



Currituck County, North Carolina

Public-Private Partnership (P3) financial and transactional advisor services

March 9, 2022

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Crystal Owens
Contract Purchasing Agent
Currituck County
Delivered electronically

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Dear Ms. Owens:

Baker Tilly Municipal Advisors (BTMA) together with Phoenix Infrastructure Partners (Phoenix), is excited to submit our credentials related to Public-Private Partnership (P3) advisory services, as well as, more broadly, offer our expertise in municipal infrastructure strategy, development and financing. Below, we summarize the key points of our proposal. We firmly believe that we are uniquely positioned to assist the County with P3 financial and transactional advisor services associated with Currituck County's Moyock Regional Wastewater Treatment Plant.

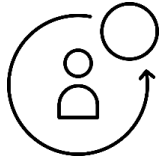
BTMA is a top-10 ranked municipal advisory firm with one of the largest practices of any public sector advisory firm across the United States. Most recently, in 2021, we were the #4 ranked municipal advisor nationally by number of transactions.

The Phoenix Infrastructure Group is an infrastructure investment and advisory firm bringing forth a valuable combination of infrastructure advisory, finance, operational, investment and legal experience. Providing financial and strategic advisory services, Phoenix works with public entities and not-for-profit groups, as well as private investors to bridge the infrastructure investment gap in communities within the United States.

With BTMA/Phoenix you will benefit from:

- Established municipal advisory practice that consists of more than 1,000 clients who benefit from our experience and industry leadership
- Proven track record of successfully executing P3 projects and providing advice at every step of the process, from planning to financing to implementation
- Dedicated municipal advisors with deep personal experience serving hundreds of public sector clients
- A collaborative approach through which we share insights and best practices
- Our knowledge of and commitment to public finance
- Our role as an "independent municipal advisor" without any ties to underwriters or financial institutions
- Data and reporting that is understandable and supports your goals

Delivering exceptional client service



While other firms may talk about providing great service, we measure and publicly report on our client service results. Client satisfaction is measured through both qualitative and quantitative market research methods and reported on a firm, office, industry and individual partner/director level.

We understand that each client defines exceptional client service differently. When we begin our work, we will meet with you to define and understand your definition of Exceptional Client Service and tailor our service approach accordingly. Our client service plan will be co-developed with your leadership and other appropriate staff members to help ensure we meet your timelines and expectations.

Building trust through significant partner and manager involvement



On average, we have observed that our partner and manager involvement in client engagements is substantially greater than what other firms offer. Your senior leadership team believes that three core areas — communication, accessibility and efficiency — complete our exceptional client service approach. Here is how we keep this commitment:

- **Communication.** Consistent communication is vital to our relationship with you. We will connect with your management throughout the year to share relevant information. Should issues arise, we will share them immediately and transparently. Clear and proactive communication ensures that everyone understands the issues and accountabilities and that problems are resolved on a timely basis.
- **Accessibility.** We stand ready to serve you when you need us, where you need us, for as long as you need us. Whether it is an early morning email or late-night phone call, we are here to give you peace of mind when it comes to the delivery of your projects.
- **Efficiency.** To perform efficiently, we believe in up-front planning and investing a significant amount of time from the beginning to understand your operations, internal controls and greatest challenges. This allows us to more readily identify your unique risks and opportunities — and respond more quickly with targeted insights and services.

Above all, you deserve exceptional service from your P3 advisory partner, distinguished by timely and responsive service. To ensure that you continue to receive our best efforts, we will be personally involved in all aspects of our work.

Currituck County, NC
March 9, 2022

We are appreciative of the opportunity to provide our qualifications, and we would welcome a chance to further discuss this proposal and answer any questions you may have. We are eager to offer our expertise and demonstrate the BTMA/Phoenix difference.

Sincerely,



Anton Voinov, Managing Director
Baker Tilly Municipal Advisors
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E: anton.voinov@bakertilly.com



Jeremy Ebie, Managing Partner
Phoenix Infrastructure Group
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Contents

| | |
|--|-----------|
| SECTION 1: PROFILE OF THE FIRM..... | 1 |
| SECTION 2: EXPERIENCE OF THE FIRM | 11 |
| SECTION 3: PROJECT APPROACH..... | 19 |
| SECTION 4: FEE PROPOSAL | 33 |
| APPENDIX I: RESUMES | 35 |



Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly US, LLP, trading as Baker Tilly, is an independent member of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Baker Tilly US, LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly US, LLP nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

Section 1: Profile of the firm

Offering our resources: BTMA at a glance

BTMA is one of the most active municipal advisory firms in the nation that is also part of a certified public accounting firm. We pair the independence, ethics, structure, quality control and business discipline of a certified public accounting firm with the skills and specialized knowledge of municipal advisors.

BTMA, and its parent company Baker Tilly, offer a broad array of services that help local leaders resolve the financial issues they face as they work to improve the quality of life in their communities. The cornerstone of our services is financial analyses that assist our clients with resource allocation, bond ratings, financial planning, internal management, reporting and the many other influences that require comprehensive analysis. As experienced advisors, our specialized team works closely with clients to develop solutions driven by data and rooted in best practices – helping you succeed today and anticipate tomorrow.

Baker Tilly is a nationally recognized firm with a long history of service to clients located throughout the country – and internationally.



Baker Tilly was founded in 1931 with one central objective: to use our industry specialization to help our clients improve their organizations. For 90 years, Baker Tilly has understood that our business demands absolute integrity, a belief in the value of trusted relationships and a willingness to collaborate with every client. We will strive to deepen and enhance our relationship with the County as we seek to become your **Value Architect™**.

Municipal advisory qualifications

BTMA has more than 90 registered municipal advisors on staff. Our bond market experience can best be summarized as being comprehensive from concept to compliance, and as being tailored from straight forward to complex. In 2021, BTMA ranked fourth among all municipal advisors in the nation based on number of bond issues brought to market.

Our results are best illustrated by our clients' ongoing trust in us. The 300-500 bond issues we advise on per year cover the full range of municipal bond and leasing tools. With an **average of more than one bond sale per business day**, our experience covers all segments of the national and many regional markets we serve. To successfully perform at this level on an ongoing basis requires a range and depth of expertise. **Over the past 5 years we have served as primary financial advisor on over \$31 billion in bond issuance in nearly 2,700 distinct series to over 1,000 clients.** BTMA serves a number of county governments across the country.

| 2021 municipal advisor ranking by number of issues | | | |
|--|------------------------------------|---------------|------------------|
| Rank | Municipal advisor | No. of issues | Par amount (mil) |
| 1 | PFM Financial Advisors LLC | 802 | 64,258.81 |
| 2 | Hilltop Holdings Inc | 590 | 30,826.73 |
| 3 | Fiscal Advisors & Marketing Inc | 374 | 4,429.36 |
| 4 | Baker Tilly Municipal Advisors LLC | 338 | 6,275.56 |
| 5 | Ehlers & Associates Inc | 324 | 2,688.12 |
| 6 | Robert W Baird & Co | 244 | 3,262.40 |
| 7 | Capital Markets Advisors LLC | 207 | 4,455.60 |
| 8 | Phoenix Advisors LLC/Bordentown | 189 | 2,959.92 |
| 9 | Masterson Advisors LLC | 181 | 3,203.64 |
| 10 | Piper Sandler & Co | 180 | 10,655.60 |

Source: Bloomberg

In today's municipal bond market, BTMA's high quality municipal advisory services mean being responsive to our clients' funding objectives, whether the issuance is straightforward or highly complex. For relatively straightforward financings, our expertise yields efficient and cost-effective bond structures and sales. For highly complex transactions, revenue based, multi-modal interest rate options or derivative products, our expertise is reflected in the depth and sophistication of our analyses and market knowledge. The quality of our comprehensive service is a result of a large and multi-talented professional staff, state-of-the-art analytical resources and time-tested systems.

BTMA is registered with the U.S. Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB), and a member of the Private Company Practice Section of the American Institute of Certified Public Accountants (AICPA). We willingly subject ourselves to a third-party peer review and consistently pass. Yet our focus is on public finance and better serving our governmental clients.

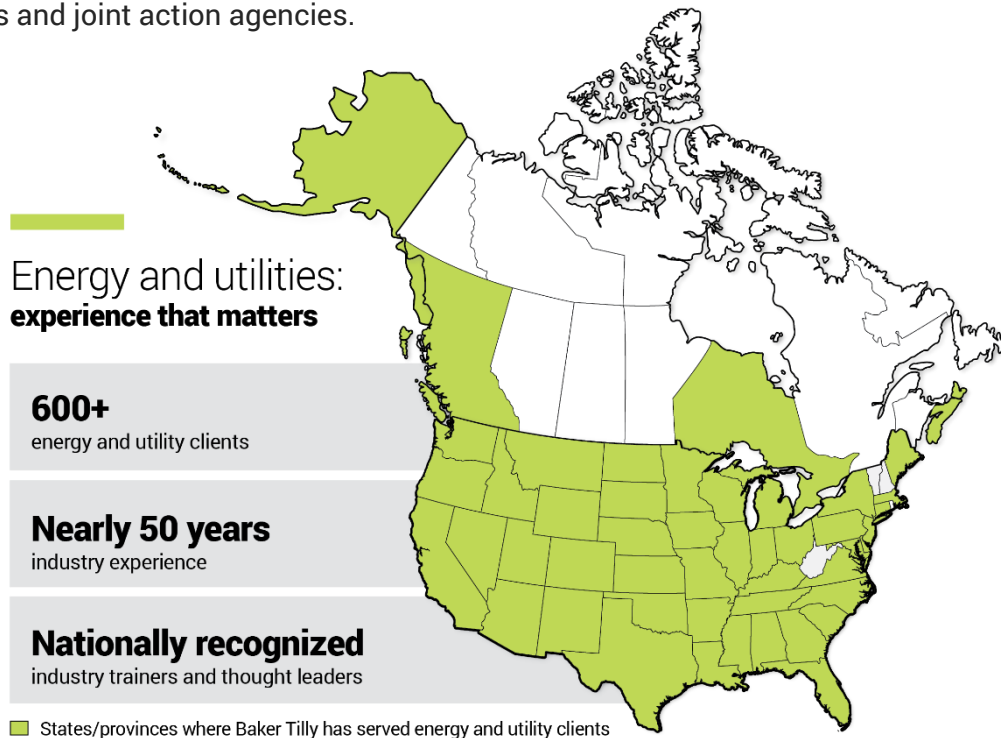
Relevant municipal advisory expertise

BTMA brings extensive expertise in employing creative financial solutions for issuers such as the County. Our finance specialists have extensive experience providing leaders with services including:

| | |
|--------------------|--------------------|
| Debt advisory | Rating strategy |
| Capital planning | Refinancing |
| Financial modeling | Investor relations |

Utility industry specialization and knowledge

Dedicated entirely to energy and utility service providers, Baker Tilly's specialized energy and utilities team works with hundreds of water, wastewater and reclaimed water utilities, public power and investor-owned utilities, electric cooperatives, transit systems, renewable energy developers and joint action agencies.



This focus on industry specialization means Baker Tilly's energy and utilities team brings a balance of technical skill, industry insight and common sense to our work with you. How do we apply these skills and insights to help your organization? In collaboration with your team, Baker Tilly will:

- Offer value-added information and recommendations that will allow for informed decision making
- Educate your staff members about practical ways to comply with regulatory and financial reporting requirements
- Provide services efficiently and with minimal disruption to your operation
- Create continuity of service through a productive relationship with well-informed individual team members dedicated to serve your needs over the long term
- Communicate timely, relevant information as appropriate
- Provide you with the benefit of knowledge and perspectives gained from our work with energy and utility clients, especially those with similar concerns
- Provide qualified continuing professional education training opportunities to District staff

Baker Tilly's capacity to provide top quality professional services to our clients goes even deeper than our commitment to the industry as a whole. We will take an informed and practical approach to assisting you in setting expectations and implementing your project. We use what we know to develop a tailored, personalized approach that meets your needs.

Industry involvement to benefit the County's project

Our team members have significant involvement in the utility industry and municipal advisory profession as thought leaders. What we learn or contribute, we share directly with our clients. Examples of this involvement include:

- American Water Works Association
- American Public Power Association
- American Gas Association
- American Wind Energy Association
- Government Finance Officers Association
- National Association of Municipal Advisors
- National Federation of Municipal Analysts
- International City/County Managers Association
- Water Environment Federation
- Council for Development Finance Agencies
- Pennsylvania Institute of Certified Public Accountants
- Many state utility industry associations

We don't just belong to these organizations; we are active members who serve on boards and committees and support the organizations with our leadership and financial support.

We are often called upon by different local governmental associations to analyze proposed changes and to provide recommendations to improve these proposals and/or to identify elements within the proposed changes that impact our clients and their operations. In recent years, BTMA has conducted training or developed educational programs on utility rates and financing, GASB pronouncements, budgeting, taxation, local income taxes and other legislative impacts as well as various other topics where significant changes have occurred.

Expertise in audits of construction projects, including contract compliance and financial audits and reviews

Our construction audit and risk management team originated nearly 20 years ago and currently includes 20 construction specialists within a group of more than 100 professionals dedicated to providing risk management services to corporate internal audit, facility development and other construction risk managers.



1,000+
construction
compliance
engagements

We provide independent financial oversight, strategic guidance and advice on financial controls to help mitigate project risk and avoid unwanted surprises. We have negotiated claims settlements, designed contracting procedures and uncovered incorrect contractor billing practices for real estate owners and operators. In addition, we have worked to uncover billing or pay application calculation errors, creating a substantial return on investment for our clients.

Our projects scale up to mega facilities, research and development centers, sports facilities and hospitals, and down to rural clinics and office buildings. Our national project experience also includes interior office buildouts, greenfield development and mega power generation plants.

Familiarity with a variety of construction contracts

Our proposed Baker Tilly construction audit team members have decades of experience performing risk assessments and developing project-specific construction audit programs and methodologies for all contract types. We have worked with governmental agencies during construction projects involving the following types of contracts.

- Architect agreements
- Design assist subcontracts
- Design-bid-build
- Design-build
- Engineer, procure and construct
- Guaranteed Maximum Price (GMP)
- Integrated project delivery
- Lump-sum
- Multiplier
- Time and materials
- Unit price

Legal Name of Firm; Date of Firm Formation

Legal name and date of formation

Baker Tilly Municipal Advisors, LLC

Organized in the State of Wisconsin on August 13, 2014

Legal Business Description (Individual, Partnership, Corporation, Joint Venture, etc.)

Legal business description

BTMA is a limited liability corporation and controlled subsidiary of Baker Tilly US, LLP, an accounting firm.

Principal Office Location; Location of office that will be conducting the work if different than Principal Office

Office locations

The County's project will be led by Anton Voinov who is based in Baker Tilly Tyson, Virginia office. Additional project support will be delivered by professionals in various offices, including St. Paul, Minnesota; Dallas, Texas and; Madison, Wisconsin. Our subcontractor, Phoenix Infrastructure Group, LLC is based in Washington, D.C.

Name and contact information of Authorized Representative

Authorized representative

Anton Voinov, Managing Director, is an authorized representative of BTMA.

A summary of any litigation, claim(s), or contract disputes filed by or against the firm in the past five (5) years which is related to the services that the firm provides in the regular course of business. If no litigation, claims, or contract disputes exist, state "not applicable."

Summary of litigation

None.

A statement of conflicts (if any) the proposing entity or key employees may have regarding these services. The statement should include conflicts, as well as any working relationships that may be perceived by disinterested parties as a conflict. If no potential conflicts of interests are identified, state "not applicable."

Statement of conflicts

Not applicable.

A statement on the availability and commitment of the firm, its principal(s) and assigned professionals to undertake the project. Include a description of the firm's current workload.

Securing our proposed team members' availability

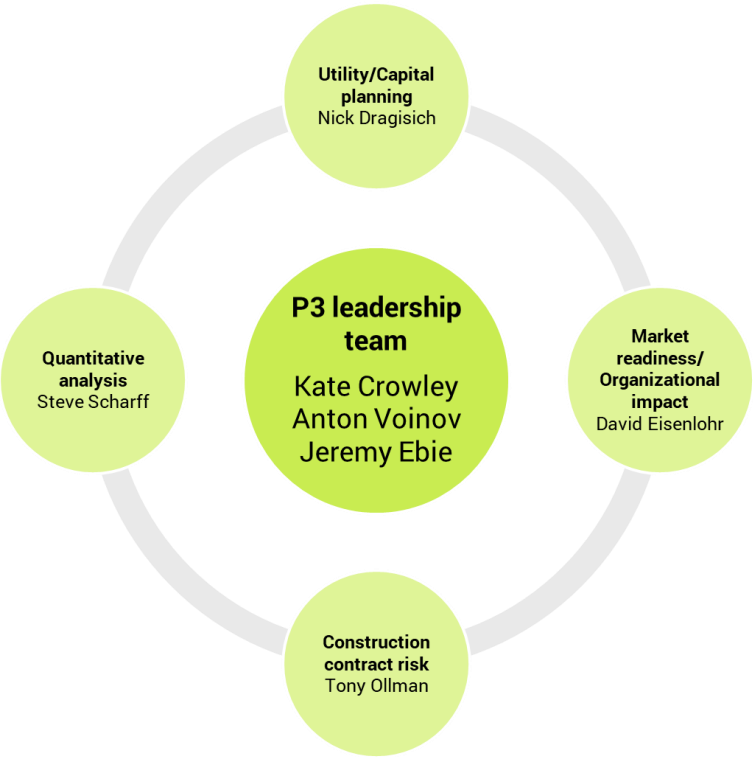
We are committed to staffing your project with our proposed team. To make sure this happens, our firm uses ProStaff scheduling software to plan and secure each team member's availability. Project managers will also meet monthly to make sure our time is managed to meet your needs.

The team members identified in this proposal will perform Currituck County's P3 financial and transactional advisor work. They will not be substituted with other personnel or reassigned to another project without Currituck County's approval.

An organizational chart of project team members, including any subconsultants, to be assigned to this project.

Project team members

The core team members have led and managed a range of consulting engagements focused on the various aspects of a successful P3 transaction. The team’s combined experience will allow us to facilitate dialogue around the required strategic, operational and tactical actions to strengthen fiscal decision making and provide you with the needed frameworks to execute on partnership proposals and fully realize the advantages of public-private partnership while minimizing the risks.



Aligning key engagement team members with your goals

Your handpicked team of professionals offers a collaborative focus supported by the breadth and depth of our firm’s national resources. We believe in strong personal relationships, and this means a personal interest in Currituck County from some of our most experienced team members. Engagement team members are introduced below, and complete resumes are available in the Appendix.

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY

Project leadership



Kate Crowley, Principal

Role: Client relationship partner

Kate is a principal in the firm's project finance practice, providing comprehensive project finance solutions for public-private partnerships, development initiatives and business expansions. Kate's extensive experience includes performing financial analysis of development initiatives to optimize available project financing options, identifying new incentives and tax programs that impact client's growth initiatives, providing application and feasibility reviews for federal and state tax credits, financing and funding programs, working with closely held businesses dealing with growth and capitalization.

Kate received a Bachelor of Science in Economics the University of Wisconsin-Madison and a Master of Urban Planning from the University of Illinois at Urbana-Champaign. She is a registered representative with Baker Tilly Capital and Baker Tilly Municipal Advisors holding FINRA Series 24, 50, 54, 63 and 79 licenses.



Anton Voinov, Managing Director

Role: Project co-lead

Anton joined the firm in 2019 with approximately 15 years of experience in the municipal finance industry. Most recently, he was a senior vice president with Siebert Cisneros Shank, a national investment banking firm focused on municipal infrastructure. At Siebert, Anton focused on new business origination in the Mid-Atlantic and Southeast and provided customized solutions and quantitative analytics to a number of state and local issuers. Key industry areas covered included water/sewer, transportation, higher education and economic development. Previously, he was a senior managing consultant with Public Financial Management, providing municipal advisory services to local and state issuers. He is a founding member and sits on the board of governors of the Association of Public Finance Professionals of D.C., Maryland and Virginia. He holds FINRA Series 50, 52, 53 and 63 licenses.



Jeremy M. Ebie, JD, MBA, Found and CEO of Phoenix Infrastructure Group

Role: P3 subject-matter specialist

Jeremy is the CEO and Founder of the Phoenix Infrastructure Group and is responsible for the day-to-day operations of the firm. Previously an investment banker and consultant, Jeremy has served as an advisor to federal, state and local governments engaging private sector investment as well private investors developing infrastructure investment vehicles. Jeremy

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY

has been a featured speaker on public-private partnerships and private investment in public infrastructure. Jeremy holds a BA in Political Science from Duke, a JD from Tulane Law School, and an MBA from the University of Chicago Booth School of Business

Subject-matter specialists**Nick Dragisich, P.E., Managing Director*****Role: Utility, capital planning specialist***

Nick is team leader for Baker Tilly's financial management practice. He has more than 30 years of management experience, including service as a city administrator, assistant city manager and city engineer. As the Assistant City Manager – Operations for Spokane, Washington, his departments included Capital Programs Planning/G.I.S., Engineering Services, Real Estate, Building Codes, Environmental Programs, General Services, Planning, Solid Waste Collection and Recycling, Transportation, Wastewater and Stormwater Management, and Water and Hydroelectricity. He joined Baker Tilly in 2000 and became the management consulting services practice group leader in 2003. Nick has been directly responsible for or involved in numerous utility rate studies and cost analyses, long-range financial planning models, organizational management studies, staffing analyses, fiscal impact studies, as well as developing many Excel®-based computer models for across the U.S. He holds a Master of Business Administration, a bachelor's degree in civil engineering and is a licensed professional engineer in Minnesota and Washington. Nick is also MSRB Municipal Advisor Series 50 Qualified.

**David Eisenlohr, Managing Director*****Role: Market readiness, impacts to the organization***

David has actively supported state and local government performance improvement initiatives for more than 35 years, first as an operational manager and then as a highly regarded management consultant. An insightful analyst and skilled facilitator, David works closely with senior leadership teams and governing bodies in both the public and not-for-profit sectors to help them develop strategic clarity, establish priorities, improve organizational performance and streamline business processes and technologies. David's experience includes strategic, organizational and operational improvement consulting for units of state and local government; organizational and process analysis and redesign including planning and development services, building and code enforcement, procurement, human capital management, public works and utilities, public safety and courts, finance and accounting, parks and recreation and public information; governing body, organization-wide and departmental strategic planning and goal setting programs; human capital and talent management services including workforce compensation,

INTENTIONALLY SELECTED ENGAGEMENT TEAM FOR THE COUNTY

employee performance management, employee engagement and culture assessment; technology assessment and strategy, system requirements gathering and procurement support and organizational change management. David earned a Master of Public Administration from the Edwin O. Stene Program at the University of Kansas.



Tony Ollman, CPA, CCA, Partner

Role: Construction contract risk

Tony has more than 20 years of experience in the construction industry providing risk management, project controls and operations consulting services to owners, operators and contractors. His project experience spans from large complex construction audits to single thread financial controls and process improvement consulting. Additionally, Tony provides litigation support services to owners and contractors. He is a regular contributor to Construction Accounting and Taxation, as well as a requested speaker to numerous construction, trade, audit and industry associations. Tony holds a Bachelor of Business Administration in Accounting from the University of Wisconsin–Milwaukee. He is also a Certified Professional Accountant (CPA) and a Certified Construction Auditor (CCA).



Steve Scharff, Senior Manager

Role: Quantitative analysis lead

Steve joined the firm in 2017. As a manager, he brings experience in banking and trust services. He primarily serves clients by structuring debt, writing recommendations and requests for proposals, reviewing legal documents and performing various ad-hoc reporting and analysis. His areas of specialty include bond pricing, cash management, debt structuring and financial analysis. Prior to joining Baker Tilly, Steve worked as a structured finance analyst for an international banking firm where he specialized in municipal asset-backed and mortgage-backed securities. He currently holds a Bachelor of Science in Finance from Quincy University and a Master of Business Administration from the University of Minnesota-Carlson School of Management. He is also MSRB Municipal Advisor Series 50 Qualified.

THE COUNTY WILL RECEIVE TANGIBLE RESULTS WITH BAKER TILLY

All engagement team members are committed to the County's success. Their industry experience and service expertise translates into tangible results for the County.

Section 2: Experience of the firm

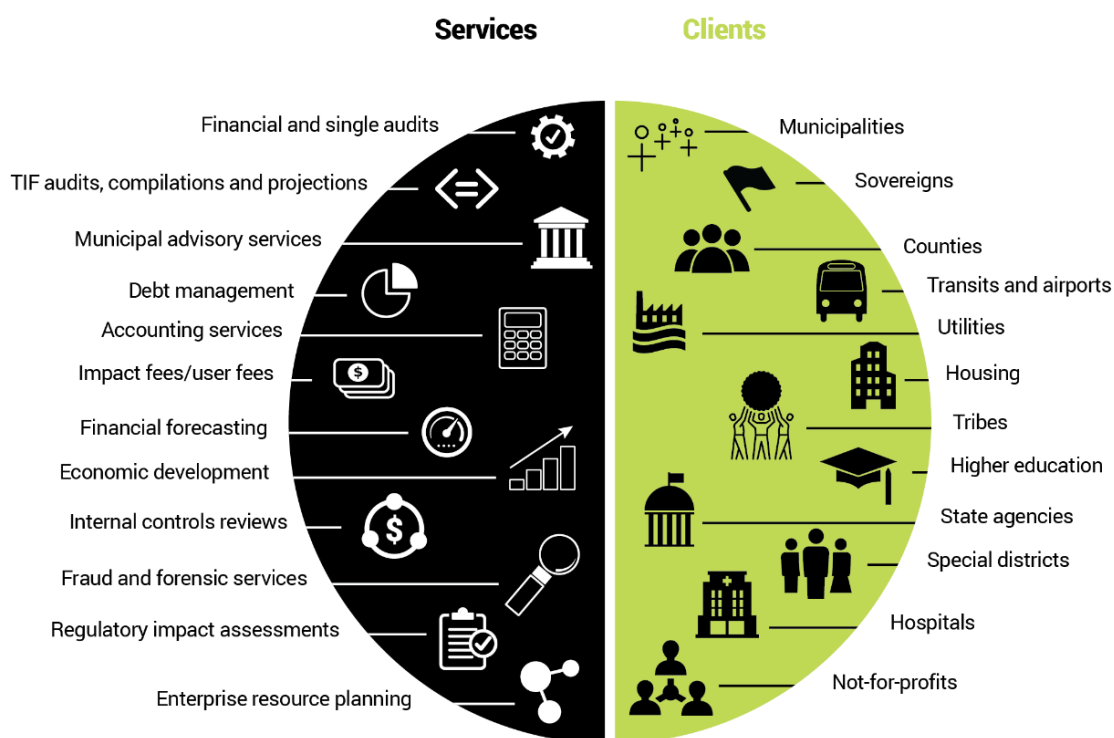
The Proposer shall describe the firms' P3 project capabilities and experience in evaluating P3 projects.

Each project example provided must include the following:

- a. Project description – Include an explanation of why experience on the project will benefit the County on the proposed project. Where applicable, describe similarities in the scope of the example provided and the proposed project.*
- b. Identify project team members and their role.*
- c. Client Reference Contact Information.*

Public sector service offerings

BTMA provides a robust suite of services to public sector organizations. Because of our dedication and commitment to this industry, we can provide a range of service offerings covering the fully spectrum of governmental services, as illustrated below.



Experience and qualifications

Our devotion to governments is manifested in our public sector practice group, a team of more than 420 professionals — including nearly 40 partners and principals — dedicated entirely to serving clients in this space. We understand the issues governments face, providing hundreds of thousands of client service hours annually to this industry. Our extensive experience provides us with the specialized knowledge and insight to find effective solutions.

This industry specialization approach allows us to provide specialized training and continuing education to our staff, assuring you of a team with the necessary knowledge and skills you desire and with the specialization of your industry to identify key indicators that are critical to your government.

- Our industry-specific approach will ensure you are working with a team that is truly dedicated to the public sector, translating into better service and greater value.
- Because of the rapid changes in governmental regulations, practices and technology, we closely monitor proposed changes in laws, regulations and practices that can impact our clients.
- Our specialists keep abreast of the new developments and trends that may impact future infrastructure development and will regularly provide newsletters, trainings, and alerts with updates and answers to your financial and governmental questions.
- Our specialists are active in national and state organizations, participate in ongoing continuing education to obtain industry certifications, and speak and author articles on industry trends.

Highly diversified public sector service professional individuals and teams

The foundation of our array of services is our specialized professional staff and teams. Within each of these service offerings is a dedicated staff with specific expertise. Many of our staff have worked in the public sector, bringing perspectives and empathy to the goals and tasks before public sector leaders. Their backgrounds lead them to pragmatic solutions for our clients. Each service area has a critical mass of individuals who in combination bring a wealth of industry knowledge, proven systems and responsiveness.

For this engagement we are presenting a team of leaders from each of our germane service teams.

Subcontractor profile: Phoenix Infrastructure Group

The Phoenix Infrastructure Group is an infrastructure investment and advisory firm bringing forth a valuable combination of infrastructure advisory, finance, operational, investment and legal experience to infrastructure transactions across the globe.

Founded with a technical and strategic focus on executing P3s across transportation, transit, energy, social infrastructure and water asset classes, Phoenix works with public entities and not-for-profit groups, as well as private investors to bridge the infrastructure investment gap.

Phoenix's strategy combines innovative and rigorous financial analysis, knowledge of market trends and tools, multi-level regulatory and governmental insight along with experienced management to execute advisory engagements. Professionals and senior advisors, including US state and federal Secretary of Transportation, engage in infrastructure and P3 transactions at the commercial, federal, state and local level.

Phoenix's approach relies on finding the best solutions for its clients by challenging traditional approaches while developing each solution based upon the experience of its advisory board, industry network and corporate partners. As a public advisor Phoenix has network relationships with some of the largest infrastructure funds in the world that have engaged in projects across Europe and the Mediterranean. As your project advisor Phoenix will provide the exceptional advisory services for any current iteration of the P3 model. As the model has continues to grow and evolve across the world, we will bring forward the latest trends, concepts, structures and experienced project partners to your opportunity.

A high-level summary of Phoenix's infrastructure-related services includes the following:

| P3 | INFRASTRUCTURE INVESTMENT ADVISORY | FINANCIAL AND TRANSACTION ADVISORY |
|---|--|--|
| <ul style="list-style-type: none"> – Development of P3 strategy and process – Financial advisory and execution support of P3 projects – P3 procurement support; best value analysis – Public stakeholder management – Project post mortem and performance review | <ul style="list-style-type: none"> – Transaction advisory and due diligence – Institutional investor support; deal development and execution – Market assessment and studies – Development of investment programs – Investment monitoring | <ul style="list-style-type: none"> – Financial review and business plan analysis – Financial feasibility study – Valuations and due diligence – Divestment advisory – Debt and equity financing strategies; Capital raising |

Focused asset classes include, but are not limited to, housing, student housing, water sustainability, wastewater, agricultural water management, transit, energy efficiency, storage and management, logistics and freight.

P3 projects can provide significant value to the public entities undertaking them, but come with unique risks and potential challenges. We help clients to evaluate whether P3s are the right option for them, as well as in securing funding and overseeing project execution.

Project examples

The following demonstrates our experience with similar P3 projects.

| CITY OF MISSOULA, MONTANA | |
|---|---|
| <i>\$138 million City Acquisition of a Private Water Company for New Municipal Utility: Mountain Water Acquisition – Reverse P3</i> | |
| Client need | The City of Missoula sought to acquire the privately owned water system from a company that had provided water service to the community since its inception. |
| Our solution | Baker Tilly (formerly Springsted) began by developing a multiyear pro forma estimating the financial performance of a new municipal water utility from the private financial statements filed with the state regulatory authority. This pro forma became the basis of the funding capacity projections, financial performance benchmarks, and one foundational piece for the City’s legal case for public ownership. Baker Tilly staff testified at the trial. Our participation included work with the City’s legal and financial team to first negotiate an ownership transfer, and then the successful litigation process. A primary requirement was evidence of the City being able to finance the acquisition and maintain future user rates at market levels. Early on, we developed an RFP to retain investment/commercial banking services for the ultimate financing. An initial challenge was determining the credit quality of a water system with no history of public ownership, and with unknown vital information retained by an adversarial party involved in litigation. The City was successful in obtaining an “A” rating prior to the actual acquisition. Given the legal process, the related contingencies and taking over a water system with many unknowns both with the physical system and the accompanying financial performance, the City decided to issue two privately placed shorter-term bond anticipation notes, one to fund the actual acquisition and one to fund the then unresolved legal and operational contingencies. The closing of both notes had to occur exactly simultaneously with literally “the judge’s dismissal of the company’s final appeal.” |
| Results | The City recently completed the financing of the acquisition and is once again the owner and operator of the Water Utility. This reverse P3 was recognized as a “2017 Deal of the Year – Small Issuer Category” by The Bond Buyer. |
| Project team members/roles | Steven Scharff – Quantitative support |

CITY OF MISSOULA, MONTANA

| | |
|---------------------------------|---|
| Client reference contact | Dale Bickell, Chief Administration Officer +1 (406) 552 6110 dbickell@ci.missoula.mt.us |
|---------------------------------|---|

NASSAU COUNTY SEWER AND STORMWATER FINANCE AUTHORITY*System Valuation for Potential Privatization of Large Public Utility*

| | |
|-----------------------------------|---|
| Client need | Nassau County, NY wanted to evaluate the financial benefit of leasing their sewer and storm water utility to a private operator. |
| Our solution | The review process started with an independent valuation of the system. Having advised the County for a number of years, we had, at that time, already developed a robust 40-year cash flow projection model that was used, among other things, to annually set rates across multiple districts and user types (residential, commercial, industrial, nonprofit), to ensure desired financial outcomes. We modified the model to provide a DCF valuation of the system over a 30 year horizon under multiple stress tests. Subsequently, we prepared and distributed an RFP to potential lessors, requesting proposals for leasing the system and taking over system operation and management. |
| Results | Upon review of the received proposals, it was determined that the proposed terms did not adequately compensate the County for the transfer of control of the utility. Ultimately, the decision was made to reject all proposals and retain the system under public ownership. |
| Project team members/roles | Anton Voinov – system valuation, RFP development and proposal review <i>(Anton worked on this project in his role with a previous employer.)</i> |
| Client reference contact | Jeff Nogid, Nassau County +1 (516) 571 4373 jnogid@nassaucountyny.gov |

SJM PARTNERS INC., CLAYTON VENTURES, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY*P3 Advisory to \$183 million New York City Redevelopment*

| | |
|--------------------|--|
| Client need | Co-developers SJM Partners Inc. and Slayton Ventures, along with The Port Authority of New York and New Jersey, collaborated on a public-private partnership to revitalize the George Washington Bridge Bus Station in New York City. Plans call for a redevelopment of the two-building, three- |
|--------------------|--|

| SJM PARTNERS INC., CLAYTON VENTURES, THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY | |
|--|---|
| | level facility including a dramatically upgraded bus station and 130,000 sq. ft. of new retail space. Anchor tenants in the new space include a, health club, department store and a variety of smaller retailer users. Additionally, a new supermarket will provide fresh and healthy food to an underserved market. The project needed to bridge a financing gap to move the project forward. |
| Our solution | Baker Tilly's Transactions team provided project finance advisory services to the development partners to source and secure financing needed to complete the deal. Our team closely coordinated the structuring of New Markets Tax Credits and EB-5 financing to complete funding. By creating an innovative transaction structure, the co-developers leveraged available funding sources to move the project through development. |
| Results | With other funding sources secure, including an \$87 million EB-5 direct loan, Baker Tilly helped source and secure an additional \$19.5 million in New Markets Tax Credit allocation to finalize the capital structure. The redevelopment will have a major impact on the resurgence of the surrounding economically distressed communities by improving access to one of the region's most important inter-modal transportation facilities with new retail access, creating hundreds of new jobs for lower-income residents, and restoring an important historic structure that will physically upgrade and transform the area. |
| Project team members/roles | Kate Crowley |
| Client reference contact | Stephen Garchik, President (SJM Partners, Inc.) +1 (516) 994 6540 sgarchik@sjmpartners.com |

| HOWARD COUNTY COURTHOUSE | |
|-----------------------------------|--|
| \$150 Million P3 Project | |
| Client need | Howard County (MD) was undertaking a 30-year redevelopment effort to design, build, finance, operate and maintain the Howard County Courthouse. The county wanted to identify the availability of payment financing structure driven by a project agreement and was looking for a P3 advisor. |
| Our solution | <p>Since 2017, Phoenix Infrastructure has been part of the development team for the modernization of Howard County Courthouse. As a project and P3 financial advisor for the redevelopment project, Phoenix has assisted the County in developing the project in various phases including project definition, partner selection, counterparty negotiation and development oversight. Task have included:</p> <ul style="list-style-type: none"> Development of VfM model identifying the best financing and procurement method for the project Project sounding and development of risk register for P3 project Review of bidder firms for contracts related to project agreement, financing and O&M contract |
| Results | The project is ongoing. |
| Project team members/roles | Jeremy Ebie |
| Client reference contact | <p>Marcel Ham (lead consultant/advisor)</p> <p>Marcel.ham@rebelgroup.com</p> |

| HOUSTON-GALVESTON AREA COUNCIL (H-GAC) | |
|---|---|
| <i>High Capacity Transit Task Force (HCTTF)</i> | |
| Client need | H-GAC created the HCTTF to investigate the need and opportunity for high capacity transit in the Houston-Galveston region. H-GAC was looking for a P3 advisor to assist with developing financing, procurement and governance strategies for the HCTTF in developing multi-modal transit infrastructure and to interface with various government and agency entities in developing and presenting procurement strategies and opportunities. |
| Our solution | <p>Phoenix Infrastructure Group has advised H-GAC on the financing and procurement of bus and rail transit across the Houston-Galveston Region. As part of a significant regional mandate, Phoenix Infrastructure has supported H-GAC in developing solutions to meet the significant deficit of public transit in the region. Task have included:</p> <ol style="list-style-type: none"> 1. Development of extensive report on high-capacity transit development using various financing structures including P3 procurement 2. Collaboration with Houston Mayor, Council and Metro agency in engaging regional stakeholders |
| Results | Our work was reflected in the findings and recommendations summarized in a recent report to the Transportation Policy Council and considered in the development of the Regional Transportation Plan. |
| Project team members/roles | Jeremy Ebie |
| Client reference contact | <p>Eulois Cleckley (former Deputy Director) +1 (301) 901 2558 Eulois.Cleckley@denvergov.org</p> |

Section 3: Project approach

Describe the firm's methodology and approach for evaluating the feasibility of a P3 project as well as for developing a P3 project. The description shall demonstrate the Proposer's understanding of the project scope and requirements.

Our customized approach and toolkit

Due to the varied nature and high level of customization required for any P3 undertaking, we take a hub-and-spokes approach to every P3 engagement in order to ensure that each unique situation is staffed with a specialized team that is tailored to the particular engagement. What this means is that every engagement will be led by the co-leads referenced in this proposal – Kate Crowley and Anton Voinov from BTMA and Jeremy Ebie from Phoenix. These three professionals will lead every engagement and be 100% available over the course of the project. After an initial set of meetings to determine the overall nature and scope of the engagement, additional specialty team members will be added to the group to provide additional expertise and added value. Such areas include, but are not limited to, asset valuation, developer negotiations and structuring development agreements, project finance and construction and risk management.

Following is a sampling of the tools at our disposal to help ensure the successful execution of each engagement.

Pre-transaction support

Every target opportunity has a unique set of facts and circumstances that factor into the buyer's investment thesis and valuation parameters. A thorough understanding of the target opportunity, its value drivers and associated risks (as illustrated on the following page) are important to developing the best approach to due diligence.

We tailor our approach to help our clients mitigate risks and objectively assess the investment opportunity. Our transaction services teams understand the different acquisition strategies, the valuation implications and the ways to mitigate risks for buyers and investors.

Mitigation strategies

Cash flows – understand sources/uses of cash and free cash flow generation

Valuation adjustments – consider market, financial, operational, and technical issues that drive value

Projections – establish defensible projections, consider best/worst case scenarios, complete a quality of earnings analysis

Risk allocation/terms – establish levels of working capital, escrows, earn-outs, and efficient tax structure

Integration – identify risks early and consider integration during diligence

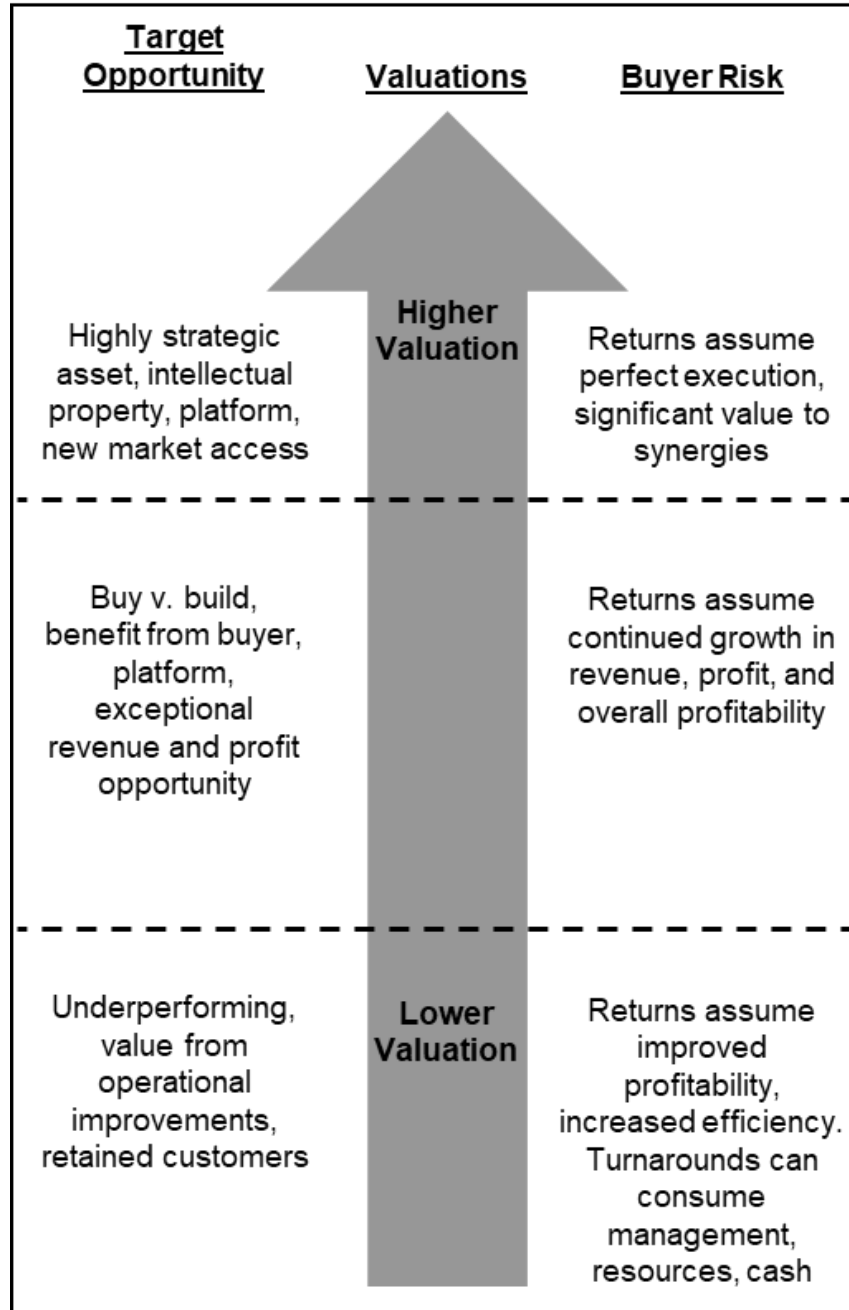
Human capital – align/establish compensation levels, benefits, retention issues and proper

protections

Internal controls and functional reporting – Limit the likelihood of surprises, determine SOX readiness and risk of target control environment

Understanding a target opportunity, its value drivers and associated risks

***“Understand the investment and value drivers
to understand transaction risks”***



There are critical decisions that stakeholders, investors and management need to make during the transaction execution stage. During the letter of intent or due diligence process, most transactions have critical issues that require experienced and objective professional assistance.

Below are some examples of areas where our professionals can provide assistance in the pre-transaction stage.

Modeling

Transactions require complex decision making. Management often needs to work through a logical and detailed financial framework to best support their decisions. Our transaction services professionals have deep experience in assembling detailed and iterative financial models including:

1. Pro forma financial statements and impact of transaction
2. Cash flows
3. "What if" and multiple scenario analysis
4. Projections and budgeting

Valuation

Valuation is one of the most critical aspects of a transaction. Alignment of all the relevant facts and considerations into a sound valuation conclusion are of paramount importance. Often it is not as simple as performing a discounted cash flow analysis using a series of assumptions. The market, intellectual property, specific deal risks, management team capabilities and other qualitative factors must be appropriately considered. Our transaction services professionals are skilled at understanding both the theory of financial valuation and the practical application of determining a "deal value" in a transaction setting. We can assist as follows:

1. Market research
2. Valuation calculations, analysis and reports
3. Valuation consulting and transaction structuring

Working capital

Working capital is usually synonymous with purchase price. Setting the appropriate working capital threshold is often a complex negotiation. If the appropriate amounts are not set, a buyer or seller ends up with additional amounts to fund of purchase price not maximized. Our transaction services professionals are able to develop a detailed understanding of a business' operating cash cycle and how much each new dollar of revenue consumes in working capital. As such, we have proprietary analysis that we perform in determining the appropriate working capital thresholds. Our typical involvement includes:

1. Detailed account level analysis
2. Working capital analysis
3. Negotiation support
4. Business process

Structuring

In any transaction, there are price and terms. Often the business terms of a transaction can affect value significantly. Tax structuring, deals terms, working capital calculations, earn-outs and other financial risk allocation items are areas where our transaction services professionals have deep experience. We are effective at communicating our due diligence findings from a risk allocation standpoint and preferred business terms to clients and counsel in a practical and concise manner:

1. Tax structuring
2. Due diligence identified risk allocation
3. Post-sale financial contingencies

Quantitative analysis, financial modeling and financial feasibility

You will benefit from our extensive work in financial modeling across many industries. Your proposed team will consist of experienced specialists with a proficiency in financial modeling and analysis, strategic financial planning/budgeting and fiscal position assessments.

Our work across industries includes financial due diligence for many high profile mergers and acquisitions for strategic and financial buyers and investors for asset values accumulating to billions of dollars.

For example, on an annual basis, we prepare more than 75 models for financial closings that include various housing financing tools. We have worked alongside clients to create financial dashboards and financial management frameworks and train board members on keys for setting targets and monitoring toward agreed-upon outcomes.

We specialize in building best-practice financial models that incorporate negotiated deal terms, risk identification, mapping and allocation, and complex regulations, program rules and key tax issues. These models empower our clients to map multiple financial and operating scenarios and explore all dimensions of development strategy to facilitate optimal decision making.

We have advised on billions of dollars in transactions involving mergers and acquisitions and sales and divestitures. We understand that each organization/company has their own unique strengths and challenges that must be considered in strategic decisions related to their corporate life cycle. Our experience assisting clients with these “corporate life events” uniquely qualifies us to assist you.

We work with our clients on special financing opportunities, provide ongoing cash flow modeling and financial projections, provide updates on changes in markets, legislation and the regulatory environment and propose ideas to best address these changes. Methodologies used for financial projections and analysis are based on:

- Historical data
- Forward economic projections using our client’s historical trends
- Relevant economic data from various sources
- Recommended fund balances and levels of liquidity

Emphasis on what matters

Our approach is to keep it simple and provide you with a tool that will offer clarity in the midst of complex decisions.

Baker Tilly provides financial pro forma work for one of the top five investors in housing for more than 40 projects per year, **assisting to close more than \$250 million of tax credit equity** – with this one investor alone.

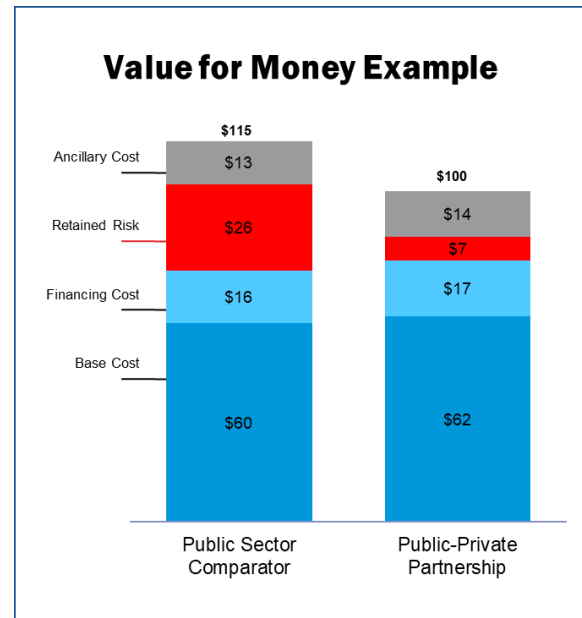
- Comprehensive Plan
- Anticipated and/or known changes that will impact future financial performance
- Other information provided by our clients

Value for Money (VfM) analysis

Value-for-Money analysis (VfM) is the standard means of determining the procurement and financing route for a project. Essentially, the analysis compares the traditional methods and financing tools for a project with the more innovative P3 methods and financing tools. The comparative difference (if any) between the two is the VfM.

The process to establish VfM includes:

- Creating a **Public Sector Comparator (PSC)**, which estimates the whole-life cost to the public sector of the project through a traditional procurement approach including development and finance, operations and maintenance, and lifecycle management. In many cases this PSC should be based upon the traditional and historical ways in which the public sector has procured, financed, maintained and operated projects. The empirical costs, revenues and risks in these methods should be identifiable and measurable as they have been utilized traditionally. In the case of public sector, typically these are public programs, grants and debt related to the costs of financing; design-build methods of contracting; and public sector methods of operations and maintenance.
- Estimating the whole-life cost of the innovative or P3 alternative (either as proposed by a private bidder or a hypothetical “shadow bid” at the pre-procurement stage). In typical examples, the P3 alternative is based upon private sector risk taking and sharing, innovative forms of capital, and market-driven methods of operations and maintenance. In many cases the transfer of risk from the public to the private sector in the P3 alternative is what creates the potential for VfM.



Value for money analysis process



With both valuations set, comparing estimated financial and performance results identifies the VfM as an actual value to the public sector depending upon the traditional or P3 procurement.

Net Present Value (NPV) analysis

We have completed more than 200 valuation engagements. Each engagement requires extensive analysis in the estimation of cost of capital and preparation of financial projection models and NPV analysis. Our professionals are trained and have deep experience in industry best practice methodologies and techniques and our team members hold highly respected certifications (CPA, CFA, ASA, CVA, etc.).

200+

NPV valuation estimates

The following list includes a sampling of projects, where we prepared discounted cash flow valuation analysis (an NPV-related methodology), cost of capital estimate and financial projection modeling services to clients including:

- A billion dollar aerospace and defense company in support of its efforts to negotiate terms of a joint venture with a foreign government related to the development and manufacture of a fighter jet aircraft
- A charter school organization for IRS tax reporting purposes

- A billion dollar IT services provider serving the U.S. government (Department of Defense, NASA, clandestine service agencies, etc.) related to the valuation of intangible assets
- A billion dollar aerospace and defense company in support of its efforts to negotiate terms of a joint venture with foreign investors related to development and manufacture of a turboprop aircraft
- A hundred million dollar mobile network operator providing service to certain U.S. clandestine services agencies related to the valuation of intangible assets

Experience negotiating with investors, lenders and developers

Firm professionals maintain trusted relationships within the lending and investing community and have worked with large financial institutions, mortgage lenders and community banks throughout the country. We can assist with structuring your capital transactions to maximize the amount of equity and financing raised from investors, lenders and “soft” sources.

Baker Tilly has identified opportunities for more than **290 clients** and our projected value of closed transactions is in excess of **\$8 billion**.

We will also review legal and financing documents related to the contemplated transaction for compliance with financial projections and relevant laws and regulations. In addition, the team will identify opportunities for you to minimize economic risk through proper documentation.

Our specialists are skilled in creating and sustaining working relationships with financial banking institutions, equity syndicators and federal, state and local finance agencies. Some of the syndicators we work with include:

- | | |
|-----------------------------|-------------------------------|
| – Aegon | – Key Bank |
| – Alliant | – Merritt Capital Corporation |
| – Bank of America | – Ohio Capital Corporation |
| – BMO Harris Bank | – National Equity Fund |
| – Boston Capital | – PNC |
| – Boston Financial | – R4 Capital |
| – Chevron | – RBC |
| – Cinnaire | – Red Stone Equity |
| – City Real Estate Advisors | – Richman |
| – Eddison | – Stratford |
| – Enterprise | – US Bank |

Experience structuring of loans and development agreements

We work with clients and their attorneys to review, structure and negotiate loan documents for compliance with the financial projections and relevant laws and regulations. In addition, our specialists will look for opportunities for you to minimize economic risk and tax impacts through proper documentation. We work on taxable debt and soft loan agreements, focusing on business terms and risk.

We have assisted Public Housing Agency (PHA) and private developers across the country in executing mixed-finance transactions that included a wide range of government subsidies including capital fund financing program (CFFP) financing, Project Based Section 8, public housing Annual Contributions Contract (ACC), Rental Assistance Demonstration (RAD) and more. Team members have experience with Department of Housing and Urban Development (HUD) mixed-finance requirements and frequently consult with clients on the regulatory requirements of their major funding sources and housing programs.

Rating agency experience

The foundation of our experience is in mainstream governmental purpose ratings, such as general obligation, water, sanitary sewer and storm sewer revenue bonds.

However, our experience also extends to the specialized rating areas of electric revenue, parking revenue, airport revenue, higher education revenue and the various economic activity revenue securities – TIF, Sales Tax, Hospitality Tax, Local Earnings Tax, etc.

Additional nuances are the nature of the issuing authorities and middle-ground securities between rating types – public building corporation financings, annual appropriation and moral obligation pledges. Each area has both its linkage to common credit quality characteristics, as well as the areas special to that particular type of asset and/or revenue stream.

To stay abreast, we maintain daily communications with the rating agencies as well as individual specialists within each agency. Our established lines of communications and volumes permit us to offer perspectives to our clients relating to the outlooks and approaches of the particular agencies to different types of credits.

Debt holder relations

Investor relations is more important than ever for a municipal bond issuer to maintain and cultivate. In changing economic times, the municipal bond market experiences a variety of offsetting pressures, any one of which can affect an individual issuer's sale experience. Providing timely, accurate and easy-to-use information can steer potential bidders to your sale.

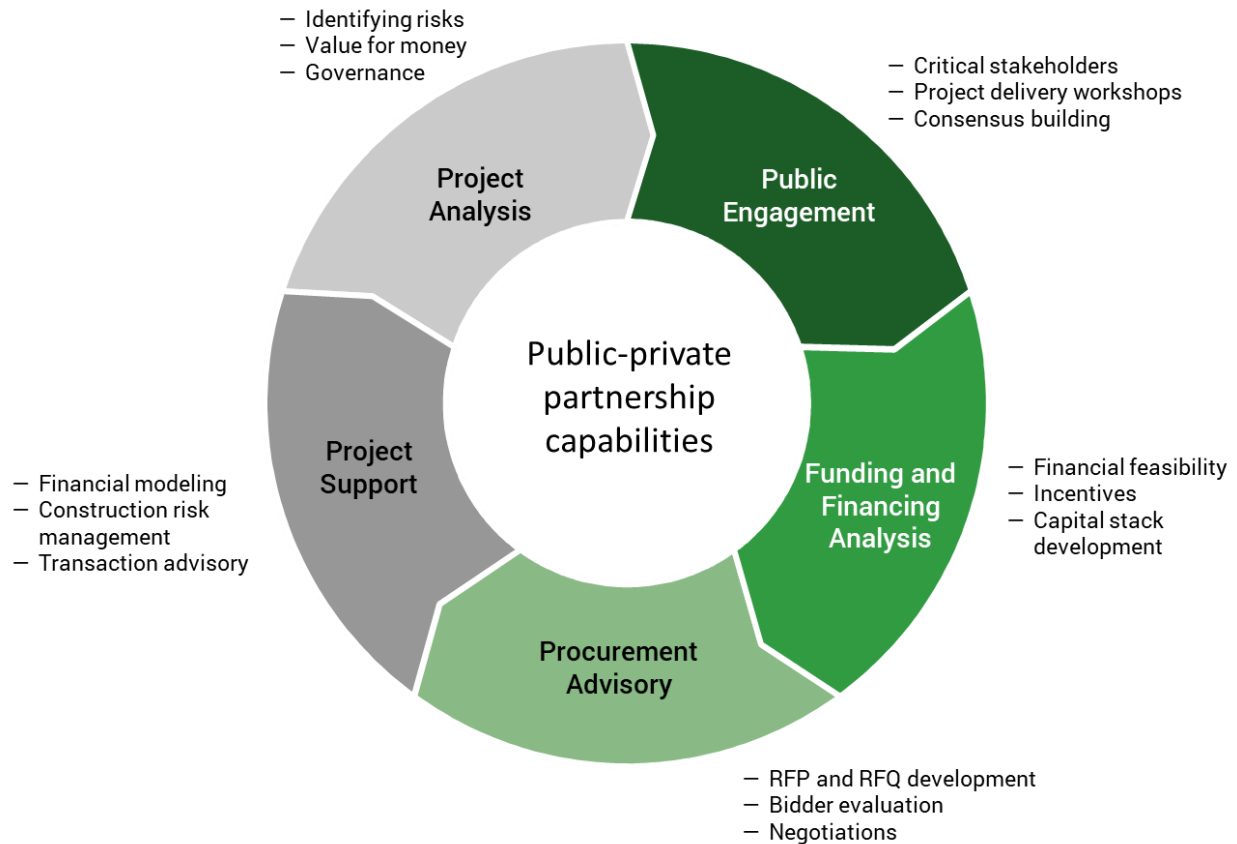
General assistance

We maintain our clients by investing in our client relationships. This investment includes discussion and responsiveness to general client topics. Our relationships are built by being available and not “running the meter” for general discussion and research requests.

Provide a proposed outline of tasks, deliverables and schedules based on the desired scope of services. Identify the extent of County involvement deemed necessary, including key decision points at each stage of the project. Major proposed deviations from the desired scope of services outlined above should be clearly noted and justified.

Proposed outline of tasks and deliverables

Our advisory engagement would provide:



Task 1. Preliminary project analysis

Risk register

A process of identifying the risks within a project, valuating those risks, and placing them within the full scope of the project depending on whether they part of a traditional or P3 engagement. Certain risks within a P3 engagement will be transferred over to the private sector. All will be accounted for.

Value for Money (VfM) analysis

A process that can be used to compare the financial impacts for the public sector of a P3 project, compared against traditional public delivery alternatives.

Governance structure and analysis:

- Full analysis, discussion and reporting of governance structure best suited for project procurement, oversight and management over life of project, including:
 - Identification of the most capable entities to procure the selected project
 - Extensive engagement with all relevant stakeholders - related government partners and entities connected to the project
 - Continued support for the public procurement agency and related entities in development of governance structure

Task II. Public engagement: project delivery workshops with stakeholder group

Frequent support to client in general public engagement efforts with critical stakeholders to the project. In addition, the project advisory team will provide leading services in preparing and conducting stakeholder meetings and analysis, including:

- Preparation of project delivery workshop(s) with stakeholders to develop a consensus on such business decisions as:
 - Project scope/service options
 - Project governance alternatives
 - Key project objectives (against which all potential delivery and scope options will be evaluated)
 - Screening criteria to guide the alternative delivery analysis
 - Potential project delivery options subject to government limitations
 - Key challenges and constraints associated with the project
 - Risk tolerance for the project

Task III. Funding and financing analysis

A financial study is critical to shaping the business case study and defining the funding and financing tools as well as the structure of financing for specific procurement methods, project dynamics and construction or implementation periods.

Tasks will include the following:

- Conduct high-level financial feasibility analysis for different scopes of services and potential project dynamics

- Conduct high-level financial analysis of the various delivery options in consideration of project size and funding requirements
- Identify and discuss funding/financing tools available for each option in the project delivery evaluation, e.g. private, public, federal, local, combination
- Develop an implementation plan to pursue the preferred funding/financing sources with short-, medium- and long-term implementation objectives

Task IV. Market industry sounding

Deliver effective and extensive engagement with private sector investors, operators and developers will be required through a series of market-sounding efforts. To execute this effort, the following process is suggested:

- Organize targeted market sounding sessions to solicit industry feedback on delivery and options to help further guide project development process
 - *Market Sounding Session I: Private Investor and Developers* – A session directed towards private equity and infrastructure funds, primarily capital partners globally with interest in Greek infrastructure opportunities
 - *Market Sounding Session II: Private Operators* – A session directed towards specifically private operators related to procured infrastructure asset class
 - *Market Sounding Session III: Private Construction* – A session directed towards private developers related to procured infrastructure asset class
 - *Market Sounding Session IV: Consortium Development* – A session directed towards teaming and engagement of firms with each other in the development of the selected project
 - *Market Sounding Outreach: Industry Conferences* – Extensive effort to gain exposure to global P3 and related infrastructure conferences and information platforms
 - Continued engagement with interested industry participants, support in connecting teams unaware of each other for potential partnering opportunities

Task V. Project procurement business case and roadmap

The business case and roadmap define the framework by which the procurement will be built upon. The previous tasks will provide the project analysis, financial analysis, public and private feedback needed to turnkey the project concept into a procurement. The advisory team will:

- Determine project governance requirements, including procurement authority, project owner(s) and additional relevant considerations
- Identify a preferred delivery option based on initial analysis and market sounding input
- Develop procurement schedule

- Identify key project development and procurement activities milestones with near-term and long-term tasks and activities
- Synthesize the project scope, delivery approach, funding requirements and proposed governance structure in a high-level project business case

Task VI. Procurement advisory support

The advisory team will, upon confirming project scope and preferred delivery approach, provide to the procurement agency comprehensive procurement advisory assistance throughout the course of the project. While the exact scope of work for the procurement phase will depend on the project scope and project delivery method selected in prior phases, the advisory team will provide guidance and insight in each step of the project procurement and delivery lifecycle.

This process can take from six to twelve months, depending on the factors listed above. Some of the illustrative activities may include the following:

- **Request for Qualification (RFQ) documents**
 - Establish project scope
 - Define core commercial terms
 - Draft overall RFP document, in collaboration with a legal advisor (provided by the advisory team)
 - Define clear evaluation guidelines
 - Evaluate Submittals of Qualifications (SOQ) in response to RFQ
 - Assist with the shortlisting of preferred bidders
- **Request for Proposal (RFP) documents**
 - Draft RFP document, in collaboration with a legal advisor (provided by the advisory team)
 - Issue draft RFP to preferred bidders
 - Facilitate request for clarifications process
 - Prepare and conduct 1-on-1 meetings with bidders
 - Analyze the financial impact of changes in commercial terms, project configuration, and costs and revenue inputs during the industry review phase
 - Analyze bidder feedback and incorporate into RFP
 - Release final RFP
 - Evaluate responses to RFP
 - Assist with selecting preferred partner
- **Negotiations, commercial and financial closing support**
 - Advise on final negotiation strategies to reach commercial close and financial close
 - Update financial model, as applicable
 - Help finalize all needed approvals

- Help negotiate final debt and equity terms

Throughout the process, our team will serve as a capable in driving the procurement from analysis stage, to procurement and through partner selection and negotiation. The steps that we provide in this offering are very much the standard of the P3 industry, but can and will be adjusted to meet the needs of the project, the stakeholders and the public sector client.

Project schedule

Our draft project schedule is provided below, broken up by the items identified in the County's scope of services. We note that this schedule is on the aggressive side from a timing perspective. We do feel that this timeline is achievable, but it does require close coordination between all project team members.

| Project schedule | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|
| Months to completion | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| Assist in project scoping and feasibility | | | | | | | | | | | | | | | | | | |
| Conduct financial and cash flow analyses | | | | | | | | | | | | | | | | | | |
| Perform valuation of system | | | | | | | | | | | | | | | | | | |
| Develop risk assessment to inform risk allocation and financial analysis | | | | | | | | | | | | | | | | | | |
| Evaluate market readiness | | | | | | | | | | | | | | | | | | |
| Conduct a Value for Money (VfM) analysis | | | | | | | | | | | | | | | | | | |
| Perform evaluation of proposed transactions | | | | | | | | | | | | | | | | | | |
| Identify impacts to the organization | | | | | | | | | | | | | | | | | | |
| Provide recommendations for contract structuring and financing | | | | | | | | | | | | | | | | | | |
| Draft development contract including risk allocation, structuring of supervening events, structure of termination clauses, and payment mechanisms | | | | | | | | | | | | | | | | | | |
| Assist in development of Request for Qualifications and review of Statements of Qualifications | | | | | | | | | | | | | | | | | | |
| RFP response time | | | | | | | | | | | | | | | | | | |
| Assist with contract negotiations | | | | | | | | | | | | | | | | | | |

County involvement

Our expectation is to partner with the County and we anticipate being in close contact with the County along the entire process, both to provide feedback and interim results, and to solicit input on an ongoing basis. We anticipate several key areas that will require extensive County involvement:

- Initial scoping and feasibility – we would anticipate a kick-off meeting with County staff and administration to refine the timeline and set expectations for the project. We will rely on the County to provide a substantial amount of information in the initial weeks after kick off, related to Moyock WWTP's financials, detail on past attempted transactions, and other financial and operational data needed to perform quantitative analytics.

- Quantitative analysis – solicit County feedback on first drafts of system valuation and VfM results to review assumptions and results, make necessary adjustments.
- Quantitative Phase completion – meet with County to present final memorandum outlining quantitative analysis results and recommended path forward, discuss financing options and revisit project timeline.
- Organizational impact – conduct a series of stakeholder meetings and conduct community engagement process to provide an accurate assessment and develop long-term strategy.
- Contract development and bid process – will require ongoing County and legal counsel on various contract terms as well as throughout the RFQ development process. After receipt of proposals we would anticipate meeting with County and all or with shortlisted firms (depending on amount of responses received) to discuss details of their proposals.
- Contract negotiation – once a winning proposer is selected, the contract negotiation process can be lengthy and will require careful coordination between all members of the project team to ensure maximum value preservation.

Section 4: Fee proposal

A fee proposal for the proposed scope of services. Specify any additional expenses such as travel and lodging.

Delivering a professional fee estimate for Currituck County

We are excited about the opportunity to work with Currituck County and have prepared the below fee estimate to meet Currituck County's needs and objectives. Our fees allow for thorough and insightful advice from experienced professionals without unnecessary add-on or startup charges. We do not anticipate invoicing the County for additional expenses, such as travel and lodging.

For the completion of the scope of services as outlined by the County, we propose a total not-to-exceed fee of \$530,000. We anticipate this will be roughly allocated as follows between the various portions of the project. We would propose invoicing the County monthly, based on time expense at the rates provided below.

| SERVICES | FEE ESTIMATE |
|---|------------------|
| Initial scoping and feasibility analysis | \$60,000 |
| Quantitative analysis, model development, system valuation, VfM analysis | \$195,000 |
| Summary findings memo, provide financial alternatives and determine best course of action | \$35,000 |
| Impact to organization and stakeholder input | \$95,000 |
| Contract development, RFQ and proposal review, negotiations | \$145,000 |
| TOTAL FOR ALL SERVICES | \$530,000 |

We want to stress that this proposal is negotiable.

An hourly rate schedule for additional services not included in proposed scope of services.

Providing our standard hourly rates

When nonroutine matters arise outside the scope of the engagement, we will base our fees on our standard rates. When possible, we will provide an estimate in advance of the time and expense we believe necessary to achieve your objectives. Final billings are always evaluated in light of value delivered. Our standard hourly rates are located below.

| STANDARD HOURLY RATES | |
|-------------------------------------|--------------|
| Staff level | Hourly rates |
| Principal/Partner/Managing director | \$320 |
| Senior manager/Director | \$270 |
| Manager/Senior staff | \$225 |
| Staff | \$175 |
| Support | \$100 |

BTMA'S STANDARD HOURLY RATES

We will base additional services on our standard hourly rates. We will always tell you if the assistance you need is out of scope and never perform additional work without approval.



Appendix I: Resumes

PRINCIPAL

Kate Crowley

Kate Crowley, principal with Baker Tilly, has been with the firm since 2009.



Baker Tilly US, LLP

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United States

T: +1 (608) 240 6718

kate.crowley@bakertilly.com

bakertilly.com

Education

Master of Urban Planning
University of Illinois at Urbana-
Champaign

Bachelor of Science in economics
University of Wisconsin –
Madison

Registered Municipal Advisor with
the Securities
and Exchange Commission

Kate leads Baker Tilly's Public Sector Advisory practice and is a principal in the firm's project finance practice, providing comprehensive project finance solutions for public-private partnerships (P3) and economic development initiatives. These services include strategic planning and economic impact analysis, tax credit and incentives analysis and negotiation, and creative financing and funding solutions.

Specific experience

- Leads the firm's Public Sector Advisory practice, overseeing a diverse and talented team of financial, operational, risk and municipal advisory professionals
- Performs financial analysis of public-private partnerships (P3) and economic development initiatives to optimize available project financing options
- Structures incentives and tax credit programs that impact growth and development initiatives
- Provides application and feasibility reviews for federal and state tax credit, financing and funding programs
- Develops tax increment financing (TIF) strategies and projections, creates TIF districts and consults on redevelopment and TIF agreements
- Formerly served as an economic development consultant to public sector and not-for-profit agencies
- Formerly worked as a project manager for a private development firm

Industry involvement

- Industrial Asset Management Council
- Council of Development Finance Agencies
- Wisconsin Economic Development Association
- Financial Industry Regulatory Authority (FINRA) – Series 24, 63, 50, 54 and 79 Securities Licenses

MANAGING DIRECTOR

Anton Voinov

Anton Voinov, a managing director with Baker Tilly Municipal Advisors, LLC, joined the firm in 2019 and has nearly 20 years of municipal finance experience.



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Education

Master of Science, finance
London Business School
(London, England)

Bachelor of Arts, economics
Swarthmore College
(Swarthmore, Pennsylvania)

Registered Municipal Advisor with
the Securities and Exchange
Commission

Anton has worked with numerous municipal clients across the United States both as a municipal advisor and underwriter, providing customized and complex solutions to some of the nation's largest municipal issuers. Key areas of focus have included higher education, large urban centers and state governments, water/sewer and transportation infrastructure and economic development. Anton is active in the municipal finance industry through his involvement in various industry conferences and organizations (GFOA, CDFA) and is on the board of governors of the Association of Public Finance Professionals (APFP).

Specific experience

- Provides municipal advisory services related to bond issuance, financial management and credit analytics
- Works directly with clients on establishing multi-year financial and borrowing plans
- Assists with rating agency process
- Advises on policy and indenture changes
- Presents financial concepts and results to client staff and elected officials
- Areas of expertise include
 - Higher education
 - Utilities
 - Transportation
 - Structured products
 - Quantitative analysis and customized financial modeling

Industry involvement

- Association of Public Finance Professionals of DC, Maryland and Virginia (APFP-DMV), founding member, board of governors
- Government Finance Officers Association (GFOA)
- CDFA conference speaker
- GFOA-WMA conference speaker

Continuing professional education

- FINRA Series 50, 52, 53, 63 licenses

FOUNDER AND CEO

Jeremy M. Ebie, JD, MBA

Jeremy Ebie is the co-founder of Phoenix Infrastructure, a specialized firm in Public-Private Partnerships (P3s).



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Education

Juris Doctor
Tulane School of Law

Master of Business
Administration
University of Chicago, Booth
School of Business

Bachelor of Arts in political
science
Certificate in markets and
management
Duke University

Jeremy is the Founder and CEO of the Phoenix Infrastructure Group. Before founding Phoenix, Jeremy was a founding member of the Infrastructure Finance Team at an international financial advisory firm in Washington, D.C. and an infrastructure investment banker in Chicago. Jeremy has served as a financial and investment advisor to private investors developing infrastructure investment vehicles as well as government agencies engaging private capital investments totaling over \$8 billion in assets. Jeremy has been a featured speaker on public-private partnerships and private investment in public infrastructure.

Specific experience

- Financial and transaction advisory
- Financial review and business plan analysis
- Financial feasibility study
- Valuations and due diligence
- Debt and equity financing strategies; capital raising
- Public-Private Partnerships (P3s)
- Development of P3 strategy and process
- Financial advisory and execution support of P3 projects
- P3 procurement support; Best value analysis
- Public stakeholder management
- Project post mortem and performance review
- Infrastructure Investment Advisory
- Transaction advisory and due diligence
- Institutional investor support; deal development and execution
- Market assessment and studies
- Development of investment programs
- Investment monitoring

FIRM DIRECTOR

Nicholas R. Dragisich, P.E.

Nick Dragisich, a firm director at Baker Tilly US, LLP, has more than 30 years of management experience.



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Education

Master of Business
Administration
University of St. Thomas
(Saint Paul, Minnesota)

Bachelor of Science in civil
engineering
University of Minnesota –
Minneapolis

Registered Municipal Advisor with
the Securities
and Exchange Commission

Registered professional engineer
in Minnesota and Washington

Nick has been directly responsible for or involved in numerous utility rate and cost analysis studies, capital improvement planning, growth and fiscal impact studies, organizational management studies, staffing analyses, impact fee studies, as well as in the development of Excel®-based computer models for clients in California, Illinois, Indiana, Iowa, Kansas, Louisiana, Maryland, Minnesota, Montana, Missouri, Nebraska, New York, North Carolina, North Dakota, South Carolina, Tennessee, Texas, Utah, Virginia, Washington and Wisconsin.

Specific experience

- Leads the management consulting services practice
- Performs management studies for clients in areas that include long-range financial planning, financial feasibility, utility rates, capital improvement planning, organizational management and debt management
- More than 30 years of experience in engineering
- Served as a project engineer for a private firm
- Managed the design and construction of projects for municipal and private sector clients
- Served as a city administrator, assistant city manager and city engineer where he was responsible for and managed municipal utilities including water, sewer, stormwater, electricity, steam heat, and natural gas.
- Has been a speaker at state and national conferences on utility rates, long-range financial planning, strategic planning, and organizational management
- Guest lecturer at the University of Minnesota Department of Civil Engineering on how cities finance capital assets

Industry involvement

- International City/County Management Association (ICMA)
- American Society of Civil Engineers (ASCE)
- American Public Works Association (APWA)
- Central States Water Environment Association (CSWEA)
- Water Environment Federation (WEF)
- American Water Works Association (AWWA)

MANAGING DIRECTOR

David W. Eisenlohr

David Eisenlohr, a managing director at Baker Tilly, is a member of the firm's state and local government consulting practice.



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Education

Master of Public Administration
Edwin O. Stene Program
University of Kansas
(Lawrence, Kansas)

Bachelor of Arts, political science
Texas A&M University
(College Station, Texas)

David has actively supported state and local government performance improvement initiatives for more than 35 years, first as an operational manager and then as a highly regarded management consultant. An insightful analyst and skilled facilitator, David works closely with senior leadership teams and governing bodies in both the public and not-for-profit sectors to help them develop strategic clarity, establish priorities, improve organizational performance and streamline business processes and technologies.

David previously served in key leadership roles with the government services practices of two large professional services organizations, including Arthur Andersen LLP, where he directed the strategy, organization and change team within the firm's Southwest Region public sector practice and MAXIMUS, Inc., with responsibility for the company's local government management consulting team. He then founded The Azimuth Group, Inc., a boutique public sector consultancy.

Prior to his consulting career, David served in progressively responsible local government analytical and leadership roles. He was a Budget Analyst with the City of San Antonio, Texas and led the city's internal management and analysis and performance improvement team. He subsequently served as an assistant city manager in the City of Grand Prairie, Texas.

Specific experience

- Strategic, organizational, and operational improvement consulting for units of state and local government including cities, counties, water and sewer utilities, transit and transportation organizations and other special purpose districts and authorities
- Organizational and process analysis and redesign including planning and development services, building and code enforcement, procurement, human capital management, public works and utilities, public safety and courts, finance and accounting, parks and recreation and public information
- Experience with governing body, organization-wide and departmental strategic planning and goal setting programs

MANAGING DIRECTOR

David W. Eisenlohr

Page 2

Specific experience, continued

- Provides human capital and talent management services including workforce compensation, employee performance management, employee engagement and culture assessment
- Provides technology assessment and strategy, system requirements gathering and procurement support
- Works with local governments on organizational change management

Industry involvement

- International City/County Management Association (ICMA)
- Texas City Management Association (TCMA)
- Government Finance Officers Association of Texas (GFOAT)

FIRM DIRECTOR

Anthony Ollmann, CPA, CCA

Tony Ollmann is the firm director of Baker Tilly's construction risk management practice.



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Education

Bachelor of Business
Administration in accounting
University of Wisconsin–
Milwaukee

Tony has more than 20 years of experience in the construction industry providing risk management, project controls and operations consulting services to owners, operators and contractors. His project experience spans from large complex construction audits to single thread financial controls and process improvement consulting. Additionally, Tony provides litigation support services to owners and contractors. He is a regular contributor to *Construction Accounting and Taxation*, as well as a requested speaker to numerous construction, trade, audit and industry associations.

Specific experience

- Plan and execute construction audits
- Plan and execute construction financial controls evaluation, assessment and optimization engagements
- Plan, design and implement construction project performance benchmarking engagements
- Plan and execute information system selections and implementations for financial, construction management and project management systems
- Analyze, design and implement workflow improvement initiatives

Industry involvement

- American Society for Healthcare Engineering (ASHE)
- Association of Healthcare Internal Auditors (AHIA)
- Authors various articles related to the construction industry
- Construction Financial Management Association (CFMA)
- Illinois Road and Transportation Builders Education Committee chairperson
- National Association of Construction Auditors (NACA)
- Speaks on construction management, financial controls, financial systems, and project management topics to a variety of industry and professional organizations
- The Institute of Internal Auditors (IIA)

FIRM DIRECTOR

Anthony Ollmann, CPA, CCA

Page 2

Continuing professional education

- Effective Auditing of Construction Activity – Institute of Internal Auditors
- Construction Fraud Detection, Prevention and Response – Institute of Internal Auditors
- Earned Value Analysis Metric Development – Lean Construction Institute
- Project Management and Resource Coordination – Project Management Institute
- Construction Management Standards of Practice – Construction Management Association of America
- Annual Accounting and Auditing Update – Construction Management Association of America

Prior relevant experience

- Ohio University System: construction audit - student housing, athletic field, food services, STEM projects
- Marquette University: construction audit - dental school, historic rehab, student residence
- Georgetown University: Construction contracting process audit and pay application processing audit
- Texas Tech University System: Construction and procurement program audit

SENIOR MANAGER

Steve Scharff

Steve Scharff, a senior manager with Baker Tilly Municipal Advisors, LLC, has been with the firm since 2017.



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Education

Master of Business
Administration, security analysis
and portfolio management
University of Minnesota – Carlson
School of Management

Bachelor of Science, finance
Quincy University

Registered Municipal Advisor with
the Securities and Exchange
Commission

Steve primarily serves clients by structuring debt, performing security pricing analysis, writing recommendations and requests for proposals, reviewing legal documents and performing various ad-hoc reporting and analysis.

Specific experience

- Client service sectors
 - State authorities
 - City and county authorities
 - Housing authorities
 - Higher education institutions
 - Student loan institutions
- Areas of specialty include
 - Bond pricing and analytics
 - Cash management
 - Debt structuring
 - Financial analysis
 - Refunding feasibilities
- Worked as a structured finance analyst for an international banking firm where he participated in the closing and debt service performance of various asset-backed securities
- Experience in banking and trustee services

Industry involvement

- National Federation of Municipal Analysts (NFMA), member, Minnesota chapter