA wishes to obtain specialized financial consulting and advisory services to assist with securing a Rural Project Initiative (RPI) Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance offered through the US Department of Transportation's (DOT) Build America Bureau (BAB); and

**WHEREAS**, CONTRACTOR is willing and has been determined to be qualified to provide such specialized services to NVTA under the terms and conditions set forth herein;

**TERMS**

**NOW, THEREFORE**, NVTA hereby engages the services of CONTRACTOR, and CONTRACTOR agrees to serve NVTA in accordance with the terms and conditions set forth herein:

(a) **Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on June 30, 2021, unless earlier terminated as provided herein, except that the obligations of the parties under "Insurance" and "Indemnification" shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to NVTA shall also continue after said expiration date or early termination in relation to the obligations prescribed by "Confidentiality," "Taxes," and "Access to Records/Retention)".

2. **Scope of Services.** CONTRACTOR shall provide NVTA those services set forth in CONTRACTOR's proposal (EXHIBIT A), attached hereto and incorporated by reference herein. EXHIBIT A is provided solely to describe the services to be provided. Any terms contained in EXHIBIT A that add to, vary or conflict with the terms of this Agreement are null and void.

**3. Compensation.**

(a) Rates. In consideration of CONTRACTOR's fulfillment of the promised work, NVTa shall pay CONTRACTOR at the rate set forth in EXHIBIT B, attached hereto and incorporated by reference herein.

(b) Expenses. Unless explicitly agreed in writing, no direct expenses, including travel or other expenses, will be reimbursed by NVTa.

(c) Maximum Amount. Notwithstanding subparagraphs (a) and (b), the maximum payments under this Agreement shall be a total of **not to exceed \$102,500** for professional services and expenses; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered.

**4. Method of Payment.**

(a) Invoices. All payments for compensation shall be made only upon presentation by CONTRACTOR to NVTa of an itemized billing invoice in a form acceptable to the NVTa Manager of Finance which indicates, at a minimum, CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or, where compensation is on a per-task basis, a description of the tasks completed during the billing period, the person(s) actually performing the services and the position(s) held by such person(s), and the approved hourly or task rate. CONTRACTOR shall submit invoices not more often than every 30 days to NVTa Accounts Payable at 625 Burnell Street, Napa, CA 94559 or electronically to [ap@nvta.ca.gov](mailto:ap@nvta.ca.gov), who after review and approval as to form and content, shall submit the invoice to the NVTa Director Administration, Finance and Policy no later than fifteen (15) calendar days following receipt.

(b) Legal status. So that NVTa may properly comply with its reporting obligations under federal and state laws pertaining to taxation, if CONTRACTOR is or becomes a corporation during the term of this Agreement, proof that such status is currently recognized by and complies with the laws of both the state of incorporation or organization and the State of California, if different, shall be maintained on file with the Secretary of NVTa's Board of Directors at all times during the term of this Agreement in a form satisfactory to the NVTa Manager of Finance. Such proof shall include, but need not be limited to, a copy of any annual or other periodic filings or registrations required by the state of origin or California, the current address for service of process on the corporation or limited liability partnership, and the name of any agent designated for service of process by CONTRACTOR within the State of California.

**5. Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. CONTRACTOR and the officers, agents and employees of CONTRACTOR are not, and shall not be deemed, NVTa employees for any purpose, including workers' compensation and employee benefits. CONTRACTOR shall, at CONTRACTOR's own risk and expense, determine the method and manner by which duties imposed on CONTRACTOR by this Agreement shall be performed; provided,

however, that NVTA may monitor the work performed by CONTRACTOR. NVTA shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

6. **Specific Performance.** It is agreed that CONTRACTOR, including the agents or employees of CONTRACTOR, shall be the sole providers of the services required by this Agreement. Because the services to be performed by CONTRACTOR under the terms of this Agreement are of a special, unique, unusual, extraordinary, and intellectual or time-sensitive character which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action of law, NVTA, in addition to any other rights or remedies which NVTA may possess, shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement by CONTRACTOR.

7. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. CONTRACTOR will provide workers' compensation insurance as required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of the CONTRACTOR's duties under this Agreement; including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide NVTA with certification of all such coverage's upon request by NVTA's Risk Manager.

(b) Liability insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverage's, issued by a company licensed (admitted) to transact business in the State of California and/or having a A.M. Best rating of A VII or better.

1. General Liability. Commercial general liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement.

2. Professional Liability/Errors and Omissions. Professional liability/errors and omissions insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

3. Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on hired, leased and

non-owned vehicles used in conjunction with CONTRACTOR's business of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence. In the event that CONTRACTOR becomes the owner of any vehicles used in conjunction with CONTRACTOR's business during the term of this Agreement, CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement comprehensive automobile liability insurance covering such owned vehicle or vehicles.

(c) Certificates. All insurance coverage's referenced in 7(b), above, shall be evidenced by one or more certificates of coverage or, with the consent of NVTA's Risk Manager, demonstrated by other evidence of coverage acceptable to NVTA's Risk Manager, which shall be filed by CONTRACTOR with NVTA's Deputy Executive Director prior to commencement of performance of any of CONTRACTOR's duties; shall be kept current during the term of this Agreement; shall provide that NVTA shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium; and shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability. For the commercial general liability insurance coverage referenced in 7(b)(1) and, where the vehicles are covered by a commercial policy rather than a personal policy, for the comprehensive automobile liability insurance coverage referenced in 7(b)(3) CONTRACTOR shall also file with the evidence of coverage an endorsement from the insurance provider naming NVTA, its officers, employees, agents and volunteers as additional insureds and waiving subrogation, and the certificate or other evidence of coverage shall provide that if the same policy applies to activities of CONTRACTOR not covered by this Agreement then the limits in the applicable certificate relating to the additional insured coverage of NVTA shall pertain only to liability for activities of CONTRACTOR under this Agreement, and that the insurance provided is primary coverage to NVTA with respect to any insurance or self-insurance programs maintained by NVTA. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Upon request by NVTA's Risk Manager, CONTRACTOR shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

(d) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, NVTA's Risk Manager, which approval shall not be denied unless the NVTA's Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of CONTRACTOR by this Agreement. At the option of and upon request by NVTA's Risk Manager if it is determined that such deductibles or retentions are unreasonably high,

either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects NVTA, its officers, employees, agents and volunteers or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

8. **Hold Harmless/Defense/Indemnification.** To the fullest extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify NVTA and the officers, agents, employees and volunteers of NVTA from and against any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, for personal injury (including death) or damage to property, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of NVTA or its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement.

9. **Employee Character and Fitness.** CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and period rechecks to the extent permitted by law. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR, shall hold NVTA and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

10. **Termination for Cause.** If either party shall fail to fulfill in a timely and proper manner that party's obligations under this Agreement or otherwise breach this Agreement and fail to cure such failure or breach within twenty (20) days of receipt of written notice from the other party describing the nature of the breach, the non-defaulting party may, in addition to any other remedies it may have, terminate this Agreement by giving ten (10) days written notice to the defaulting party in the manner set forth in Paragraph 13 (Notices). NVTA hereby authorizes the NVTA Executive Director to make all decisions and take all actions required under this Paragraph to terminate the Agreement on behalf of NVTA for cause.

11. **Termination for Convenience.** This Agreement may be terminated by NVTA for any reason and at any time by giving no less than thirty (30) days written notice of such termination and specifying the effective date thereof. NVTA hereby authorizes the NVTA Executive Director to make all decisions and take all actions required under this Paragraph to terminate the Agreement on behalf of NVTA.

12. **Disposition of, Title to and Payment for Work upon Expiration or Termination.**

(a) Upon expiration of this Agreement or earlier termination of Agreement, all finished or unfinished documents and other materials, if any, and all rights therein shall become, at the option of NVTa, the property of and shall be promptly returned to NVTa, although CONTRACTOR may retain a copy of such work for its personal records only. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by CONTRACTOR under this Agreement shall be deemed a "work made for hire" for purposes of copyright or patent law and only NVTa shall be entitled to claim or apply for the copyright or patent thereof.

(b) CONTRACTOR shall be entitled to receive compensation for any satisfactory work completed prior to receipt of the notice of termination or commenced prior to receipt of the notice and completed satisfactorily prior to the effective date of the termination; except that CONTRACTOR shall not be relieved of liability to NVTa for damages sustained by NVTa by virtue of any breach of the Agreement by CONTRACTOR whether or not the Agreement expired or was otherwise terminated, and NVTa may withhold any payments not yet made to CONTRACTOR for purpose of setoff until such time as the exact amount of damages due to NVTa from CONTRACTOR is determined.

13. **No Waiver.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

14. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

NVTa

Kate Miller  
Executive Director  
625 Burnell Street  
Napa, CA. 94559

CONTRACTOR

David Leifer  
Senior Managing Director  
1300 Clay Street, Suite 1000  
Oakland, CA 94612

15. **Compliance with NVTa Policies on Waste, Harassment, Drug/Alcohol-Free Workplace, and Computer Use.** CONTRACTOR hereby agrees to comply, and require its employees and subcontractors to comply, with the following policies, copies of which are on file with the Board Secretary of NVTa and incorporated by reference herein. CONTRACTOR also agrees that it shall not engage in any activities, or permit its officers, agents and employees to do so, during the performance of any of the services required

under this Agreement, which would interfere with compliance or induce violation of these policies by NVTA employees or contractors.

(a) NVTA Policy for Maintaining a Harassment Free Work Environment effective November 18, 2015.

(b) NVTA Drug and Alcohol Policy adopted by resolution of the Board of Directors on November 18, 2015.

(c) Napa County Information Technology Use and Security Policy adopted by resolution of the Napa County Board of Supervisors on April 14, 2005. To this end, all employees and subcontractors of CONTRACTOR whose performance of services under this Agreement requires access to any portion of the NVTA computer network shall sign and have on file with NVTA prior to receiving such access the certification attached to said Policy.

(d) NVTA System Safety Program Plan adopted by resolution of the Board of Directors on November 18, 2015.

16. **Confidentiality.** Confidential information is defined as all information disclosed to CONTRACTOR which relates to NVTA's past, present, and future activities, as well as activities under this Agreement. CONTRACTOR shall hold all such information as CONTRACTOR may receive, if any, in trust and confidence, except with the prior written approval of NVTA, expressed through its Executive Director. Upon cancellation or expiration of this Agreement, CONTRACTOR shall return to NVTA all written and descriptive matter which contains any such confidential information, except that CONTRACTOR may retain for its files a copy of CONTRACTOR's work product if such product has been made available to the public by NVTA.

17. **No Assignments or Subcontracts.**

(a) A consideration of this Agreement is the personal reputation of CONTRACTOR; therefore, CONTRACTOR shall not assign any interest in this Agreement or subcontract any of the services CONTRACTOR is to perform hereunder without the prior written consent of NVTA, which shall not be unreasonably withheld. The inability of the assignee to provide personnel equivalent in experience, expertise, and numbers to those provided by CONTRACTOR, or to perform any of the remaining services required under this Agreement within the same time frame required of CONTRACTOR shall be deemed to be reasonable grounds for NVTA to withhold its consent to assignment. For purposes of this subparagraph, the consent of NVTA may be given by its Executive Director.

(b) Effect of Change in Status. If CONTRACTOR changes its status during the term of this Agreement from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this Agreement by CONTRACTOR. Failure of CONTRACTOR to obtain approval of

such assignment under this Paragraph shall be viewed as a material breach of this Agreement.

18. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing signed by both Parties. In particular, only NVTa, through its Board of Directors in the form of an amendment of this Agreement, may authorize extra and/or changed work beyond the scope of services prescribed by Exhibit "A". Failure of CONTRACTOR to secure such authorization in writing in advance of performing any of the extra or changed work shall constitute a waiver of any and all rights to adjustment in the contract price or contract time and no compensation shall be paid for such extra work.

19. **Interpretation; Venue.**

(a) Interpretation. The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

20. **Compliance with Laws.** CONTRACTOR shall observe and comply with all currently applicable Federal, State and local laws, ordinances, and codes, including but not limited to the Federal laws contained in Attachment 1, and as amended from time to time. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Non-Discrimination. During the performance of this Agreement, CONTRACTOR and its subcontractor's shall not deny the benefits thereof to any person on the basis of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), nor shall they discriminate unlawfully against any employee or applicant for employment because of sex, race, color, ancestry, religion or religious creed, national origin or ethnic group identification, sexual orientation, marital status, age (over 40), mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or use of family care leave. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition

to the foregoing general obligations, CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated there under (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to CONTRACTOR services or works required of NVTa by the State of California pursuant to Agreement between NVTa and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and CONTRACTOR and any of its subcontractor's shall give written notice of their obligations there under to labor organizations with which they have collective bargaining or other agreements.

(b) Documentation of Right to Work. CONTRACTOR agrees to abide by the requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of CONTRACTOR performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation available upon request to NVTa for inspection.

(c) Inclusion in Subcontracts. To the extent any of the services required of CONTRACTOR under this Agreement are subcontracted to a third party; CONTRACTOR shall include all of the provisions of this Section in all such subcontracts as obligations of the subcontractor.

21. **Taxes.** CONTRACTOR agrees to file federal and state tax returns or applicable withholding documents and to pay all applicable taxes or make all required withholdings on amounts paid pursuant to this Agreement and shall be solely liable and responsible to make such withholdings and/or pay such taxes and other obligations including, without limitation, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold NVTa harmless from any liability it may incur to the United States or the State of California as a consequence of CONTRACTOR's failure to pay or withhold, when due, all such taxes and obligations. In the event that NVTa is audited for compliance regarding any withholding or other applicable taxes or amounts, CONTRACTOR agrees to furnish NVTa with proof of payment of taxes or withholdings on those earnings.

22. **Access to Records/Retention.** NVTa, any federal or state grantor agency funding all or part of the compensation payable hereunder, the State Controller, the Comptroller General of the United States, or the duly authorized representatives of any of the above, shall have access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where

longer retention is required by any federal or state law, CONTRACTOR shall maintain all required records for at least seven (7) years after NVTA makes final payment for any other work authorized hereunder and all pending matters are closed, whichever is later.

23. **Authority to Contract.** CONTRACTOR and NVTA each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

24. **Conflict of Interest.**

(a) Covenant of No Undisclosed Conflict. The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. CONTRACTOR hereby covenants that it presently has no interest not disclosed to NVTA and shall not acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of its services or confidentiality obligation hereunder, except as such as NVTA may consent to in writing prior to the acquisition by CONTRACTOR of such conflict. CONTRACTOR further warrants that it is unaware of any financial or economic interest of any public officer or employee of NVTA relating to this Agreement. CONTRACTOR agrees that if such financial interest does exist at the inception of this Agreement, NVTA may terminate this Agreement immediately upon giving written notice without further obligation by NVTA to CONTRACTOR under this Agreement.

(b) Statements of Economic Interest. CONTRACTOR acknowledges and understands that NVTA has developed and approved a Conflict of Interest Code as required by state law which requires CONTRACTOR to file with the Elections Division of the Napa County Assessor-Clerk Recorder "assuming office", "annual", and "leaving office" Statements of Economic Interest as a "consultant", as defined in section 18701(a)(2) of Title 2 of the California Code of Regulations, unless the NVTA Executive Director has determined in writing that CONTRACTOR, although holding a "designated" position as a consultant, has been hired to perform a range of duties so limited in scope as to not be required to fully comply with such disclosure obligation. CONTRACTOR agrees to timely comply with all filing obligations for a consultant under NVTA's Conflict of Interest Code unless such a determination is on file on the filing dates for each of the required Statements of Economic Interest.

25. **Non-Solicitation of Employees.** Each party agrees not to solicit for employment the employees of the other party who were directly involved in the performance of the services hereunder for the term of this Agreement and a period of six (6) months after termination of this Agreement except with the written permission of the other party, except that nothing in this Paragraph shall preclude NVTA from publishing or otherwise distributing applications and information regarding NVTA job openings where such publication or distribution is directed to the general public.

26. **Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

27. **Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

28. **Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

29. **Entirety of Contract.** This Agreement constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with respect to the subject matter hereof.

30. **Extensions Authorized.** The Executive Director is delegated authority to execute amendments to extend the term of this Agreement, if needed from time to time.

**IN WITNESS WHEREOF**, this Agreement was executed by the parties hereto as of the date first above written.

“NVT A”

“CONTRACTOR”  
KNN Public Finance, LLC

By \_\_\_\_\_  
KATE MILLER, Executive Director

By \_\_\_\_\_  
DAVID LEIFER, Senior Managing Director

Approved as to Form	
By:	_____
	NVT A General Counsel
Date:	_____

## EXHIBIT A

### SCOPE OF SERVICES

- I. **GENERAL.** CONTRACTOR shall perform specialized financial consulting and advisory services to assist NVTA with securing a Rural Project Initiative (RPI) Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance offered through the US Department of Transportation's (DOT) Build America Bureau (BAB), credit assistance, and other government funding sources (regional, state, and federal) needed to fund the construction of its capital project (Bus Maintenance and Transit Yard).
- II. **DELIVERABLE SERVICES.** CONTRACTOR shall provide NVTA at minimum, but not limited to, the following services to secure the TIFIA loan:
- CONTRACTOR shall review preliminary work performed by NVTA.
  - CONTRACTOR shall gather all necessary intelligence required to familiarize themselves with the loan process and its capital project by means of research, conference calls, research, review of various documents such as reports, presentations and/or other available documentation.
  - CONTRACTOR shall establish communication and consult with BAB staff to ensure application status is still valid, meets statutory requirements, and if previously submitted documents need to be re-submitted.
  - CONTRACTOR shall confirm and obtain, in writing, a fee waiver due to NVTA's official RPI status.
  - CONTRACTOR shall remain in close communication with BAB staff throughout the process to facilitate a seamless and efficient application process to meet NVTA's aggressive project construction timeline.
  - CONTRACTOR shall engage and recommend a preferred and well-qualified financial legal advisor to assist with the application process. Any services provided by a law firm or attorney must be reviewed and approved in writing, in advance by NVTA. *NVTA will contract with the recommended firm for financial legal advisory services separately..*
  - CONTRACTOR shall prepare and provide an oral presentation of the project to NVTA staff and potentially the NVTA Board upon completion of DOT's review of the Letter of Interest and receipt of Preliminary Rating Opinion Letter. The presentation may include a project overview along with the financial plan followed by a question and answer session.
  - CONTRACTOR shall follow DOT's instructions and guidance if/when the request is made.
  - CONTRACTOR shall prepare and submit the complete application with all its required documents to the DOT/BAB by their established timeline. CONTRACTOR shall remain engaged with staff for possible follow-up questions.

- CONTRACTOR shall submit any requested documentation during the final review phase and provide any other language or feedback to DOT/BAB staff, if contacted. DOT/BAB staff will prepare the evaluation and materials as well as make the recommendation to DOT Council and Credit.
- CONTRACTOR shall remain fully engaged, monitor, coordinate, negotiate, and seek best terms possible for NVTA until determination has been made by the Secretary.

Should there be additional actions required that have not been identified above, it is expected that the CONTRACTOR shall identify such additional and/or necessary steps, adhere to DOT/BAB guidance, and remain in constant communication with NVTA by providing updates and other information that may influence NVTA's outcome and future decision-making leverage.

- III. **COMPLIANCE WITH GOVERNMENT CODE SECTION 7550.** As required by Government Code section 7550, each document or report prepared by CONTRACTOR for or under the direction of NVTA pursuant to this Agreement shall contain the numbers and dollar amounts of the Agreement and all subcontracts under the Agreement relating to the preparation of the document or written report. The Agreement and subcontract dollar amounts shall be contained in a separate section of the document or written report. If multiple documents or written reports are the subject of the Agreement or subcontracts, the disclosure section may also contain a statement indicating that the total contract amount represents compensation for multiple documents or written report.

## EXHIBIT B

### COMPENSATION RATES

CONTRACTOR's compensation rates of assigned team/staff members to provide services are:

#### KNN Project Budget

Project Phase	Estimated Hours*	Estimated Cost*
<b>1 TIFIA Creditworthiness/Due Diligence</b>		
a) Indicative Credit Rating Review and Credit Development	30 – 40	\$9,000 - \$12,000
b) Financing Team Assistance (i.e. Bond Counsel Onboarding and Collateral Agent Procurement)	10 – 15	\$3,000 - \$4,500
c) Cash Flow Model Update & Loan Sizing	20 – 30	\$6,000 - \$9,000
d) Project Presentation to Build America Bureau	30 – 40	\$9,000 - \$12,000
e) Legal & Financial Due Diligence Research & Response	15 – 25	\$4,500 - \$7,500
<b>Subtotal Phase 1</b>		<b>\$31,500 - \$45,000</b>
<b>2 TIFIA Execution</b>		
a) Term Sheet Negotiation	20 – 30	\$6,000 - \$9,000
b) Document Development and Review	30 – 40	\$9,000 - \$12,000
c) Weekly TIFIA Team Calls	25 – 35	\$7,500 - \$10,500
d) Board/Stakeholder Meetings & Preparation	15 – 20	\$4,500 - \$6,000
e) Debt Policy Development	10 – 15	\$3,000 - \$4,500
f) TIFIA Loan Closing	15 – 25	\$4,500 - \$7,500
g) Alternatives Analysis and Other Advisory Needs	10 – 20	\$3,000 - \$6,000
<b>Subtotal Phase 2</b>		<b>\$37,500 - \$55,500</b>
<b>Total Phase 1 and Phase 2 Cost Proposal</b>		<b>\$69,000 - \$100,500</b>

\*Based on a blended hourly rate for KNN team members of \$300.

**Other Indirect/Direct Costs:** Mileage, airfare, or other travel to meetings, internal color copy print or outside copy print costs, courier or delivery charges, market data services, and conference call charges not to exceed

**NTE \$2,000**

**TOTAL AMOUNT NOT TO EXCEED**

**\$102,500**

Name	Role	Billing Rate*/hour
David Leifer	Project Oversight	\$345
Melissa Shick	Project Manager	\$320
Nedko Nedev	Quantitative Expertise & Senior Execution Support	\$295
Grant Carson	Execution & Analysis	\$250
Richard Kerrigan	As-Needed Advisor	\$320

\*Such hourly rates would be subject to annual increases not to exceed three (3) percent per year following the first year of the Contract.

*The total amount to be paid to the CONTRACTOR for the scope of work defined under EXHIBIT A shall not exceed the amount shown per task and/or the total amount shown under EXHIBIT B of \$102,500. Maximum payments under this Agreement shall not be construed as guaranteed sums.*

*Subject to Agreement, CONTRACTOR shall periodically invoice NVTA based on progress towards completion of each task/deliverables listed.*

*Optional or as needed work to be performed by CONTRACTOR and their associated costs must be approved by NVTA prior to performance.*

***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

The Build America Bureau (the “Bureau”) administers the application processes for the Railroad Rehabilitation and Improvement Financing (“RRIF”) and Transportation Infrastructure Finance and Innovation Act of 1998 (“TIFIA”) credit programs. The Bureau has developed this form to be used as the letter of interest (“LOI”) to be used by persons seeking credit assistance from the Department.

Before submitting an LOI, however, a party seeking credit assistance from the Department should work with one of the Bureau’s project development leads, or “PDLs,” who will assist the party in determining project needs and the specific ways in which the Bureau can provide TIFIA and RRIF credit assistance. After a party has completed the initial consultation process with a PDL, and if the proposed project appears reasonably likely to be able to satisfy the eligibility requirements of the applicable credit program, the Department will request an LOI for the project.

A party seeking TIFIA credit assistance **must**, as required by 23 U.S.C. 602(a)(1)(A), submit an LOI to the Bureau as a prerequisite to submission of a credit application (“Application”). A party seeking RRIF credit assistance **is encouraged to** submit an LOI to the Bureau to present information about its organization and proposed project prior to submitting an Application. The Bureau may ask for additional supporting evidence, clarifying or quantifying details, or updates to previously submitted information at any time during the LOI review process.

Under the Paperwork Reduction Act of 1995, a federal agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The valid OMB control number for this information collection is [2105-0569]. The Department estimates that it will generally take applicants fewer than twenty (20) hours to assemble a single RRIF or TIFIA LOI. A party seeking credit assistance under both Bureau programs may submit a single completed form for both credit programs, except under certain circumstances. The party submitting this form will be referred to herein as the “Applicant.” The party proposed to enter into the credit instrument will be referred to herein as the “Borrower.”

**Additional information about the application process is included as Appendix 1 to this form.**

**DETAILED GUIDANCE WITH RESPECT TO SPECIFIC SECTIONS OF THIS LOI FORM IS AVAILABLE IN THE BUREAU CREDIT PROGRAMS GUIDE. THE CREDIT PROGRAMS GUIDE CAN BE DOWNLOADED [HERE](#).**

If you still have questions regarding how to complete this form, please contact the PDL assigned to your project or the Bureau at (202) 366-2300 or [BuildAmerica@dot.gov](mailto:BuildAmerica@dot.gov).

**Summary Information<sup>1</sup>**

**Applicant Name:** Napa Valley Transportation Authority (“NVT A”)

**Project Name:** Vine Transit Maintenance Facility (the “MF Project”)

**Projects Location:** Napa County, San Francisco Bay Area, CA

☒ **TIFIA**    **Amount Requested:** up to \$19 million  
**Estimate of Eligible Project Costs:** \$40.1 million  
**Credit Instrument Requested:** TIFIA loan and fee assistance waiver

☐ **RRIF**    **Amount Requested:** \$ Click or tap here to enter text.  
**Estimate of Eligible Project Costs:** \$ Click or tap here to enter text.  
**Credit Instrument Requested:** Click or tap here to enter text.

<sup>1</sup> Duplicate this box as necessary for master credit agreement requests.

**Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021****Section A: Applicant Information**

Provide the following information about the Applicant.

☐ Check this box **if the Applicant is different from the Borrower** and duplicate Section A to provide information for the Borrower, to the extent known.

**1. Legal Name and Principal Business Address:**

Napa Valley Transportation Authority  
625 Burnell Street  
Napa, CA 94559-3420

**2. Authorized Point of Contact:** Provide the name, title, and contact information of the person authorized to be the point of contact for all matters related to this LOI.

- a. Name and Title: [Antonio Onorato, Director of Finance](#)
- b. Email Address: [aonorato@nvta.ca.gov](mailto:aonorato@nvta.ca.gov)
- c. Telephone Number: (707) 259-8779
- d. Mailing Address (if different from principal business address) – include for both U.S. mail and courier purposes (*i.e.*, no P.O. Box) address:  
[Click or tap here to enter text.](#)

**3. Applicant Information.**

- a. Chose an entity type: Local Authority
- b. If “Other”: [Click or tap here to enter text.](#)
- c. Freight railroads, please identify your revenue class: [Choose a Class.](#)
- d. Identify the date and place of incorporation or organization, legal and organizational structure, ownership structure, as applicable, and the state(s) or territory(ies) in which the Applicant does business. Provide a hyperlink to the Applicant’s web site, if available:  
[The Napa Valley Transportation Authority \(NVTA\) is a Congestion Management Agency formed in 1998 as a joint powers agency of its six \(6\) member jurisdictions: the Cities of American Canyon, Calistoga, Napa, St. Helena, the Town of Yountville and the County of Napa. NVTA serves as the regional countywide transportation planning agency. Website: <https://www.nvta.ca.gov/about-us-page>. NVTA is also the public transit provider operating the Vine Transit System for the Napa County region. Website: \[www.vinetransit.com\]\(http://www.vinetransit.com\)](#)
- e. Provide an organizational chart showing the leadership structure as Attachment A-1. List financial, legal, and other advisors for the Project, as applicable.

**4. If the Applicant is different from the Borrower, explain why the Applicant is submitting this form instead of the Borrower:**

[Click or tap here to enter text.](#)

**TIFIA Applicants Only****5. Private entities seeking TIFIA credit assistance** must provide the name, and a brief description of, the public entity sponsoring the Project for state/local planning purposes. See Section B.5 for more information.

[Click or tap here to enter text.](#)

**RRIF Joint Venture Applicants Only**



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

6. If you selected “Joint Venture” in Section 3.a, provide the following information about the Joint Venture party that is eligible to apply for a RRIF loan (referred to in this section as the “JV eligible applicant”). See the [Credit Programs Guide](#) for more information.
- Identify the legal name and principal business address of the JV eligible applicant:  
Click or tap here to enter text.
  - Identify the JV eligible applicant’s entity type:  
Choose the JV eligible entity type
  - Identify the date and place of incorporation or organization, legal and organizational structure, ownership structure, as applicable, and the state(s) or territory(ies) in which the JV eligible applicant does business.  
Click or tap here to enter text.
  - Provide a hyperlink to the JV eligible applicant’s web site, if available. Click or tap here to enter text.
  - Provide an organizational chart showing the leadership structure of the JV eligible applicant as Attachment A-2. List financial, legal, and other advisors for the Project, as applicable.  
Click or tap here to enter text.
  - Provide the name, title, and contact information of the person authorized to be the point of contact for all matters related to this LOI.  
Click or tap here to enter text.
  - Describe the nature of the Joint Venture relationship and any documentation supporting the existence of the Joint Venture relationship.  
Click or tap here to enter text.
  - If your Joint Venture includes parties other than the Applicant and the JV eligible applicant, please describe them here.  
Click or tap here to enter text.

### **Section B: Maintenance Facility Project Information**

☐ Check this box if requesting a **master credit agreement** and duplicate this Section B for each project to be covered under the master credit agreement. For information about master credit agreements, see the [Credit Programs Guide](#).

☐ **TIFIA State Infrastructure Bank Projects:** Check this box if the Borrower will be a state infrastructure bank (SIB) seeking to capitalize or fund a rural projects fund with the proceeds of a secured TIFIA loan. See the [Credit Programs Guide](#) for more information about SIB projects. SIB Borrowers must provide the information required of this Section B for each project that the SIB anticipates offering a loan.

1. **Project Name.** Assign a short name to the Project, for purposes of identification.  
Vine Transit Maintenance Facility (the “MF Project”)

2. **Project Location.**

- Describe the location of the Project. Wherever possible, identify: each city and/or county, Metropolitan Statistical Area (MSA), if applicable, and state in which the Project is located; the cities and/or counties and MSA that the Project will serve; any major highways, rail or transit routes intersecting the Project; and the Congressional districts impacted by the Project. If the Project will cross state lines, please provide the above information for each state impacted.

Napa County is a rural county located in the northern San Francisco Bay Area. Refer to the regional map in Attachment B-1. The proposed Project site land is owned by NVTa. It is located at 96 and 101 Sheehy Ct., 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 undeveloped lot approximately 351,965 square feet (8.08 acres) in total land area, comprised of one parcel to the north (101 Sheehy Ct. APN 057-250-025) that is 257,004 square feet (5.9 acres) and a smaller parcel to the south (96 Sheehy Ct. APN 057-250-036) that is 94,961 square feet (2.18



---

**Letter of Interest for RRIF and TIFIA Credit Assistance** **Fiscal Years 2018 - 2021**

---

acres). The site is about 6 miles south of the existing facility in the city of Napa. The site is regionally accessible from State Route 12 (SR12) and State Route 29, State Route 37 (SR37) and Interstate 80 (I80).

- b. Attach a vicinity map showing the Project's location, impacted cities and/or counties and states, and all major highways, rail or transit routes as Attachment B-1. Provide a high-level map of the Project showing major design elements as part of Attachment B-1.

See Attachment B-1

- c. ☒ Check this box if the Project is a surface transportation project located wholly or partially outside of an urbanized area with a population greater than 150,000 individuals, as determined by the U.S. Census Bureau. Provide information about the rural area in which the Project will be implemented and the population as determined in the latest Census.

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

---

**3. Eligible Project Costs.**

- a. Provide an estimate for each of the total Project costs and the eligible Project costs, inclusive of any project development activities, professional services, and financing costs, as applicable, and including costs incurred to date: The MF Total Project Costs: \$40,080,000 of which \$5,600,000 has been incurred. It is anticipated that all project costs will be eligible for TIFIA loan.

See the [Credit Programs Guide](#) for a discussion of eligible costs for each credit program.

- b. Provide a high-level Project budget as Attachment B-2 that identifies the eligible project cost associated with all major work activities. If you are requesting that the Department include as an eligible project cost those project development or right-of way acquisition costs incurred or anticipated to be incurred prior to submission of an Application for Bureau credit assistance, those costs, per each work activity, should be separately identified in the Project budget.

See Attachment B-2.

---

**4. Project Description.**

- a. Provide a detailed Project scope, inclusive of all major functional elements and operations and maintenance. Describe all features to be constructed. Identify the anticipated useful life of the Project, the method of Project delivery, and the name of the entity or entities responsible to implement the Project.

The NVTa is planning to construct a new Vine Transit Maintenance Facility ("the MF Project"), which has an expected capital cost of approximately \$40.1 million (YOES). The MF Project consists of (1) a new bus maintenance building, (2) modern bus wash and bus storage area, and (3) administration offices and transit emergency operations center with a driver training facility. The purpose of the new bus maintenance, operations and administration facility is to replace NVTa's currently leased transit yard in the City of Napa, which is functionally obsolete for the current needs of the transit system and does not have sufficient space for daily operation, maintenance, and expansion of its transit fleet. The existing facility also cannot accommodate electric charging infrastructure for NVTa's new electric bus fleet.

The MF Project will be secured behind locked gates with access limited to Vine Transit and NVTa employees. 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"), California Building Code ("CBC") standards, and using LEED principals.

Two (2) proposed new parking areas will accommodate approximately 79 public transit vehicles of various sizes as well as 93 employee and visitor vehicles respectively. Four (4) of the 93 spaces for employee and visitor vehicles will be handicapped accessible spaces, as per Napa County code. Five (5) parking spaces will be provided for electrical vehicle charging. Four (4) spaces will be provided for short-term and six (6) long-term bicycle storage. 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, 31,504 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



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

operational between the hours of 5:00 AM and 8:00 PM with two (2) 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.

Proposed design includes;

- Quality 31,504 sq. ft. facility with a 40 year useful life
- Includes six (6) service bays, chassis wash, paint and body bay and a modern bus wash
- Driver training center and meeting center 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
- 141kW photovoltaic power generation system that will provide all of the buildings with power with potential for expansion and battery storage capabilities.

- b. Provide a link to the Project web site, if any: <http://www.nvta.ca.gov/vtmf>
- c. Provide a high-level Project schedule, including milestones related to: planning, environmental review, design, procurement, construction, start of revenue service and anticipated receipt of any Federal financial assistance, including the credit instrument requested. Indicate the status of the Project within the schedule.

Project Schedule:

• Feasibility Study	December 2013
• Real Estate parcel purchases	September 2016
• Architecture/Engineering NTP	August 2017
• CEQA Environmental Impact Report	January 2018
• NEPA Categorical Exclusion	June 2019
• Construction Management NTP	June 2020
• Invitation to Bid	[September 2020]
• Bid Responses Due	[October 31, 2020]
• Construction Bidder Selection	[December 16, 2020]
• Notice to Proceed	[January 2021]
• Construction Timeline	[January 2021 to May 2022]
• Facility In-Service	[June 2022]

- d. ☐ Check this box if the Project is anticipated to be delivered as a **public-private partnership**. Describe the value-for-money (or comparable) analysis undertaken before deciding to advance the Project as a public-private partnership. TBD
- e. If you are requesting expedited processing, explain why your Application and Project are suitable candidates for expedited processing. See the [Credit Programs Guide](#) for more information.  
Click or tap here to enter text.
- f. Identify all entities that are anticipated to contribute funding, real property, design or construction of discrete elements of Project scope, or other valuable consideration to the Project. Identify all entities currently entitled or anticipated to be entitled in the future to utilize the Project after substantial completion and the anticipated level of usage and maintenance responsibilities. Provide documentation and evidence of such contributions as Attachment B-3.

### **Funding sources identified:**

FTA 5339a 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.

Congestion Management Air Quality (CMAQ) funds flexed to FTA Section 5307: Federal Highway Administration Congestion Mitigation and Air Quality funds are included in the FAST Act under § 1114; 23



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

U.S.C. 149. These funds are provided by the Metropolitan Transportation Commission under its One Bay Area Grant Cycle 2. These funds are available to reduce congestion and improve air quality for areas that do not meet National Ambient Air Quality for ozone, carbon monoxide or particulate (nonattainment areas). Transit capital projects are an eligible expense for this fund source.

Transportation Development Act (TDA) Funds: In 1971, TDA legislation was passed to provide funding to counties for transit and transportation purposes. This legislation improves existing public transportation services through a regional transportation plan. TDA is composed of two funding sources- Local Transportation Funds (LTF) and State Transit Assistance (STA).

Local Transportation Fund (LTF): Derived from a ¼ cent general sales tax collected statewide. The CA Dept. of Tax and Fee Administration, based on sales tax collected in each county, returns the general sales tax revenues to each county's LTF trust account. Each county then apportions the LTF funds to the transportation authority within the county.

State Transit Assistance (STA) funds: STA funds are appropriated by the legislature to the State Controller's Office (SCO). The SCO then allocates the tax revenue, by formula, to planning agencies. Statute requires that 50% of STA funds be allocated according to population and 50% be allocated according to transit operator revenues from the prior fiscal year. 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.

Senate Bill 1 Local Partnership Program (SBI LPP): 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.

Regional Measure 3 (RM3) funds: Voter approval of RM 3 raised tolls on the region's state-owned toll bridges by \$1 beginning Jan. 1, 2019. Tolls will rise by another \$1 in January 2022 with another \$1 increase in January 2025. 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. The expenditure plan has dedicated funding of \$100 million for a "North Bay Transit Access Improvements" capital program and \$20 million for "Regional Express Bus" operating program. NVTa is eligible to receive funds for capital and operations for these two funding components.

**Operations:** NVTa has a long term contract with Transdev Service Inc., an independent private corporation that operates the Vine Transit system. NVTa has had a successful track record with Transdev (formerly known as Veolia Transportation prior to 2017) for 28 years before the formation of NVTa. The current contract term is for five (5) years commencing on September 1, 2016, with a two year extension option. For the MF Project, Transdev or its successor will be responsible for the operation and maintenance of the vehicles with oversight from NVTa to ensure Transdev is deploying FTA state of good repair/asset guidelines. Transdev, as the current NVTa transit operating is contractually responsible for operations and maintenance of the existing transit maintenance yard and Transdev or its successor will be contracted for these services at the new facility.

- g. Provide conceptual design plans for all Project elements as Attachment B-4.

- 5. Transportation Planning and Programming Process Approvals.** Indicate whether the Project has been included in the long-range transportation plan, the metropolitan transportation improvement program (TIP), and the approved statewide transportation improvement program (STIP) of each state affected by the Project. Information relating to state freight plans and state rail plans should also be discussed. Provide any supporting documentation as Attachment B-5. **Only the cover page and project page for each document should be provided.**

The Vine Transit Maintenance Facility Project is in the STIP ID: NAP170003

- 6. Environmental Review.** Describe the status of the Project's environmental review. If known, identify the lead federal agency and lead local agency responsible for the environmental review. If completed, identify the final environmental decision document for the Project and attach as Attachment B-6.

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) in June 2019. FTA is the lead federal agency.



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

### **Section C: Financial Plan**

☐ Check if requesting a **master credit agreement** and modify each response accordingly to address all projects proposed to be covered under the master credit agreement.

1. Specify the type of Bureau credit assistance (RRIF, TIFIA or both), total dollar value of credit assistance, and the type of credit instrument requested.

NVTA is seeking a TIFIA loan of up to \$19 million. NVTA is also seeking a fee assistance waiver to assist with delivery of the Project. The Project meets the criteria of the Rural Project Initiative.

2. Specify the value of Bureau credit assistance requested (or anticipated to be requested) as a percentage of the total eligible Project costs.

NVTA is seeking up to 49% of the eligible project costs in credit assistance for the MF Project.

3. Identify the value of other Federal financial assistance requested (*e.g.*, grants or other loans), separately identifying the non-Federal share for such assistance.

See Attachment B-2 for other sources of funding.

4. Identify the total value of all anticipated Federal financial assistance, including Bureau credit assistance requested, as a percentage of the total eligible Project costs.

The total value of all anticipated Federal financial assistance, including Bureau credit assistance requested is currently estimated to be 50.3% of the total eligible Project costs.

5. Describe the sources and uses of funds for the Project.

See Attachment B-2 for sources and uses of funding.

- a. Indicate the status of commitments (*e.g.*, approved, budgeted, appropriated, applied for, *etc.*) of each source.

- b. Discuss, as necessary, any additional approvals required to ensure availability of each source of funds for the Project. Transportation Development Act- Local Transportation Fund (LTF) and State Transit Assistance: NVTA is the sole claimant and funds cannot be diverted to another agency or the State. Funding is used for transit and transportation purposes. The FY20 revenue projection for LTF is \$8.9M for the year and \$1.8M for STA. Commitment: \$9.9M, of which \$5.6M has been incurred. Status: funds are secured.

State Transit Assistance State of Good Repair Program: California Department of Transportation (Caltrans) program that will provide additional revenues for transit infrastructure repair and service improvements. Commitment: \$63,304. Status: funds are secured.

Regional Measure 3 (RM3) North Bay Transit Access Improvement Competitive Program: \$100M available for North Bay Transit operators. NVTA is anticipating receiving \$10 million for the facility. The funds have been delayed due to litigation. Funds pledged: \$10M. Status: funds pending, but not yet secured due to pending litigation.

FTA Section 5307 FY21 appropriation: The Urbanized Area Formula Funding program (49 U.S.C. 5307) makes federal resources available to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. The City of Napa is located in the Napa UZA. Commitment: \$1.7M. Status: funds are pending, but are secured.

FHWA/CMAQ flex funds to FTA: NVTA is in the process of flexing Federal Highway Administration funds to FTA Section 5307 funds. Process is expected to be completed in January 2021. Commitment: \$2M. Status: Pending, funds are not yet secured.

FTA Section 5339a formula funds: Funding to transit agencies through a statutory formula to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. Commitment: \$865,698. Status: \$640,652 secured; \$225,046 pending.

FTA Section 5339b Lo-Now Grant CA-2018-103-00: Funding awarded for the acquisition of five (5) zero emission public transit vehicles and associated infrastructure. Commitment: \$50,625. Status: funds are secured



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

- c. Uses should include a high-level description of major work activities included as eligible project costs (e.g., right-of-way, site work, rolling stock, systems). Funds will be used for site work and construction. The MF site is owned by NVTa.
- 
6. If available, provide the proposed amortization schedule for the Bureau credit assistance requested.  
Preliminary amortization schedule:  
Amortization will begin in 2027 - five years following substantial completion. Final maturity – 2056. Amortized over 30 year period, TIFIA annual debt service is estimated to be approximately \$605,000. Scheduled debt service is not requested.
- 
7. Indicate, as applicable, whether the Bureau credit assistance requested will be under a new or existing indenture, resolution, or collateral agency agreement.  
The Bureau credit assistance requested will be under a new indenture.
- 
8. Identify the lien priority for the requested Bureau credit assistance. Except in certain circumstances, the Bureau credit assistance may not be subordinated to the claims of holders of Project obligations in the event of bankruptcy, insolvency, or liquidation of the obligor. See the [Credit Programs Guide](#) for more information on non-subordination requirements.  
NVTa is providing a gross pledge of TDA (including STA) funds (excluding certain administrative charges) and membership fee contributions. TIFIA credit assistance will have a senior lien priority.
- 
9. Explain how the Bureau credit assistance requested will benefit the Project. Discuss how the Project would be impacted if the requested financial assistance were unavailable or available in lowered amounts.  
NVTa does not have an existing debt program, but it does have Issuer Credit Ratings of ‘A2’ and ‘A-’ from Moody’s and S&P, respectively. The TIFIA loan has been structured to receive an investment grade rating from rating agencies. Moody’s assigned an indicative credit rating of A2 for the TIFIA loan in July 2020. This Project is not feasible without receiving a TIFIA loan within a reasonable time frame. The TIFIA loan allows NVTa to access a fixed rate, fully amortizing structure that eliminates refinancing risks at a favorable rate, allows for the capitalization of interest during construction, and provides a flexible debt structuring which allows for interest only period during 5 years following substantial completion. NVTa 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 a Project that is critical to NVTa will be severely impaired and Project delivery will be significantly delayed.

### **Section D: Creditworthiness**

☐ Check if requesting a **master credit agreement** and modify each response accordingly to address all projects proposed to be covered under the master credit agreement.

1. Provide an overview of the Borrower’s key business lines, if available. Attach cash flows for such business lines for the last five years as Attachment D-1.  
Napa County, with a catchment area population of 140,530 as of 2020, has had good population and employment growth in recent years. Population growth from 2015 to 2019 was about 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 median household income in 2018 was \$84,753, 37% above the US average and 13% above 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. The NVTa’s three largest sources of revenue available to make timely debt service payments include: (1) Transportation Development Act Local Transportation Funds (LTF) based on a quarter cent general sales tax generated in Napa County; (2) State Transit Assistance (STA) generated by the sales tax on diesel fuel; and (3) Membership contributions. The professionals at NVTa are accustomed to providing long term forecasts using the funding sources we have included in our financial plan. They are well-equipped to respond to specific questions that the Bureau or their advisors have on the sources of funding that will be used to repay the TIFIA loans.



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

**TDA (LTF) Funds:** LTF funds consist of the authority's share of a quarter-cent statewide general sales tax. It is the agency's largest revenue source. There is no sunset date on this source of funding and it is assumed these revenues will flow in perpetuity. In the period from 2013 to 2018 historical average committed to capital expenditure averaged \$2.45 million. TDA funds that are not used within the fiscal year they are drawn must either be returned to the Napa County Local Transportation Fund Trust Account 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. NVTa has 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 newer annual revenue stream that are collected once a year. It is estimated to bring additional \$250,000 annually (indexed to the Bay Area CPI) which will be available for debt service payments. Amortized over a 30 year period, TIFIA annual debt service is estimated at approximately \$570,000. The amount of revenue (net of operating expenses) available for debt service in 2020 is estimated at approximately \$4 million. This provides sufficient funds with a healthy cushion to repay debt service on the TIFIA loan.

2. Describe the source(s) pledged to repay the requested Bureau credit assistance.  
The TIFIA loan will be secured by a gross pledge of TDA (including STA) funds (excluding certain administrative charges) and membership contributions described above.
3. Provide the details of any proposed flow of funds and any accompanying escrow or trust agreements that would govern the repayment of requested Bureau credit assistance.  
See answer to question 1 above.
4. Provide the most recent corporate rating for the Borrower, if available.  
NVTa has Issuer Credit Ratings in 2018 of 'A2' and 'A-' from Moody's and S&P Global, respectively. Moody's assigned an indicative credit rating of A2 for the TIFIA loan in July 2020.
5. Identify all outstanding or anticipated obligations against the proposed source of repayment. For all such outstanding obligations, provide credit ratings, if available, as Attachment D-2.  
Currently NVTa doesn't have any outstanding obligations against the proposed source of repayment.
6. **TIFIA Borrowers:** Indicate when preliminary ratings for the proposed senior Project debt (if any) and TIFIA credit assistance will be available. NVTa is rated by both Moody's and S&P (A2/A-). In early September 2019, S&P reaffirmed NVTa's credit rating. A rating will be sought for the TIFIA loan. Moody's assigned an indicative credit rating of A2 for the TIFIA loan in July 2020.
7. **RRIF Borrowers:** Indicate whether the Borrower intends to provide a rating on the requested Bureau credit assistance as a basis for determining any credit risk premium. See the [Credit Programs Guide](#) for more information about the credit risk premium.  
Click or tap here to enter text.
8. Describe the economic impact of the Project and any market or feasibility report, ridership/traffic study, engineering/technical report, insurance report or other study that has been or will be prepared for the Project by the Borrower or on behalf of lenders to the Project.

**The MF Project:** 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

**Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021**

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 are:

- 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 141kW photovoltaic system with expansion potential
- Incorporate environmentally sustainable materials using LEED principles
- Incorporate medium voltage electric service and conduit for future chargers for up to 87 electric vehicles.

9. To the extent applicable, provide information concerning any physical collateral offered as security for requested Bureau credit assistance. (Add rows as needed.)

Collateral Description	Value	Basis of Evaluation	Year of Evaluation
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.
Click or tap here to enter text.	\$ Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

**E. General Terms and Certifications**

**Fees.** Except in certain circumstances, the Applicant or Borrower will be responsible to pay costs incurred for services duly provided by the Department's legal, financial or other third-party advisors involved with the evaluation of the Letter of Interest, evaluation of an Application, and negotiation of any TIFIA/RRIF credit agreement and related transactional documentation, in each case as applicable, irrespective of whether a credit agreement is executed. Please refer to the [Credit Programs Guide](#) for further information with respect to exceptions to this requirement as well time and method of payment for such services.

**Lobbying.** The undersigned certifies, to the best of his or her knowledge and belief, that: (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence



---

***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

---

an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement; (2) if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. (3) the undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. See 31 U.S.C. § 1352; 49 C.F.R. part 20; Appendix A to Part 20.

---

**Debarment and Suspension.** The Applicant shall timely make all disclosures required of 2 C.F.R. 180.335.

---

**Default/Delinquency.** The undersigned certifies that the Applicant: 1) is not currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government, and 2) does not have any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

---

**Reporting Subaward and Executive Compensation.** The undersigned certifies that the Applicant has the necessary processes and systems in place to comply with the reporting requirements under the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282; 31 U.S.C. § 6101 note), as amended by the Government Funding and Transparency Act (Pub. L. 110-252, title VI, § 6202(a)), and the related regulations at 2 C.F.R. Part 170, should the undersigned be approved to receive credit assistance from the Department.

---

**Signature.** By signature below, the undersigned: (i) acknowledges and agrees to the general terms and conditions identified in this Section E; (ii) certifies that the facts stated and the certifications and representations made in this LOI are, to the best of the his or her knowledge and belief after due inquiry, true, and the Applicant has not omitted any material facts; and (iii) certifies that he or she is authorized by the Applicant to submit this Application, bind the Applicant to the terms and conditions acknowledged and agreed, and make the certifications made by submission of this LOI.

**Legal Name of Applicant:** Kate Miller

**By:**

Name and Title: Kate Miller, Executive Director

Date: 8/3/2020



---

***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

---

**APPENDIX 1  
INFORMATION ABOUT THE APPLICATION PROCESS**

**DETAILED GUIDANCE WITH RESPECT TO THE SPECIFIC SECTIONS OF THIS LOI FORM IS AVAILABLE IN THE BUREAU CREDIT PROGRAMS GUIDE. THE CREDIT PROGRAMS GUIDE CAN BE DOWNLOADED [HERE](#).** If you still have questions regarding how to complete this form, please contact the PDL assigned to your project or the Bureau at (202) 366-2300 or [BuildAmerica@dot.gov](mailto:BuildAmerica@dot.gov).

This Letter of Interest (“LOI”) form requires the Applicant to describe its project, describe the Borrower’s ability to meet DOT’s creditworthiness requirements, detail how applicable statutory eligibility requirements are met, and outline the proposed financial plan, including the amount and type of requested Bureau credit assistance. **Letters of Interest should not be submitted to the Bureau until the Applicant has completed the initial consultation process with a Project Development Lead, as discussed on page 1 and in the Credit Programs Guide.** Unless the Bureau directs otherwise, completed LOIs will be submitted electronically. The Bureau will provide Applicants detailed instructions on how to transmit the LOI files to the Department.

**Federal Requirements.** Projects receiving Federal financial assistance, including Bureau credit assistance, must comply with certain Federal requirements. Applicants should discuss applicable Federal requirements with the Bureau during the initial consultation process.

**Supplemental Information.** After an LOI is received and is considered complete, DOT will conduct a preliminary creditworthiness review, which involves an evaluation of the plan of finance, the financial model, the feasibility of the anticipated pledged revenue, and the sufficiency of any collateral pledged. In connection with these reviews, the Bureau may ask Applicants to provide additional materials, as necessary.

**Creditworthiness.** If the Department determines that the Project appears to satisfy statutory eligibility criteria, including the preliminary creditworthiness review, the Bureau will seek information necessary to proceed with the credit review process. TIFIA Applicants will be required to provide a preliminary rating opinion letter from at least one nationally recognized statistical rating organization. All Applicants for Bureau credit assistance will be asked to provide an oral presentation on their Project and plan of finance. Finally, if the Department has determined that a Project has met statutory eligibility requirements, including a full review of the creditworthiness of the Project, the Borrower will be invited to submit an Application and supporting materials. Please note that an invitation by the Department to submit an Application does not guarantee that a Project will receive Bureau credit assistance, which remains subject to a Project’s continued eligibility and final approval by the Secretary.

**Requests for Information.** If an Applicant or Borrower desires that any information submitted in its LOI, or any supplement thereto, not be released by the Department upon request from a member of the public or otherwise be made publicly available, the Applicant must specifically identify the information requested to be withheld and set forth any reasons why such information should not be released, including details as to any competitive harm which would potentially result from the release of such information. The Department will keep such information confidential to the extent permitted by law.

**Fees.** Except in certain circumstances, the Borrower will be responsible to pay costs incurred for services duly provided by the Department’s legal, financial or other third-party advisors involved with the evaluation of the LOI and Application and negotiation of any TIFIA/RRIF credit agreement and related transactional documentation, in each case as applicable, irrespective of whether a credit agreement is executed. Please refer to the [Credit Programs Guide](#) for further information with respect to exceptions to this requirement as well time and method of payment for such services.



---

***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

---

**ATTACHMENT A-1  
ORGANIZATIONAL CHART AND THE PROJECTS TEAM****NVTA Organizational Structure**

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 (6) 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 tasked 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”) composed of two elected officials from the respective member agencies and a member of the Paratransit Coordinating Council (“PCC”). The PCC member is ex-officio and is a non-voting member.

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. NVTA became an independent government agency in 2008. In February 2016, the name was changed to the Napa Valley Transportation Authority.

On 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 or property tax.

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

NVTA also administers Measure T- The Napa Countywide Road Rehabilitation Tax through the Napa Valley Transportation Authority- Tax Agency (NVTA-TA). Funding is to be used for maintenance, reconstruction, and/or rehabilitation of streets, roads, and transportation infrastructure within the public right-of-way including but not limited to: sidewalks, curb and gutters, curb ramps, lighting, traffic signage, striping, and local roadway drainage. Financial information for Measure T is presented as a discretely presented component unit for audit purposes. Measure T funding cannot be used for transit operations or capital projects.



## ***Letter of Interest for RRIF and TIFIA Credit Assistance      Fiscal Years 2018 - 2021***

### **MF Project Team**

#### NVTA

Architect.  
Stantec

Civil and Structural Engineers.  
Kimley Horn

Industrial Engineers.  
MDG

Electrical Engineers.  
Aurum

Mechanical and Plumbing Engineers.  
Axiom

Geotechnical Engineers  
PARIKH

[Pending], Construction Team.  
To be determined following IFB process in 2020.

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 NVTA  
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.



***Letter of Interest for RRIF and TIFIA Credit Assistance***

***Fiscal Years 2018 - 2021***

**ATTACHMENT B-1  
PROJECTS MAPS AND DESIGN FEATURES**

**MF Project Map**



**MF Project architectural renderings of the proposed design.**



**Letter of Interest for RRIF and TIFIA Credit Assistance****Fiscal Years 2018 - 2021****ATTACHMENT B-2****PROJECTS SOURCES & USES**

<b>Incurred Uses</b>		
Purchase or lease of real estate	\$000s	2,624
Project Development	\$000s	600
Engineering	\$000s	1,726
Project Management for Design and Construction	\$000s	400
Surveys, Testing, Investigation, Inspection	\$000s	250
<b>Subtotal Incurred Uses</b>	<b>\$000s</b>	<b>5,600</b>
<b>Anticipated Uses</b>		
Administration Building: Office, sales, storage, revenue counting	\$000s	6,187
Light Maintenance Facility	\$000s	10,993
Yard and Yard Track	\$000s	6,352
Demolition, Clearing, Earthwork	\$000s	1,730
Site Utilities, Utility Relocation	\$000s	3,091
Pedestrian / bike access and accommodation, landscaping	\$000s	300
Automobile, bus, van accessways including roads, parking lots	\$000s	1,421
Temporary Facilities and other indirect costs during construction	\$000s	120
Construction Administration & Management	\$000s	1,300
Professional Liability and other Non-Construction Insurance	\$000s	186
Legal; Permits; Review Fees by other agencies, cities, etc.	\$000s	300
UNALLOCATED CONTINGENCY	\$000s	2,500
<b>Subtotal Anticipated Uses</b>	<b>\$000s</b>	<b>34,480</b>
<b>Total Project Uses</b>	<b>\$000s</b>	<b>40,080</b>
<b>Incurred Sources</b>		
<u>Local Funding</u>		
TDA/LTF/STA	\$000s	5,600
<b>Subtotal Incurred Sources</b>	<b>\$000s</b>	<b>5,600</b>
<b>Anticipated Sources</b>		
<u>Federal Funding</u>		
FTA: 5307 FY21	\$000s	1,736
FHWA/CMAQ	\$000s	2,000
FTA: 5339(a) Formula	\$000s	866
FTA: 5339(c) LowNo	\$000s	51
<u>Local Funding</u>		
TDA/LTF/STA	\$000s	4,268
STA/SGR	\$000s	63
RM3	\$000s	10,000
<u>Financing</u>		
TIFIA Loan	\$000s	15,497
<b>Subtotal Anticipated Sources</b>		<b>34,480</b>
<b>Total Project Sources</b>	<b>\$000s</b>	<b>40,080</b>
TIFIA Assistance (% of eligible costs)	%	38.7%
Total Federal Assistance (% of eligible costs)	%	50.3%

THIS DOCUMENT IS HIGHLY CONFIDENTIAL AND CONTAINS TRADE SECRET INFORMATION AND OTHER COMMERCIALY SENSITIVE INFORMATION EXEMPT FROM DISCLOSURE UNDER FREEDOM OF INFORMATION STATUTES AND/OR OTHER OPEN RECORDS STATUTES.

**ATTACHMENT 3**  
**NVTA Agenda Item 10.2**  
**August 19, 2020**



July 22, 2020

7 World Trade Center  
250 Greenwich Street  
New York, NY 10007  
[www.moody's.com](http://www.moody's.com)

Napa Valley Transportation Authority  
625 Burnell St  
Napa, CA 94559

For the attention of: Kate Miller, Executive Director

Re: Napa Valley Transportation Authority (the “**Issuer**”)  
TIFIA Loan, 2020

Dear Ms. Miller:

At your request, Moody’s Investors Service (“**Moody’s**”) has reviewed the business fundamentals and financial condition of the Issuer, as well as the terms and conditions surrounding the Issuer’s proposed financing, as described below with a view to assigning Indicative Ratings.

A Moody’s Indicative Rating is an unmonitored, point-in-time opinion of the potential credit rating(s) of an issuer or a proposed debt issuance by an issuer contemplating such a debt issuance at some future date. Indicative Ratings are not equivalent to and do not represent traditional Moody’s credit ratings. However, Indicative Ratings are expressed on Moody’s traditional rating scale. Please refer to Moody’s *Rating Symbols & Definitions*, which is available at [www.moody's.com](http://www.moody's.com), for the meaning of Moody’s rating(s) and other products/services.

Based on the documents and information provided to Moody’s to date and particularly on key assumptions and considerations, including but not limited to those presented below, Moody’s has assigned the Indicative Rating, A2 (the “**Indicative Rating**”), detailed below. This letter and the Indicative Ratings contained within it are subject in all respects to the terms of your application for the Indicative Ratings.

### **Indicative Ratings**

Moody’s has assigned the below Indicative Rating(s):

The TIFIA Loan, 2020 proposed to be entered into by the Issuer with the United States Department of Transportation is assigned an Indicative Rating of A2.

The loan is expected to be secured by a gross pledge of Issuer’s Transit Development Act (TDA) revenue, including state Local Transportation Fund (LTF) and State Transportation Assistance (STA) revenues, and the membership fees received by the Issuer. The Issuer’s obligation to make loan payments will be unconditional and not subject to abatement.

The indicative A2 rating on the TIFIA loan reflects long-term positive trends for the service area economy, a strong history of support for local transit by State of California (Aa2 stable), local support for transit demonstrated by member agencies’ agreement to contribute annual membership fees to the Issuer, the budget

THIS DOCUMENT IS HIGHLY CONFIDENTIAL AND CONTAINS TRADE SECRET  
INFORMATION AND OTHER COMMERCIALY SENSITIVE INFORMATION EXEMPT  
FROM DISCLOSURE UNDER FREEDOM OF INFORMATION STATUTES AND/OR OTHER  
OPEN RECORDS STATUTES.

flexibility and liquidity provided by the Issuer's ability to draw upon additional LTF funds if needed, and a minimal pension liability for the Issuer's transit enterprise. These strengths are offset, in part, by the small size of the Issuer's bus system, an economy concentrated in wine making and tourism, and the risks of federal operating support for transit. The rating is based on the Issuer's long-term credit fundamentals which are expected to be restored following containment of the coronavirus pandemic and recovery of the regional economy. We assume that federal and other assistance will be sufficient to sustain the Issuer's liquidity for the length of the current crisis.

### **Disclaimers**

The Indicative Ratings have been assigned on a "point-in-time" basis and will not be monitored going forward.

Credit ratings issued by Moody's are Moody's current opinions of the relative future credit risk of entities, credit commitments, or debt or debt-like securities and are not statements of current or historical fact. Moody's credit ratings address credit risk only and do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Such other non-credit risks may have a significant effect on the yield to investors.

Neither Moody's Indicative Ratings nor its credit ratings are, and they do not provide, investment advice or recommendations to purchase, sell, or hold particular securities. Moody's issues its Indicative Ratings and credit ratings with the expectation and understanding that each investor will make its own evaluation of each security that is under consideration for purchase, holding, or sale.

Under no circumstances shall Moody's or any of its affiliates or any of their respective directors, officers or employees have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any action or error (negligent or otherwise) or other circumstance or contingency within or outside the control of Moody's or any of its or its affiliates' directors, officers, employees or agents in connection with the Indicative Ratings or the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any information used in assigning the Indicative Ratings, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if Moody's is advised in advance of the possibility of such damages, resulting from the Indicative Ratings or the use of, or inability to use, any information in connection with the Indicative Ratings. **ALL INFORMATION, INCLUDING THE INDICATIVE RATING OR ANY FEEDBACK OR OTHER COMMUNICATION RELATING THERETO, IS PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND. MOODY'S MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH INFORMATION.**

The assignment of an Indicative Rating or a credit rating does not create a fiduciary relationship between Moody's and you or between Moody's and other recipients of the Indicative Rating or credit rating. Moody's has not consented to and will not consent to being named as an "expert" under the applicable securities laws, including, without limitation, Section 7 of the Securities Act of 1933.

We would like to draw your attention to the fact that while the information and assumptions conveyed to Moody's in connection with the Indicative Ratings may broadly describe the ultimately negotiated agreements and final terms of the actual financing, these final terms and agreements could deviate in many significant respects from the information provided to Moody's for purposes of assigning the Indicative Ratings. The final terms, contractual provisions and debt structure of the actual financing could be collectively stronger or weaker than those reviewed by Moody's to date and a change in even a single contractual provision, or any difference between the final terms of the actual financing and the information provided to us, could have the potential to impact the credit quality of the transaction. Accordingly, the definitive credit ratings

THIS DOCUMENT IS HIGHLY CONFIDENTIAL AND CONTAINS TRADE SECRET  
INFORMATION AND OTHER COMMERCIALY SENSITIVE INFORMATION EXEMPT  
FROM DISCLOSURE UNDER FREEDOM OF INFORMATION STATUTES AND/OR OTHER  
OPEN RECORDS STATUTES.

assigned to an actual financing will reflect final terms and conditions and could conceivably be higher or lower than the assigned Indicative Ratings.

**Confidentiality**

Please be aware that the contents of this letter are strictly confidential. The Indicative Ratings are only for the benefit of the Issuer and should not be disclosed to any other person except strictly in accordance with your application for the Indicative Ratings. Moody's reserves the right to publish or disclose the Indicative Rating in accordance with your application for the Indicative Rating, including, without limitation (i) as required by law, regulation, judicial or governmental order, subpoena or other legal process or as requested or required by any governmental or regulatory authority, or (ii) in the event that such Indicative Rating is disclosed (other than by Moody's or any affiliate of Moody's) to any third party other than as expressly permitted pursuant to the confidentiality provisions set forth in your application for the Indicative Ratings.

Yours faithfully,

Moody's Investors Service

Cc: KBK, Global Middle Office