

# **NVTA Financial Working Group**

Fairfax Department of Transportation

4050 Legato Road, Suite 400

Fairfax, Virginia 22033

Wednesday, February 5, 2014

2:00 p.m.

- I. Introductions
- II. Approval of Summary of January 6, 2014, Meeting
- III. Status of Preparation for Sale of Bonds
  - A. Summary of On-going Activities
    - i. RFP for Line of Credit
  - B. Schedule for Future Activities
  - C. Items Required from Jurisdictions/Implementing Agencies
- IV. Other Topics for Discussion
  - A. Projects Agreements between NVTA and Jurisdictions/Implementing Agencies
    - i. Status of Approvals of MOA for Transferring Funding to Local Governments and/or Implementing Agencies
      1. Identification of Two Points of Contact for Each Jurisdiction
    - ii. Status of Approvals of MOA between Counties and Towns
    - iii. Discussion of the Project Agreement between NVTA and Implementing Agencies
    - iv. Discussion of MOA between VDOT/DRPT and NVTA
      1. Report on Conference Call with VDOT and DRPT
  - B. Status of Project Cash Flow Information
  - C. Status of Scheduling WMATA Subcommittee Meeting
  - D. Status of Discussions on Revenue Estimates for FY 2014, FY 2015 and FY 2016
  - E. Discussion of Reporting Matrix
  - F. Identification of Additional Items for Discussion
- V. Update on Revenues Collected
- VI. Items to Refer to Other Working Groups
- VII. Summarize Recommendations Made by Working Group for the February 20 and March 20, 2014, NVTA Meetings; Additional Information Requirements; Persons Responsible for Securing Information; and Direction to Staff Coordinators
- VIII. Next Meeting
- IX. Adjourn

Northern Virginia Transportation Authority Financial Working Group  
January 6, 2014

Minutes from December 6 meeting were approved unanimously.

**Discussion of Bond Validation** – Update by Arthur Anderson and Ellen Posner

No change in status. No petition has been filed in the Virginia Supreme Court. Ellen explained therefore there is no valid appeal. Delegate Marshall asked to have action deferred until after the General Assembly session is over. The Fairfax County Circuit Court will consider his motion in April 2014.

**Discussion of Letter to Treasury Board** – No action. On hold until closer to the actual sale of the bonds.

**Preparation for Sale of Bonds** – Debt Subcommittee meeting 10 a.m. on January 7 to discuss the schedule and activities associated with the bond sale. Mike Longhi is preparing a list of materials needed from the jurisdictions. Each FWG member was asked to coordinate within their own jurisdictions to provide the materials

**MOA between NVTa and Jurisdictions** – NVTa meets on 1/23. NVTa will be asked to approve MOA with the cities and counties. The negotiations are essentially complete. The agreements are final. Tom asked when each jurisdiction will take the MOA's to governing body for approval. Each would be soon, some the very next public meeting. Then they would be appropriately executed.

**Transmittal Letter and Contact for Jurisdictions** - Draft letter was included in the meeting packet. The MOA's will be formally transmitted. Need confirmation of banking info and two points of contact for each jurisdiction.

**Standard Project Funding Agreement for Projects Supported with 70% Funding** - Status of Project Agreements with NVTa and implementing agencies. Subcommittee is using a variation of the VDOT agreement for locally administered projects as a template for the attachments. The Agreements Subcommittee meets January 14. The group discussed the concept of switching funding amongst approved projects. This can not be done when projects are specifically bonded. It may be possible to have general language for pay as you go projects and deal with bond-funded projects separately. The Debt Subcommittee will consider. The Jurisdiction and Agency Coordinating Committee will also be asked to discuss.

Page 4 – JAAC and Project Implementation will discuss how “completed” should be defined.

Page 5 and 6 - References to assignment of Project Coordinator have been changed to “Program” Coordinators.

Page 6 – Reimbursement processing time was discussed. Mike Longhi's intention is that reimbursement would be made within 20 days as the respective project's bills are net 30. This is another reason jurisdiction project coordinators/managers need regular interaction with NVTa's program coordinators

Page 8 – termination language was discussed and will be revised.

The Working Group will take this agreement to NVTA in February. It does not have to go to localities.

For bonded projects: have to go to NVTA and implementing agency's governing body.  
Matching Funds – if project requires matching or other funds to complete, these funds need to be identified as part of the project applications. A question came up on if 30% or 70% can be used as matching funds for other projects. VDOT says yes. DRPT has not made a definitive determination. This will be discussed further by the subcommittee.

**Additional Oversight –**

The MOA subcommittee met on 12/5. The committee went through every comment to reach consensus. The most recent revised copies of MOA's distributed.

Ellen Posner lead the revision by revision review of the MOA's, starting with the purple-lined NVTA/County/City MOA and then the red-lined NVTA/County/Town MOA. The revised version include comments from the discussion at this meeting will be sent out for additional review.

**Cash Flow** – Jason passed out the cash flow schedule. He said that he has what he needs unless there are any changes. If so, get back to him.

**Revenue Estimates** – Revenue estimates were passed out these are going to be provided to Project Implementation Work Group (PIWG). A revenue estimate subcommittee was established, including Jason, Carl, Marsha, and Joe.

**Mike Longhi passed out Initial Reporting Matrix for NVTA.** The intent is for the reports not to be burdensome, and that localities should already have most of the information for their own use anyway. Some reports will most likely need to be created. Working Group members were asked to review the list and provide comments to Mike. They were also asked to bring the list to the next FWG meeting.

**Revenues Collected** – Mr. Longhi distributed a summary of the revenues collected.

- Jurisdictions were asked to provide any information they have on seasonality of revenues. Some jurisdictions have information to explain seasonality behavior of sales tax.
- The NVTA receipts only include four months of sales tax collections.
- The transient occupancy tax (TOT) is very volatile. There was some concern that due to federal government shutdown, the TOT will be less than forecasted.

**Depositing of Revenues:** NVTA has two LGIP accounts for the 30% and 70% funding, respectively. Previously all funds were deposited into one account.

**1/23 NVTA Board Meeting** – There was a concern that the FWG is not ready to make a recommendation on allowing advance funding of projects. The VDOT/DRPT and NVTA agreement is not ready for 1/23. There is no action needed on bonds at the 1/23 NVTA Board Meeting.

**Next Meeting of FWG - Wednesday, February 5 at 2pm.**



# Attachment \_\_ : Northern Virginia Transportation Authority Financial Information



*The Authority*  
for Transportation in Northern Virginia

# Overview of Revenue Streams



Revenue Source	Rate	Budgeted FY 2014 Amount	70% Allocation (\$)	30% Allocation (\$)
<b>Retail Sales Tax</b>	0.7% of retail purchase amount	\$232,456,223	\$162,719,356	\$69,736,867
<b>Regional Congestion Relief Fee (Additional Grantor's Tax)</b>	\$0.15/\$100 of value	\$34,676,790	\$24,273,753	\$10,403,037
<b>Transient Occupancy Tax</b>	2% of room rate	\$24,348,642	\$17,044,049	\$7,304,593
<b>Total</b>	-	<b>\$291,481,655</b>	<b>\$204,037,159</b>	<b>\$87,444,497</b>

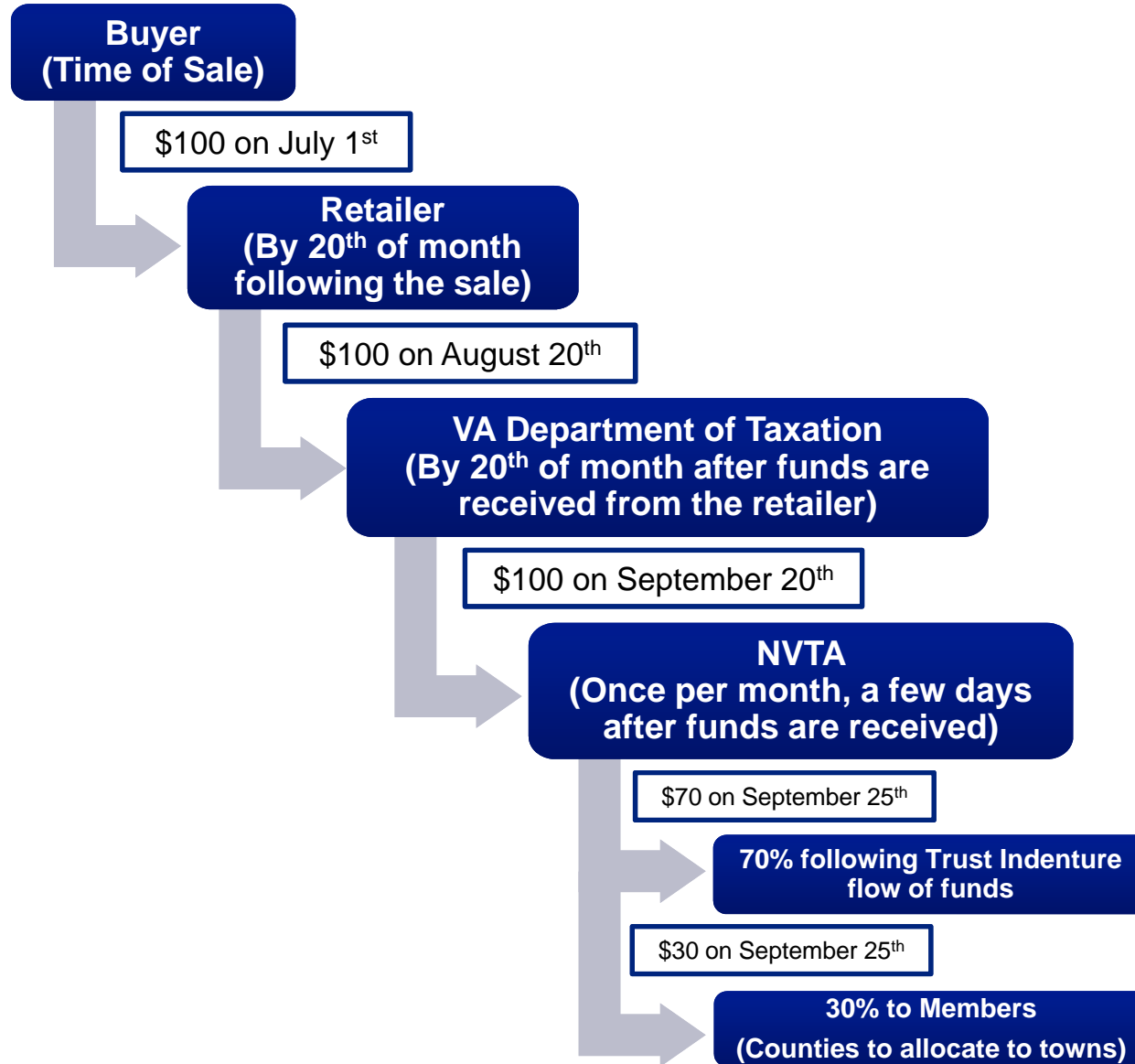
# 5-Year Revenue Forecast



Fiscal Year Ending	Annual Gross Sales Tax Revenue	Annual Gross Grantor's Tax Revenue	Annual Gross TOT Revenue	Total Annual Gross Tax Revenue	70% NVTA Revenues	NVTA Revenue % Change YOY
6/30/2014	\$232,456,223	\$34,676,790	\$24,348,642	\$291,481,655	\$204,037,159	
6/30/2015	239,429,910	34,676,790	24,584,872	298,691,572	209,084,100	2.47%
6/30/2016	246,612,807	34,676,790	24,837,265	306,126,862	214,288,803	2.49%
6/30/2017	254,011,192	34,676,790	25,085,637	313,773,619	219,641,533	2.50%
6/30/2018	261,631,527	34,676,790	25,336,494	321,644,811	225,151,368	2.51%

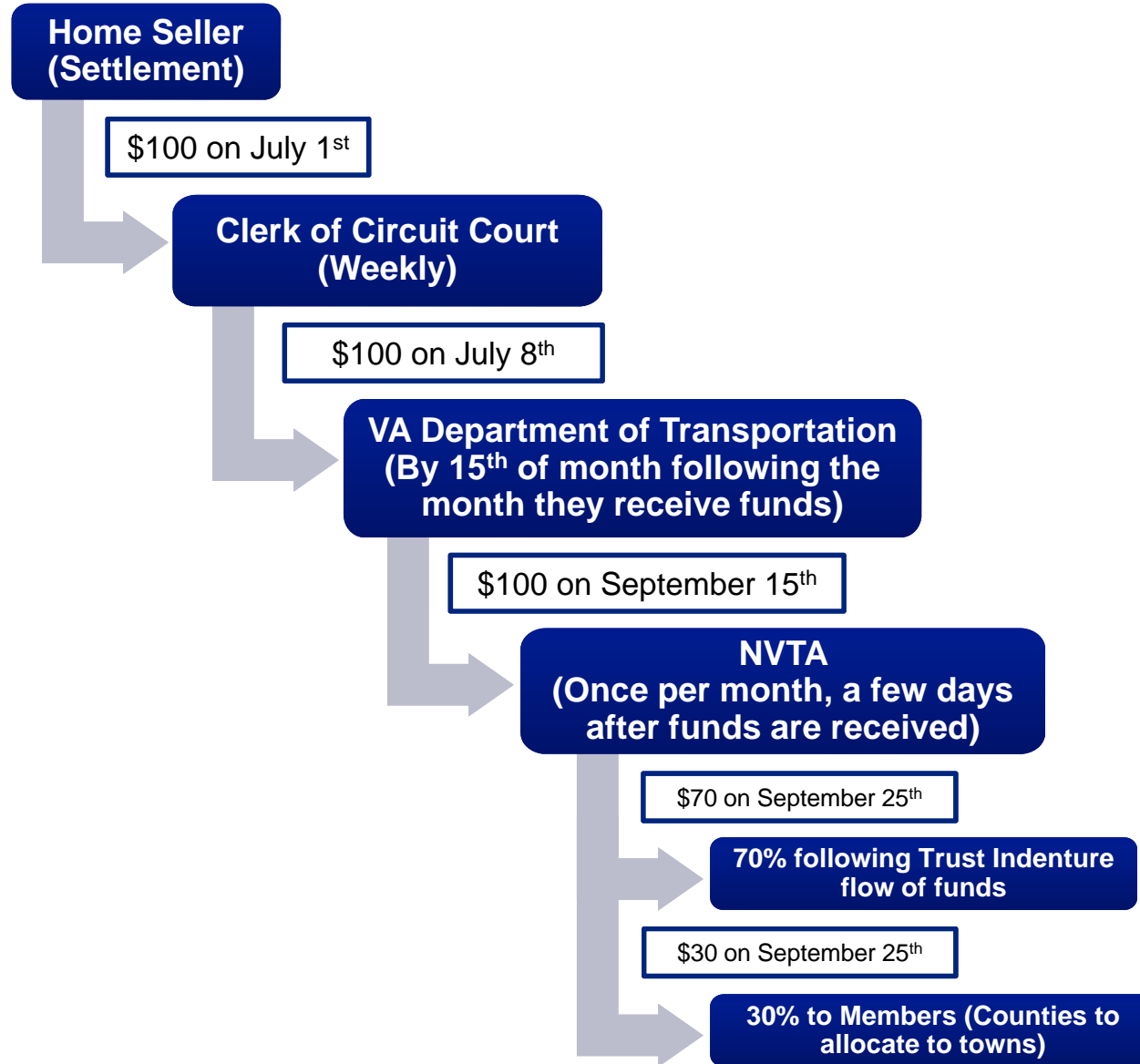


# Flow of Sales and Use Tax Revenue





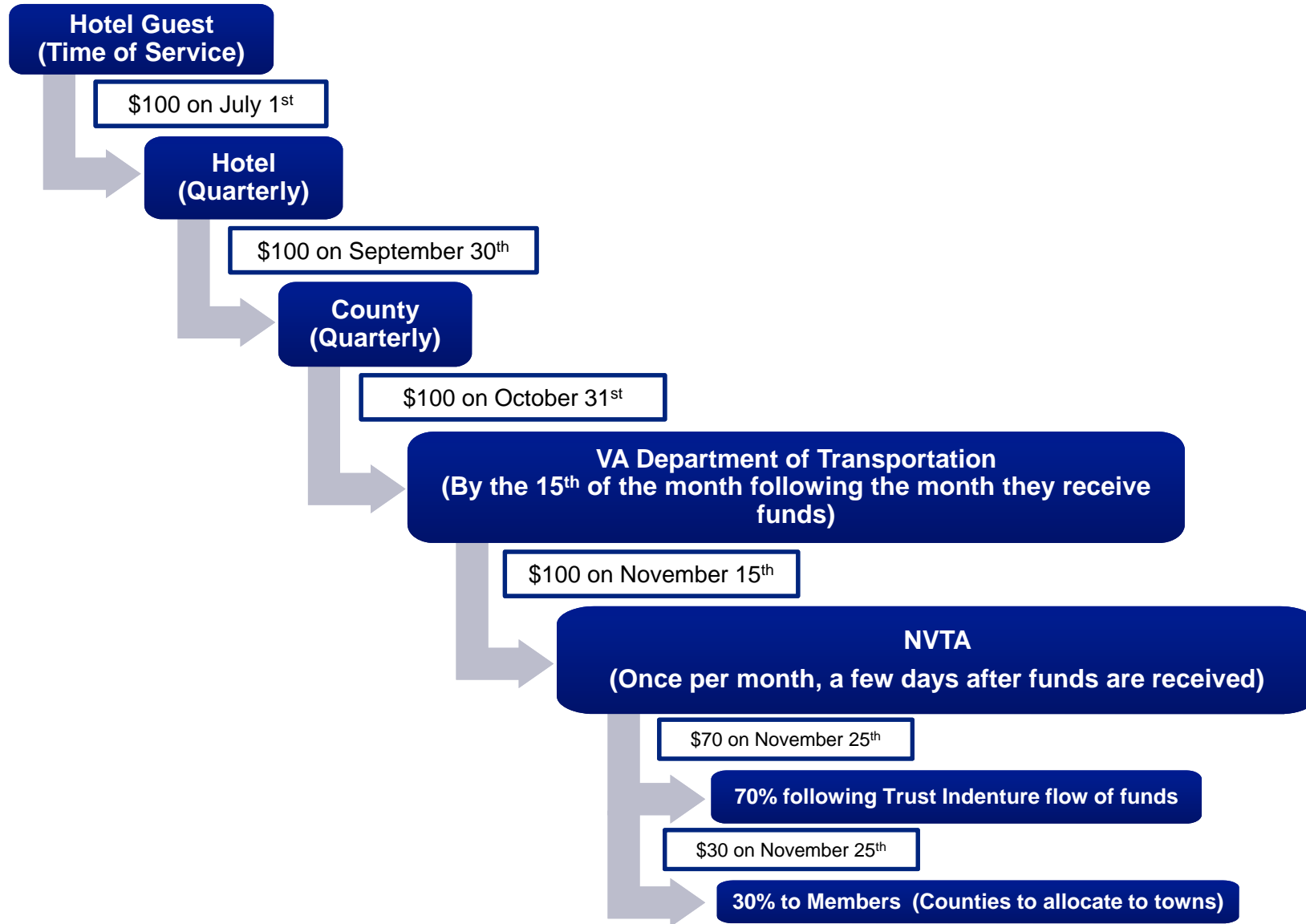
# Flow of Grantor's Tax Revenue







# Flow of Transient Occupancy Tax Revenue





# Historical Sales Tax Revenue Data

- Sales tax revenue generated in Arlington, Fairfax, Loudoun, and Prince William counties account for 70% of NVRTA's expected revenue stream
- The sharpest decline in this revenue stream occurred in FY\_\_\_\_, when it contracted by \_\_\_\_%
- On average over the 20 year period spanning FY1994 to FY2013, growth has averaged \_\_\_\_%
- [Add source cites]

Total Annual Sales Tax Revenue Remitted to Each County <sup>(a)</sup>						
Fiscal Year	Arlington	Fairfax	Loudoun	Prince William	Total	% Change YoY
1994		83,219,690				
1995		89,797,900				
1996		93,277,613				
1997		98,497,233				
1998		105,338,868				
1999		115,728,083				
2000		128,787,605				
2001		133,492,619				
2002		125,577,043				
2003		126,785,250				
2004		140,070,124				
2005		147,781,944				
2006		152,475,529				
2007		159,224,006				
2008		160,855,221				
2009		153,852,596				
2010		149,547,338				
2011		154,757,415				
2012		162,839,599				
2013						

(a) PFM to add footnote regarding tax rate. Need to correlate these dollars to the sales tax rate that generated such dollars.

# Sales Tax Revenue Trends

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- Insert graphs of tabular data appearing on prior slide

# TransAction 2040 Plan (as of November 2012)



- NVTA revises and amends TransAction 2040 every five years
- Provides a guide for funding future transportation projects in Northern Virginia
  - Available on NVTA website at: <http://www.thenovaauthority.org/transaction2040>
- Northern Virginia Portion of Region's Constrained Long-Range Plan totals \$18.5 billion and TransAction 2040 Additional Projects totals \$23.2 billion over 30 years (2011 to 2040)

<b>TransAction 2040 Additional Projects Project Types</b>	<b>Amount (\$ billions)</b>
Highway	\$9.30
Transit	\$13.20
Bicycle/Pedestrian	\$0.64
Technology	\$0.06
<b>Total</b>	<b>\$23.20</b>





# FY 2014 NVRTA Approved Project Lists

- On July 24, 2013, NVRTA approved project lists for FY2014 Bond Funding and FY2014 Pay-As-You-Go Funding
- Additional projects not recommended for funding in FY2014 may be considered for Six-Year Program

FY 2014 Project List		
Project Type	# of Projects	Funding Amount
FY14 PAYGO Project List (ROADS)	8	\$68,100,000
FY14 PAYGO Project List (TRANSIT)	17	\$47,958,000
FY14 Bonded Project List	9	\$93,735,000
<b>Total Amount</b>	<b>34</b>	<b>\$209,793,000</b>

# FY2014 Projects Approved for Bond Funding



- At its July 24, 2013 meeting, the NVRTA approved a list of projects for bond funding totaling \$93.735 million

FY 2014 Bond Projects			
Locality	Project Name	Phase	Funding Amount
Arlington County	Boundary Channel Drive Interchange	FY 14 Design Complete, FY 15 Const.	4,335,000
Fairfax City	Chain Bridge Road Widening/Improvements	FY 14 ROW	5,000,000
Fairfax County	Innovation Center Metrorail Station	FY14 Design/Build	20,000,000
Loudoun County	Route 28 Hot Spot Improvements – Loudoun Segment (Sterling Boulevard and the Dulles Toll Road)	FY 14 Construction Start	6,400,000
	Leesburg Park and Ride	FY 14 ROW and Construction Complete	1,000,000
Prince William County	Route 28 from Linton Hall Road to Fitzwater Drive	FY 14 Construction Start	28,000,000
VRE	VRE Rolling Stock	FY 16 Revenue Service	19,800,000
	VRE Lorton station second platform	FY14 Design	7,900,000
	VRE Alexandria station tunnel and platform improvements	FY 14 Construction	1,300,000
<b>Total FY 2014 Project Amount</b>			<b>93,735,000</b>

# FY2014 Projects Approved for PAYGO



- At its July 24, 2013 meeting, the NVRTA approved a list of projects for pay-as-you-go funding totaling \$116.058 million

FY 2014 PAYGO Projects			
Locality	Project Name	Phase	Funding Amount
City of Alexandria	DASH Bus Expansion (5 new buses)	FY 14 Revenue Service	3,250,000
	Traffic Signal Upgrades/Transit Signal Priority	FY 14 Construction / FY 14 Design Start	660,000
	Shelters and Real-Time Transit Information for DASH/WMATA.	FY 14 Construction Start	450,000
	Potomac Yard Metrorail Station EIS	FY 14 Planning Complete, Begin Design	2,000,000
Arlington County	Columbia Pike Multimodal Street Improvements	FY 14 Construction Start	12,000,000
	Silver/Blue Line Mitigation (4 buses)	FY 14 Revenue Service	1,000,000
	Crystal City Multimodal Center	FY 14 Construction Start	1,500,000
Fairfax County	Route 28 Widening 6 to 8 lanes (SB from the Dulles Toll Road to Route 50)	FY14 Design/Build	20,000,000
	Route 28 Widening 6 to 8 lanes (NB from McLearen Road to Dulles Toll Road)	FY14 Design/Build	11,100,000
	Innovation Center Metrorail Station	FY14 Design/Build	21,000,000
	Herndon Parkway Intersection Improvements at Van Buren St.	FY 14 Design Complete, ROW	500,000
	Herndon Parkway Intersection Improvements at Sterling Road	FY 14 Design Complete, ROW	500,000
Falls Church City	Herndon Metrorail Intermodal Access Improvements	FY 14 Design Complete, ROW	1,100,000
	Pedestrian Access to Transit	FY 14 Design Complete	700,000
	Funding for Bus Shelters	FY 14 Construction Start	200,000
	Pedestrian Bridge at Van Buren Street	FY 14 Design Start	300,000
Loudoun County	Belmont Ridge Road, North of the Dulles Greenway	FY 14 Design/Build Start	20,000,000
	(Leesburg) Edwards Ferry Road at the Route 15 Leesburg Bypass Grade Separation.	FY 14 Design Start	1,000,000
	2 New Transit Buses	FY 14 Revenue Service	880,000
Prince William County	Route 1 from Featherstone Road to Marys Way	FY 14 Design Start	3,000,000
NVTC	Transit Alternatives Analysis Study in the Route 7 Corridor (King Street, Alexandria to Tysons Corner). (PHASE II)	FY 14 Planning Start	838,000
PRTC	PRTC New Gainesville Service (1 bus)	FY 14 Revenue Service	580,000
VRE	VRE Gainesville-Haymarket Extension Project Development	FY 14 Planning and Design Start	1,500,000
WMATA	Traction Power Upgrades on the Orange Line in Virginia	FY 14 Design Start	5,000,000
	Ten New Buses on Virginia Routes	FY 14 Contract Start / FY 15 Rev Svc.	7,000,000
Total Roadway Projects			68,100,000
Total Transit/Multimodal Projects			47,958,000
<b>Total FY 2014 PAYGO Project Amount</b>			<b>116,058,000</b>

# Overview of FY 2014-2019 Six Year Capital Improvement Program Call for Projects

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- NVRTA is currently in the process of developing its FY2014 to FY2019 Six Year Program for Capital Projects
- Process will incorporate Virginia Department of Transportation's (VDOT) Rating Study (HB599), VDOT's Six Year Program and Transportation Planning Board's Transportation Improvement Plan
- At its December 12, 2013 meeting, NVRTA approved a call for Projects to be considered for funding during the initial three years of the plan (FY2014-2016)
  - Additional amounts may be allocated for FY2014 PAYGO projects above the \$116.058 approved in July 2013
- Project Submission forms due by January 31, 2014
  - Additional detail is available on the NVRTA website at:  
<http://www.thenovaauthority.org/PDFs/Meetings/2013/12.12.13/VIII%20NVRTA%20Six%20Year%20Call%20for%20Projects.pdf>



DRAFT DATED ~~12-2031-20134~~ FEBRUARY 4, 2014

**Request for Proposals  
to provide a  
Line of Credit Facility  
to the  
Northern Virginia Transportation Authority**

**RFP Issue Date:** Monday, ~~January 6~~ March 10, 2014

**Proposal Due Date:** ~~Friday~~ Tuesday, January 24 ~~April 8~~, 2014 by 2:00 pm, local time

**Borrower:** Northern Virginia Transportation Authority (“NVT A” or the “Authority”)

**Type of Agreement:** Line of Credit Facility (the “Facility”, or “LOC”)

**Size:** [\$93,735,000]<sup>1</sup>

**Use of Proceeds:** The Facility may be used to provide interim financing for eligible tax-exempt capital expenditures approved by the NVT A Board in FY2014. The Facility will be a non-revolving line, available solely for interim financing of capital projects approved by the NVT A for bond financing. Interim financing of FY2014 bond projects was authorized by the NVT A Board by resolution on July 24, 2013 (the “Authorizing Resolution”). The Authorizing Resolution also permits the issuance of up to \$105,000,000 of Transportation Facilities Revenue Bonds (the “Bonds”) to provide permanent financing of the FY2014 Bond Projects. See Attachment ■.

**Overview:** NVT A was created in 2002 by the Northern Virginia Transportation Authority Act, Title 15.2, Code of Virginia, and includes the Counties of Arlington, Fairfax, Loudoun, and Prince William, and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park (the “Member Jurisdictions.”) The Authority is responsible for long-range transportation planning for regional transportation projects in Northern Virginia. Additional information regarding the Authority can be found at [www.thenovaauthority.org](http://www.thenovaauthority.org).

On April 3, 2013, the Governor’s substitute for House Bill 2313 (the “HB 2313”) was adopted by the Virginia General Assembly and established three new revenue streams to provide funding for transportation projects approved by the NVT A. These revenue streams include a 0.70% retail sales tax, a 2.0% transient occupancy tax, and a fee on grantors of real property equal to \$0.15 per \$100 of the value of the real property sold by such persons. These incremental taxes and fees became effective as of July 1, 2013 and apply within the Northern Virginia Region Regional Commission Planning District 8 which is defined as the Counties of Arlington, Fairfax, Loudoun, and Prince William and the Cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park comprises the geographical area of the Member Jurisdictions. Annually, these revenue streams are expected to generate approximately \$291.5<sup>2</sup> million to \$321.6 million annually over the five year period from FY2014 to FY2018 for transportation

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<sup>1</sup> Expected to be FY14 bond funded project costs plus estimated cost of issuance, as adjusted based on any changes to VRE’s funding plans. Amount may be downsized.

<sup>2</sup> Will update figure closer to issue date of RFP.

**DRAFT DATED 12-2031-20134 FEBRUARY 4, 2014**

projects approved by NVTA (the “**HB2313 Transportation Revenues.**”) HB2313 Transportation Revenues for FY2014 (which covers the period from July 1, 2013 to June 30, 2014) are estimated to be \$291.481- million to be updated closer to RFP distribution -in NVTA’s FY2014 budget. As of ~~December 12, 2013~~ January 9, 2014, NVTA has collected \$~~119,296.7~~ million. See Attachment [redacted].

The HB2313 Transportation Revenues will be deposited into the Northern Virginia Transportation Authority Fund, with 30% of the funds being distributed to the member localities for use on transportation projects at the members’ discretion. The remaining 70% funds (the “**Regional NVTA Funds**”) will be used for regional transportation projects and the payment of debt service on obligations issued by the NVTA.

**Security:**

Each funding request under the Facility will be treated as a draw pursuant to the Master Credit Agreement between NVTA and the Facility provider. The obligation of NVTA to make payments under the Master Credit Agreement with respect to principal and interest on any draw will be a senior obligation under the Master Indenture of Trust (dated as of July 1, 2013 with a trustee to be named) and the First Interim ~~First~~<sup>2</sup> Supplemental Series Indenture of Trust, to be dated the date of the delivery of the Facility (together with the Master Indenture of Trust, the “**Indenture**”). Such documents are included as Attachment [redacted]. The repayment of principal and interest on any draw will be paid from the Regional NVTA Funds, as such term is defined in the Master Indenture.

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Neither the Commonwealth of Virginia nor any of its political subdivisions, including NVTA and the Member Jurisdictions, will be obligated to pay the principal of or interest on any draws of the Facility or other costs incident to them except from the Regional NVTA Funds. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any of its counties, cities, towns or other political subdivisions, including the Member Jurisdictions, will be pledged to the payment of the principal of or interest on any draws under the Facility. Draws under the Facility will not directly, indirectly or contingently obligate the Commonwealth of Virginia or any of its counties, cities, towns or other political subdivisions, including the Member Jurisdictions, to levy any taxes or to make any appropriation for their payment. NVTA has no taxing power.

**Bond Validation:**

Shortly after the adoption of the Authorizing Resolution, NVTA instituted a bond validation proceeding in the Circuit Court of Fairfax County (the “Court”). The bond validation was challenged and a hearing was held before the Court in late September 2013. On October 11, 2013, the Court entered a Final Order in which the Court validated, among other things, (i) the constitutionality of HB2313 and the HB2313 Transportation Revenues, (ii) all actions of NVTA taken in connection with the proposed issuance of the Bonds, including the adoption and approval of the Authorizing Resolution and the below-defined Indenture, (iii) the process by which NVTA selected the FY2014 Bond Projects and the other projects to be funded by the Regional NVTA Funds received in FY2014, (iv) the pledges of revenues and receipts and other security for the Bonds provided pursuant to the Authorizing Resolution and the Indenture, and (v) the terms, covenants and provisions contained in the

<sup>2</sup> Arthur & TW will suggest a different name so that we reserve the first supplemental indenture for the first series of long-term bonds.

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~~Authorizing Resolution and the Indenture. The Final Order dismissed with prejudice the challenge to the bond validation and declared that, in the event no appeal of the Final Order was taken within the time prescribed in Virginia Code § 15.2-2656, the Final Order is binding and conclusive as to the validity of the Bonds and the other matters addressed therein. No appeal was made within the prescribed time. A copy of the Final Order is included as Attachment [redacted]. On July 25, 2013, NVTA instituted a bond validation suit in the Circuit Court for the County of Fairfax, Virginia. After a hearing on the merits, held on September 30, 2013, and October 1, 2013, the Court entered an order validating NVTA's bonds on October 11, 2013. No appeal was noted within the time frame prescribed by Virginia Code Section 15.2-2656.~~

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**Additional Debt:**

NVTA will provide a covenant to the Facility provider sufficient to ensure that repayment of draws on the line will be satisfied prior to or simultaneously with the issuance of ~~any indebtedness approved by the Authority at their meeting on July 24, 2013.~~ the Bonds. Proposers should provide any required or suggested language for such provision in their response. Additionally, the NVTA adopted its debt and financial management policies at its meeting on December 12, 2013 which provides affordability limits on any debt issued by the NVTA. Specifically, the ratio of annual Regional NVTA funds to annual senior lien debt service must be maintained at a minimum of 2.00 times. The ratio of annual Regional NVTA funds to annual subordinate lien debt service must be maintained at a minimum of 1.30 times. Such policies are included as Attachment [redacted].

**Ratings:**

NVTA is not currently rated by any of the three major rating agencies. However, NVTA intends to request public ratings as part of ~~their public bond offering~~ the offering of the Bonds, currently planned for ~~Spring of~~ June/July/TBD<sup>5</sup> 2014.

**Closing/Timeline for Anticipated Draws:**

NVTA desires to settle the Facility on or about ~~February 14~~ May 1, 2014. Proposal terms and conditions shall remain firm for 45 days from the date of submittal. For the balance of FY2014, NVTA forecasts ~~[\$7.4]~~ million of project expenditures that would be met by draws on the Facility. By June 30, 2014, NVTA expects to close its issuance of \$105,000,000\* of Transportation Facilities Revenue Bonds to retire any draws on the line. See Attachment [redacted] describing NVTA's forecasted cash flow for the period July 1, 2013 to June 30, 2015. In the event the NVTA does not consummate the issuance of the Bonds by June 30, 2014, it would draw upon the line in its entirety.

**Term of Facility:**

The Facility will expire upon the earlier of: (a) issuance of such long term bonds approved by the Authority at its July 24, 2013 meeting whose ~~purpose would~~ purpose would include the repayment in full of any outstanding draws on the Facility or (b) June 30, 2015. If ~~such long term bonds~~ the Bonds are not sold prior to June 30, 2015, the

<sup>4</sup> ~~Possible covenant: covenant not to issue any obligations senior in payment of such draws until such time as the draws are fully repaid, either from legally available funds of the NVTA or the issuance of long term bonds approved by the Authority at its July 24, 2013 meeting.~~

<sup>5</sup> Will be updated closer to release date of RFP.

<sup>6</sup> \*Preliminary, subject to change.

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NVTA would use legally available funds from the Regional NVTA Revenues to repay the draws.

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**Term-Out Provisions:**

In the event that the Bonds have not settled on or before June 30, 2015 or any Advance(s) remain(s) outstanding as of June 30, 2015, the ~~would like to reserve its~~ Facility should permit any such Advances to be converted to a Term Loan ~~rights to~~. As part of the firm's response ~~on~~ the Facility Pricing Sheet, please note the term-out provisions that the firm can offer beyond June 30, 2015. Per the Authority's Authorizing Resolution dated July 24, 2013, the ~~with a maximum term to maturity shall not to exceed five (5) years from the date of the original Advance, per the Authority's Authorizing Resolution, dated July 24, 2013. All other additional terms and conditions of the Term Loan must also be in agreement with the Authorizing Resolution dated July 24, 2013.~~

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**Principal Amortization:**

NVTA will make all principal payments within 12 months or less from the date an Original Advance is made ~~or in accordance with any Term-Out provisions.~~

**Maximum Interest Rate:**

In accordance with the Authorizing Resolution, the interest rate on any Advance may not exceed 5.0%.

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**Interest Payments:**

~~As part of the firm's response on the Facility Pricing Sheet, Interest will be paid on any outstanding balance on a monthly semi annual basis. See [Section 2.2] of the attached draft Form of Master Credit Agreement please note the firm's preference on the interest payment frequency. Additionally, please note how, if at all, if the frequency of the interest payments will would be be tied related to the Applicable LIBOR Interest Rate chosen by the Authority.~~

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**Tax Status:**

Each draw under the ~~Master~~ Credit Agreement will be tax-exempt, non-bank qualified, subject to the opinion of NVTA's Bond Counsel.

**Proposal Preparation:**

Proposals shall be signed by an authorized representative of the Bank. All requested information must be submitted. Failure to submit all requested information may result in a response being considered non-responsive and therefore, rejected. Proposers should submit the following items with their response:

- (a) General information on the firm, including the names, roles, addresses, phone numbers, email addresses and brief resumes for each member of your proposed team who will participate in structuring and negotiation of the Facility. Indicate whether your bank will use in-house or external legal counsel and identify that individual and/or firm.
- (b) Briefly describe your experience on similar transactions. Provide a listing of comparable transactions which the bank has provided Lines of Credit, Letters of Credit or Liquidity Facilities since January 1, 2010. Include dates, amounts, issuer

<sup>7</sup> Need to discuss with NVTA.

<sup>8</sup> Arthur & TW: We would like to use a form from a recently bid Fairfax County LOC process as the starting point.

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and other relevant detail. Please provide three (3) references that are clients familiar with your work in providing Lines of Credit.

- (c) Provide your financial institution's long-term and short-term ratings (including outlooks) from Moody's, Standard & Poor's and Fitch for each of the last two years. Please comment on any relevant events that may cause or recently have caused any of the rating agencies to place their rating under review or to change such rating and please include the credit report or press release that outlines this downgrade or negative outlook.
- (d) Provide the level of excess capital your financial institution currently has, along with a 2 year history (2011 and 2012).
- (e) A completed Attachment    : Facility Pricing Sheet.
- (f) A summary of covenants and disclosure information required of NVTA. Please include comments on the draft Form of Credit Agreement included as Attachment     and the ~~First~~ **First Interim** Supplemental Indenture of Trust included as Attachment     evidencing required covenants or other requirements for consummation of the Facility.
- (g) A statement that final credit approval has been obtained as of the date of proposal submission. Alternatively, a statement that such approval will be obtained not later than ~~Friday, January 24~~ **Tuesday, April 15**, 2014 with a list of required additional information and a critical path of key milestones to achieve final credit approval.

**Bond Counsel:**

McGuireWoods LLP serves as NVTA's Bond Counsel. Bond Counsel will furnish, at NVTA's expense, the ~~Master~~ Credit Agreement, the Form of Bank Note, standard legal and tax opinions necessary for the financing and the usual closing certificates

**Proposal****Submission:**

Proposals must be submitted as a single PDF document no later than ~~Friday Tuesday, January 24~~ **April 4**, 2014, 2:00 pm, local time. Proposals shall be submitted via email to:

- Michael Longhi, Chief Financial Officer, Northern Virginia Transportation Authority at [michael.longhi@thenovaauthority.org](mailto:michael.longhi@thenovaauthority.org)
- with a copy to JoAnne Carter, Managing Director ([carterj@pfm.com](mailto:carterj@pfm.com)) and Kristy Choi, Senior Managing Consultant, ([choik@pfm.com](mailto:choik@pfm.com)) at Public Financial Management, Inc.

**Only those responses received by Michael Longhi by the submission deadline will be considered.** It is the Bank's responsibility to ensure that proposals are received by the submission deadline.

**Award:**

The Executive Director and CFO of NVTA, in consultation with a Selection Advisory Team of debt management professionals from the Member Jurisdictions, ~~and~~ NVTA's Financial Advisor ~~and NVTA's Bond Counsel~~, will determine which proposal is ~~deemed~~ most advantageous to NVTA in terms of interest cost and required covenants. [Council of counsels and Bond Counsel will provide legal advice to the Selection Advisory Team.](#) NVTA expects to make a selection of the successful proposal on or about ~~Thursday, January 29~~ **April 17**, 2014.

**Questions or Additional Information:**

Questions regarding this Request for Proposals may be directed to NVTA's Financial Advisor, Kristy Choi of Public Financial Management, at (703) 741-0175 or via email at

DRAFT DATED ~~12-2031-20134~~ FEBRUARY 4, 2014  
[choik@pfm.com](mailto:choik@pfm.com). All questions regarding the RFP must be submitted by 2:00  
pm, ~~Monday Tuesday, January 13, 2014~~ March 24, 2014.

Attachments: [PFM to insert list when final]

DRAFT DATED ~~12-2031-2013~~ 12-2013 FEBRUARY 4, 2014  
Attachment     : Facility Pricing Sheet

Facility Pricing	
Tax Status	Tax-Exempt
Term of Facility	June 30, 2015
Index Used to Determine Rate	LIBOR*
% of LIBOR	__%
Applicable LIBOR Interest Rate* (__% of LIBOR + Spread)	—
<u>Interest Payment Frequency</u>	<u>1, 6 or 12 months, corresponding to the LIBOR period chosen by NVT A.</u>
<u>Proposed Interest Payment Frequency</u>	
Prepayment Penalty (if any)	
<u>Proposed Term-Out Provision</u>	

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\*The Applicable LIBOR Interest Rate should equal the % of LIBOR plus Spread (if any). LIBOR period can be 1, ~~3~~, ~~6~~, ~~9~~, or 12 month LIBOR rate, chosen by NVT A (See [Exhibit A] of the attached Form of the ~~Master~~ Credit Agreement). The Applicable LIBOR Interest Rate will be determined on the date of each Advance and will be applicable through the end of the chosen LIBOR Period. For example, an Applicable LIBOR Interest Rate for a 1 month LIBOR Period will either (i) automatically set and reset as of and on the first day of each calendar month or (ii) manually set and reset as of and on the first day of an applicable Advance and on the same day of each month thereafter, based on NVT A's selection as communicated in writing to the Bank.

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Other Fees			
Drawing Fee under Line of Credit	\$	Any Other Annual or Ongoing Fees:	(describe)
Cap for Draw Fees (per month):	\$	Estimated Legal Fees:	\$
Default Rate:	__%	Not-to-Exceed Legal Fees:	\$
Commitment Fees on Unutilized Portion:	__%	Other Misc. Expenses:	\$
Amendment Fees:	(describe)	Not-to-Exceed Other Misc. Expenses:	\$

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\*Expenses will be paid only if the Facility is closed.

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Attachment   : Background Information regarding NVT A

Detailed information regarding NVT A can be found at <http://www.thenovaaauthority.org>.

**Legal Matters:** NVT A’s enabling legislation and other relevant statutes may be accessed on the web at: <http://leg1.state.va.us/cgi-bin/legp504.exe?131+ful+CHAP0766+pdf> (NVT A Enabling Act)  
<http://lis.virginia.gov/000/src.htm> (Code of Virginia)

**Governance:** The NVT A has sixteen members as follows: the mayors or chairs, or their designees, of the nine cities and counties that are members of the Authority; two members of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Privileges and Elections; and two citizens who reside in counties and cities embraced by the Authority, appointed by the Governor. In addition, the Director of the Virginia Department of Rail and Public Transportation, or his designee, and the Commonwealth Transportation Commissioner, or his designee, and a representative of one of the Towns embraced by the Authority will serve as non-voting members of the Authority. Current members of the Authority include<sup>9</sup>:

Member	Locality	Position
Hon. Martin Nohe	Prince William County	Coles District Supervisor
Hon. William D. Euille	City of Alexandria	Mayor
Hon. R. Scott Silverthorne	City of Fairfax	Mayor
Hon. Sharon Bulova	Fairfax County	Chairman
Hon. Harry J. “Hal” Parrish, II	City of Manassas	Mayor
Hon. Jeanette Rishell	City of Manassas Park	Council Member
Hon. David Snyder	City of Falls Church	Vice Mayor
Hon. Scott York	Loudoun County	Chairman
Hon. <del>Christopher Zimmerman</del> <u>Mary Hynes</u>	Arlington County	County Board Member
Hon. Adam Ebbin	30 <sup>th</sup> District	Virginia State Senator
<del>Hon. Joe T. May</del> <u>Vacant, until appointed by the Speaker of the VA House of Delegates</u>	<del>33<sup>rd</sup> District</del> <u>TBD</u>	Virginia House of Delegates
Hon. Thomas Davis Rust	86 <sup>th</sup> District	Virginia House of Delegates
Sandy Bushue	-	Governor’s Appointee
Gary Garczynski	-	Governor’s Appointee
Helen Cuervo	VDOT	Non-Voting Members
<del>Kevin Page</del> <u>Jennifer Mitchell</u>	DRPT	Non- Voting Members
<u>Hon. Kristen Umstatt</u>	<u>Town of Leesburg</u>	<u>Mayor, Town Representative</u>

**Executive Leadership:** Currently, NVT A’s executive leadership team consists of John Mason, Interim Executive Director and Michael Longhi, Chief Financial Officer. Mr. Mason and Mr. Longhi serve at the pleasure of the NVT A Board.

<sup>9</sup> ~~Depending on timing, may need~~ Need info regarding Delegate May’s replacement. ~~If stay on current release schedule for RFP, no change needed.~~

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## NVTA

**Responsibilities:** NVTA sets regional transportation policies and priorities for regional transportation projects. The policies and priorities are guided by performance-based criteria such as the ability to improve travel times, reduce delays, connect regional activity centers, improve safety, improve air quality, and move the most people in the most cost-effective manner. Other responsibilities of the Authority include:

- General oversight of regional programs involving mass transit or congestion mitigation, including, but not necessarily limited to, carpooling, vanpooling, and ridesharing. Long-range regional planning, both financially constrained and unconstrained.
- Recommending to state, regional, and federal agencies regional transportation priorities, including public-private transportation projects, and funding allocations.
- Developing, in coordination with affected counties and cities, regional priorities and policies to improve air quality.
- Allocating to priority regional transportation projects any funds made available to the Authority and, at the discretion of the Authority, directly overseeing such projects.
- Recommending to the Commonwealth Transportation Board priority regional transportation projects for receipt of federal and state funds.
- Recommending to the Commonwealth Transportation Board use and/or changes in use of tolls for facilities in the area embraced by the Authority.
- General oversight of regional transportation issues of a multi-jurisdictional nature, including but not limited to intelligent transportation systems, signalization, and preparation for and response to emergencies.
- Serving as an advocate for the transportation needs of Northern Virginia before the state and federal governments.
- Applying to federal, state, and other public and private agencies for grants or other contributions toward the Authority's mission of improving transportation facilities and services in Northern Virginia.
- Acting as a "responsible public entity" for the purpose of the acquisition, construction, improvement, maintenance and/or operation of a "qualifying transportation facility" under the Public-Private Transportation Act of 1995.

## Operating

**Documentation:** To implement the provisions of HB2313, the NVTA has developed or is developing various agreements to govern the operations between the Authority and its Member Jurisdictions.

On December 12, 2013, the NVTA approved the Memorandum of Agreement (MOA) between NVTA and each city and county for distribution of the 30 percent funding which NVTA is allocating to the jurisdictions (the "30% MOA"). HB 2313 directs the Authority to return 30 percent of the revenue collected from the three Northern Virginia taxes and fees to the city or counties in which the funds were raised. The 30% MOA governs the terms of this transfer and ensure that the requirements of HB 2313 are met. In general, the agreement is based on the requirements of HB 2313, and it also includes practical provisions associated with the implementation of the law and the

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payment of the Authority’s administrative expenses. ~~Once the document is executed by the NVTa and Once~~ a member City or County approves the document, distributions may begin ~~to such jurisdictions in January 2014. As of [March 17, 2014], the following jurisdictions have approved their 30% MOA: [Fairfax County, Loudoun County, Arlington County, Prince William County, City of Alexandria and the City of Fairfax].~~ The form of the 30% MOA approved by the NVTa Board may be found on the NVTa’s website.

The NVTa and its Member Jurisdictions are also in the process of developing a project agreement to govern the distribution of Regional NVTa Funds and bond proceeds for the construction of NVTa projects. It is anticipated that this document would be available for consideration by the NVTa Board in the first quarter of calendar year 2014. ~~Such document would also need to be approved by the governing bodies of the Member Jurisdictions [and other transportation agencies that will receive funds for approved NVTa projects]<sup>40</sup>.—~~ On a project-by-project basis, this agreement will be sent to the jurisdictions that have projects on the approved FY 2014 bond funded list for their approval. Once executed by both parties, the distribution of funds from NVTa to Member Jurisdictions will begin.

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<sup>40</sup> ~~Need to confirm that project agreements would be executed with City, County, town, VDOT & VRE. Any others? Assume funding for WMATA projects would flow thru members of the WMATA compact, need confirmation & input from council of counsels.~~

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Attachment    : Financial Information regarding NVT<sup>11</sup>

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<sup>11</sup> See draft ppt slides prepared by PFM.

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Attachment   : NVTA Current Cash Flow Report (as of \_\_\_\_)<sup>12</sup>

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<sup>12</sup> Plan to use schedule Mike gave the board on 12/12/13 with alternative illustrating funds available – i.e., before NVTA funds the reserve and before we allocate funds to projects not already approved.

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Attachment    : NVT A Adopted Debt & Financial Policies

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Attachment ■: NVTB Debt & Interim Financing Authorizing Resolution Adopted July 24, 2013

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Attachment    : Master Indenture of Trust



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Attachment  : ~~Interim Financing~~ First Interim Supplemental Series Indenture of Trust

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Attachment    : First Supplemental Series Indenture of Trust

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Attachment ■: Draft Form of ~~Master~~-Credit Agreement

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Attachment   : Final Order: Case No. 2013-11988

Bond Validation: Entered October 11, 2013

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Attachment \_\_\_: Anticipated FY2014 Financing Schedule

<u>Timeframe</u>	<u>Activity</u>	<u>Financing</u>
December 2013	Develop RFP for Line of Credit Facility	Line of Credit
December 2013	Develop RFPs for Additional Financing Team Members (printer, trustee/paying agent, underwriters)	Long Term Bonds
Early January 2013	Distribute RFP for Line of Credit Facility	Line of Credit
January 2014	Proposals for Line of Credit Facility received & evaluated	Line of Credit
January 2014 – February 2014	RFPs issued for & Proposals received for Additional Financing Team Members (printer, trustee/paying agent, underwriters)	Long Term Bonds
Mid February 2014	Line of Credit Facility delivered & available for FY2014 (bond list projects only) drawdown as required for projects	Line of Credit
January 2014 – March 2014	Data collection & development for disclosure document, rating agency presentation	Long Term Bonds
March – April 2014	Board consideration of Resolution for Bond issue	Long Term Bonds
April 2014	Rating agency meetings	Long Term Bonds
May 2014	Negotiated sale & settlement of bonds	Long Term Bonds
NLT June 30, 2014 (if not sooner)	Settlement of bonds	Long Term Bonds
<u>Timeframe</u>	<u>Activity</u>	<u>Financing</u>
March 17, 2014 (Approximate)	Distribute RFP for Line of Credit Facility	Line of Credit
March 20, 2014	NVTA Board Meeting	=
March 25, 2014	Questions due from proposers on LOC	Line of Credit
January 2014 – February 2014	Develop RFPs for Additional Financing Team Members (printer, trustee/paying agent, underwriters)	Long Term Bonds
January 2014 – March 2014	Data collection & development for disclosure document, rating agency presentation	Long Term Bonds
February 2014 – April 2014	RFPs issued for & Proposals received for Additional Financing Team Members (printer, trustee/paying agent, underwriters)	Long Term Bonds
April 2014	Rating agency meetings	Long Term Bonds
April 8, 2014	Proposals for Line of Credit Facility received	Line of Credit
April 11, 2014	Meeting of Selection Advisory Team for LOC Proposal review	Line of Credit
April 17, 2014	NVTA Board Meeting	=
May 8, 2014	Authority consideration of Resolution for Bond issue	Long Term Bonds

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<u>NLT May 15, 2014</u>	<u>Line of Credit Facility delivered &amp; available for FY2014 (bond list projects only) drawdown as required for projects</u>	<u>Line of Credit</u>
<u>June 12, 2014</u>	<u>NVTA Board Meeting, if needed</u>	<u>=</u>
<u>July 10, 2014</u>	<u>NVTA Board Meeting, if needed</u>	<u>=</u>
<u>May 2014 –August 2014</u>	<u>Negotiated sale &amp; settlement of bonds &amp; retirement of any Line of Credit balance</u>	<u>Long Term Bonds</u>
<u>September 11, 2014</u>	<u>NVTA Board Meeting</u>	<u>=</u>
<u>October 9, 2014</u>	<u>NVTA Board Meeting</u>	<u>=</u>
<u>November 13, 2014</u>	<u>NVTA Board Meeting</u>	<u>=</u>
<u>December 11, 2014</u>	<u>NVTA Board Meeting</u>	<u>=</u>

Standard Project ~~Funding and Administration Agreement~~ **for Funding and Administration**  
~~B~~**between**  
Northern Virginia Transportation Authority  
**A****and**  
\_\_\_\_\_ (Recipient Entity)

NVTA Project Number: (\_\_\_\_\_)

~~THIS~~ **This Standard Project Agreement for Funding and Administration**  
**AGREEMENT, (“this Agreement”)** **is** made and executed **in** duplicate on this ~~the~~ \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_, **as** between the Northern Virginia Transportation  
Authority (“NVTA”) and \_\_\_\_\_ (Recipient Entity)

WITNESSETH

WHEREAS, Section 15.2-4830(4) of the Code of Virginia authorizes NVTA to enter into project agreements with certain statutorily designated entities for the provision of transportation facilitates and services within NVTA’s geographical borders;

WHEREAS, Section 15.2-4838.01 of the ~~Virginia Code~~ **Code of Virginia** authorizes NVTA to ~~contribute~~ **use** funds from a fund established pursuant to that Code section (the “NVTA Fund”) in order to assist in the financing, in whole or in part, of certain regional transportation projects in accordance with Code Section 15.2- 4838.1;

WHEREAS, Section 15.2-4838.1 authorizes the use of funds from the NVTA Fund and the use of proceeds from NVTA ~~debt bond~~ **issuances (“NVTA Bond Proceeds”)** to be used by NVTA solely for transportation purposes benefitting those counties and cities embraced by NVTA;

WHEREAS, the Project set forth and described on Appendices A and B to this Project Agreement (“the Project”) satisfies the requirements of Code Sections 15.2-4838.01 and 15.2-4838.1; ~~as may be amended;~~

WHEREAS, the Project, ~~as described in Appendices A and B~~ **is** to be financed, in whole or in part, by funds from the NVTA Fund and/or from NVTA **Bond Proceeds**, is located within a locality embraced by NVTA’s geographical borders, or is located in an adjacent locality; but only to the extent that any such extension is an insubstantial part of the Project and is essential to the viability of the Project within the localities embraced by NVTA;

WHEREAS, (\_\_\_\_\_) formally requested that NVTA provide funding to the Project by timely submitting an application for NVTA funding in response to NVTA's call for projects;

WHEREAS, NVTA has ~~expressed a desire to have~~ reviewed (\_\_\_\_\_'s) application for funding and has approved (\_\_\_\_\_'s) administration and ~~perform~~ performance of the Project's described scope of work; and

WHEREAS, based on the information provided by (\_\_\_\_\_), NVTA has determined that the Project complies with all requirements of the Northern Virginia Transportation Authority Act related to the use of moneys identified in Section 15.2-4838.1.C.1 of the Virginia Code and all other applicable legal requirements

WHEREAS, the funds to be provided by NVTA described in Appendix A have been approved allocated by (\_\_\_\_\_) to finance the Project; and

WHEREAS, NVTA agrees ~~has requested~~ that (\_\_\_\_\_) will design and/or construct the Project or perform such other specific work for the Project) and (\_\_\_\_\_) agrees ~~has agreed to~~ that it will perform such work on the terms and conditions set forth in this Project Agreement and the Appendices appended thereto; and

WHEREAS, both parties have concurred in the (\_\_\_\_\_'s) administration, performance, and completion of the Project on the terms and conditions set forth in this Project Agreement and its associated Appendices A and B and in accordance with all applicable federal, state, and local laws and regulations; and

WHEREAS, NVTA's governing body and (\_\_\_\_\_'s) governing body have each authorized that their respective designee(s) execute this agreement on their respective behalf(s) as evinced by copies of each such entity's clerk's minutes which are appended hereto; ~~by resolutions, which are attached hereto as Appendix C, authorized their respective designees to execute this Project Agreement; on their behalf(s); and~~

NOW THEREFORE, in consideration of the promises made, and mutual covenants, and agreements contained herein, the parties hereto agree as follows:



A. Recipient Entity's Obligations

(\_\_\_\_\_) shall:

1. Complete or perform all said work as described in Appendix B, advancing such work diligently and ensuring that all work is completed ~~in accordance with the schedule established by the parties,~~ in accordance with all applicable federal, state, and local laws and regulations, and ~~the~~ all terms and conditions of this Project Agreement.
2. Ensure that all work performed or to be performed under this Project Agreement is in accordance with the Project ~~d~~ Description Sheets as contained in Appendix B attached to the Appendices and ~~is authorized~~ complies with by Va. Code Ann. Sections 15.2-4838.1 (A) and C (1).
3. Perform or have performed, and remit all payments for, all ~~preliminary design and~~ engineering, including all necessary environmental work, right-of-way acquisition, construction, contract administration, testing services, inspection services activities, or capital asset acquisitions for the Project, as is required by this Project Agreement and that may be necessary for completion of the Project.
4. Not use the NVTA funds specified on Appendix A to pay any Project cost if : (a) the NVTA Act does not permit such Project cost to be paid with NVTA funds and/or (b) to the extent applicable, if such Project is not a "capital expenditure" within the meaning of the Internal Revenue Code of 1986, as amended.
5. Recognizes that, if the Project contains multiple phases for which NVTA will provide funding for such multiple phases, (\_\_\_\_\_) ~~will not~~ NVTA may not provide funding to (\_\_\_\_\_) to advance the Project to the next phase until the current phase is completed. In any circumstance where (\_\_\_\_\_) seeks to advance a Project to the next phase using NVTA funds, (\_\_\_\_\_) shall submit a written request to NVTA's Executive Director explaining the need for such advance phase funding . NVTA's Executive Director will thereafter review the circumstances underlying the request in conjunction with NVTA's current and projected cash flow position and make a

recommendation to NVTA whether to authorize the requested advance phase funding. Nothing herein, however, shall prohibit a (\_\_\_\_\_) from providing its own funds for a future phase of the Project and from thereafter seeking reimbursement from NVTA for having advanced funded a future phase of the Project. ~~until such time it receives a notice authorization to proceed by NVTA NVTA's Executive Director.~~

6. Acknowledge that NVTA's Executive Director will periodically update NVTA's project cash flow estimates for the Project and therefore will timely ~~Timely~~ provide all information required by NVTA so as to ~~ensure~~ encourage accurate cash flow estimates (and updates to those cash flow estimates) for the Project throughout the life of the Project), ~~as provided in the Appendices~~
7. Provide to NVTA requests for payment consistent with the most recently approved NVTA cash flow estimates that include NVTA's standard project requisition containing ~~which contains~~ a detailed summary of actual project ~~costs~~ expenditures with supporting documentation as determined by NVTA and that ~~show~~ certify all such ~~costs~~ expenditures were incurred in the performance of work for the Project as authorized by this Project Agreement .If approved by NVTA, payment shall be made within ~~twenty (20)~~ thirty (30) days upon receipt. Approved payments may be made by means of electronic transfer of funds from NVTA to (\_\_\_\_\_).
8. Promptly notify ~~NVTA NVTA's Executive Director~~ of any additional project costs resulting from ~~any~~ unanticipated circumstances and provide to NVTA detailed estimates of additional costs associated with those circumstances; . (\_\_\_\_\_) understands that it will be within NVTA's sole ~~and exclusive~~ discretion as to whether to provide ~~any~~ additional funding to the Project in such circumstances and that NVTA will do so only in accordance with NVTA's approved Project Selection Process and upon formal action and approval by NVTA. ~~(\*\*\*Readers Note: JAAC and NVTA's PWG and FWG will need to discuss whether to recommend to the NVTA that NVTA permit switching of funds among approved projects and/or whether to recommend/develop a process for seeking/securing for additional funding for approved Projects as a result of unanticipated cost overruns)~~

9. Return any unexpended funds to NVTA no later than 90 days after final payment has been made to the contractors. ~~the Project has been completed~~ (\*\*JAAC and Project Implementation need to provide a mutually acceptable and workable definition of COMPLETED to be inserted here), ~~final expenses have been paid in full, and there has been final reconciliation.~~ (\*\*See also Readers Note to Paragraph A (7)).
10. Review and acknowledge the requirements of NVTA Resolution No. 14-08 adopted January 23, 2014; to wit that, if applicable to (\_\_\_\_\_'s\_) Project: a) Prior to any NVTA funds being released for a project that may be part of a larger project, projects, or system undertaken with an extra-territorial funding partner, all such extra-territorial funding partners must commit to pay their appropriate, respective proportionate share or shares of the larger project or system cost commensurate with the benefits to each on a basis agreed upon by the NVTA member localities; b) any such funds released by NVTA for such project will be in addition to the funds that the NVTA member locality is to receive from or be credited with by the extra-territorial funding partner for the project or system; and c) there shall be no funding made available by NVTA until such time as all extra-territorial funding partners for such project or system pay or officially commit to fund their appropriate, respective proportionate shares of such large project or system commensurate with the benefits to each on a basis agreed upon with NVTA.
11. Should (\_\_\_\_\_) be required to provide matching funds in order to proceed or to complete the funding necessary for the Project, (\_\_\_\_\_) shall certify ~~provide certification~~ to NVTA that all such matching funds have been either authorized and/or appropriated by (\_\_\_\_\_'s) governing body or have been obtained through another, independent funding source;
12. Maintain complete and accurate financial records relative to the Project for all time periods that as may be required by the Virginia Public Records Act and by all other applicable state or federal records retention laws or regulations unless superseded by the laws that govern (\_\_\_\_\_); and provide copies of any such financial records to NVTA, free of charge, upon request.

13. Maintain all original conceptual drawings and renderings, architectural and engineering plans, site plans, inspection records, testing records, and as built drawings for the Project for the time periods required by the Virginia Public Records Act and any other applicable records retention laws or regulations **unless superseded by the laws that govern** ( \_\_\_\_\_ ); and provide to NVTA copies of all such drawings and plans free of charge, **if requested**.
14. Reimburse NVTA for all **NVTA** funds (including all **with** interest **earned at the rate earned by NVTA**) ~~NVTA's prevailing rate that would have accrued~~ which NVTA provided that ( \_\_\_\_\_ ) ~~that were~~ misapplied or used in contravention of ~~Va. Code Sections 15.2-4829 et. seq. of the Virginia Code,~~ ("the NVTA Act") ~~as amended,~~ Chapter 766 of the 2013 Virginia Acts of Assembly, or any term or condition of this Project Agreement.
15. Name NVTA and its **Bond Trustee** or require that all its ( \_\_\_\_\_ 's ) contractors name NVTA or its **Bond Trustee** as an additional insured on any insurance policy issued for the work to be performed by or on behalf of ( \_\_\_\_\_ ) for the Project; and present NVTA with satisfactory evidence thereof before any work on the Project commences **or continues**.
16. Give notice to NVTA **that** if ( \_\_\_\_\_ ) ~~may intend to use~~ **any** NVTA funds to pay outside legal counsel services (as opposed to utilizing the services of its own **in-house counsel** or NVTA's in-house legal counsel) in connection with the work performed under this Project Agreement ( \_\_\_\_\_ ) ~~such so as to ensure that that the parties can ensure that~~ no conflict of interest may arise from **any** such representation.
17. Provide certification to NVTA, that upon ~~completion~~ **final payment** to all contractors ~~(**\*\*\* A definition of completion is also needed here; but that definition can be cross-referenced to the definition from Paragraph A8**)~~ of the Project, ( \_\_\_\_\_ ) will maintain the Project or take such measures as may be reasonably necessary to ensure that the Project will be maintained by a third party acting on ( \_\_\_\_\_ 's) behalf. Under no circumstances will NVTA be considered responsible or obligated to maintain the Project after its completion.

18. Comply with all requirements of the Virginia Public Procurement Act and other applicable Virginia Code provisions, or local ordinances which govern the letting of public contracts unless superseded by the laws that govern (\_\_\_\_\_).
19. If applicable, comply with the tax covenants attached as Appendix D.

B. NVTA's Obligations

NVTA shall:

1. Provide to (\_\_\_\_\_) the funding authorized by NVTA for design work, preliminary engineering, including all necessary environmental work, all right-of-way acquisition, inspection services, testing services, construction, and/or mass transit capital asset acquisition(s) on a reimbursement (and/or advanced funding ?) basis as set forth in this Project Agreement and as specified in the payment schedule contained in Appendix A to this Project Agreement.
2. Assign a Project Management Program Coordinator to the Project. Said Program Project Management Coordinator will be tasked with the general oversight responsible for the operational monitoring of the Project on behalf of NVTA and with overseeing, managing, reviewing, and processing, in consultation with NVTA's Executive Director and its Chief Financial Officer ("CFO"), all funding requests submitted by (\_\_\_\_\_) for the Project.
3. Route all requests for payment submitted by (\_\_\_\_\_) to NVTA to the Project's assigned Program Project Management Coordinator who will conduct an initial review of all payment requests, and requisitions, and supporting documentation for the Project. NVTA's Program Project Management Coordinator will undertake a review of each payment request submitted by (\_\_\_\_\_) in order to determine the submission's legal and documentary sufficiency; and will thereafter make a recommendation to the NVTA's CFO and Interim Executive Director

whether to authorize payment, refuse payment, or seek additional information from (\_\_\_\_\_). If the request for payment is sufficient as submitted, payment will be made within ~~thirty (30)~~ **twenty (20) days** (~~\*\*\* Readers Note: NVTA payment turn-around time is still under discussion~~) from receipt. If the request for payment is deemed insufficient, NVTA's Program **Project Management**-Coordinator will notify (\_\_\_\_\_) in writing and set forth the reasons why the request for payment was declined or why and what specific additional information is needed for processing the payment request. Payment will be withheld until all deficiencies identified by NVTA have been corrected. Under no circumstances will NVTA authorize payments for any work performed by or on behalf (\_\_\_\_\_) that is not in conformity with the requirements of the NVTA Act or Chapter 766

4. Conduct periodic **compliance** reviews **scheduled in advance** ~~and audits of~~ **for** the Project so as to determine whether the work being performed remains within the scope of this **Project** Agreement and Chapter 766. ~~NVTA will provide advance written notice to (\_\_\_\_\_) of NVTA's intent to conduct such **compliance** reviews and audits. Any~~ **Such compliance** reviews and audits may entail review of (\_\_\_\_\_'s) financial records for the Project and on -site inspections.
5. If, as a result of NVTA's review of any payment request or of any **NVTA periodic audit or compliance** review ~~conducted by NVTA~~, NVTA staff determines that (\_\_\_\_\_) has misused or misapplied any NVTA funds in derogation of this **Project** Agreement or in contravention of law, NVTA staff will promptly advise NVTA's ~~Interim~~ **Executive** Director and will advise (\_\_\_\_\_'s) designated representative in writing. (\_\_\_\_\_) will thereafter have thirty (30) days to respond in writing to NVTA's initial findings. NVTA's staff will review (\_\_\_\_\_'s) response and make a recommendation to NVTA's Finance Committee. NVTA's Finance Committee will thereafter conduct its own review of all submissions and make a recommendation to NVTA. Pending final resolution of the matter, NVTA will withhold further funding on the Project. If NVTA makes a final determination that (\_\_\_\_\_) has misused or misapplied funds in contravention of Chapter 766, NVTA will cease further funding for the Project and will seek reimbursement from (\_\_\_\_\_) of all funds (**with accrued**

interest earned at the rate earned by NVTA ~~NVTA's prevailing rate~~) ~~that were~~ previously remitted by NVTA which were misapplied or misused by (\_\_\_\_\_). Nothing herein shall, however, be construed as denying or limiting the pursuit of either party's legal rights or available legal ~~or other legal~~ remedies.

6. Make guidelines available to (\_\_\_\_\_) to assist the parties in carrying out the terms of this Project Agreement in accordance with applicable law.
7. Upon final payment to all contractors, ~~completion of the Project,~~ NVTA will retain copies of all contracts, financial records, design, construction, and as-built project drawings and plans for the Project for the time periods required by the Virginia Public Records Act and ~~as may be required by~~ in accordance with all other applicable records retention laws and regulations.
8. ~~Nothing in this Project Agreement shall be construed as requiring NVTA to provide funds any funding other than those amounts that have been duly authorized by a resolution NVTA's governing body or limit NVTA's exclusive authority to determine the source of the funds that commits for the Project.~~ **Shall be the sole determinant of the amount and source of NVTA funds to be provided and allocated to the Project** and the amounts of any NVTA funds in excess of the amounts specified in Appendix A.
9. ~~NVTA will be the sole determinant as to the source of funds that it provides for the Project.~~

C. Term

1. This Project Agreement shall be deemed effective upon adoption and execution by both parties.
2. This Project Agreement may be terminated without cause by either party upon sixty (60) days advance written notice. Subject to the procedures and conditions set forth in this Project Agreement, NVTA will reimburse (\_\_\_\_\_) for all eligible expenses incurred through the date of termination. **(\*\*READERS NOTE; We may need to further**

**discuss and include here what happens if ( \_\_\_\_\_ )  
terminates under this provision, but the Project is half finished)**

3. Upon termination and payment of all eligible expenses as set forth in Paragraph C.2 above, ( \_\_\_\_\_ ) will return to NVTA all unexpended NVTA funds with forty-five (45) days.

D. Dispute

In the event of a dispute under this Agreement, the parties agree to meet and confer in order to ascertain if the dispute can be resolved informally without the need of third party or judicial intervention. NVTA,'s Executive Director and ( \_\_\_\_\_ 's) Chief Executive Office or Chief Administrative Officer shall be authorized to conduct negotiations on behalf of their respective entities. If a resolution of the dispute is reached via a meet and confer dispute resolution method, it shall be presented to NVTA and to ( \_\_\_\_\_ 's) governing body for formal confirmation and approval. If no satisfactory resolution can be reached via the meet and confer method, either party is free to pursue whatever remedies it may have at law, including all judicial remedies.

E. Appropriations Requirements

Nothing herein shall require or obligate any party to commit or obligate funds to the Project beyond those funds that have been duly authorized and appropriated by their respective governing bodies.

F. Notices

All notices under this ~~Project~~ Agreement to either party shall be in writing and forwarded to the other party by U.S. mail care of the following authorized representatives:

1) to: NVTA, to the attention of its Executive Director (address);

2) to: ( \_\_\_\_\_ ) to the attention of ( \_\_\_\_\_ )(address)



G. Assignment

This ~~Project~~ Agreement shall not be assigned by either party unless express written consent is given by the other party.

H. Modification or Amendment

This ~~Project~~ Agreement may be modified, in writing, upon mutual agreement of both parties.

I. No Personal Liability or Creation of Third Party Rights

This ~~Project~~ Agreement shall not be construed as creating any personal liability on the part of any officer, employee, or agent of the parties; nor shall it be construed as giving any rights or benefits to anyone other than the parties hereto.

J. No Agency

( \_\_\_\_\_ ) represents that it is not acting as a partner or agent of NVTA; and nothing in this Agreement shall be construed as making any party a partner or agent with any other party.

K. Sovereign Immunity

This ~~Project~~ Agreement shall not be construed as a waiver of either party's sovereign immunity rights.

L. Incorporation of Recitals

The recitals to this Agreement are hereby incorporated into this Agreement and are made a part hereof. The parties to this Agreement acknowledge and agree that such recitals are true and correct.

M. Governing Law

This Agreement is governed by the laws of the Commonwealth of Virginia.

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be executed as of the day, month, and year first herein written by their duly authorized representatives.

COUNTY OF \_\_\_\_\_ VIRGINIA:

Northern Virginia Transportation Authority

By: \_\_\_\_\_

Date: \_\_\_\_\_

(     Name of Recipient Entity     )

By: \_\_\_\_\_

Date: \_\_\_\_\_