



Nomad Transit LLC
A wholly-owned subsidiary of Via Transportation Inc.
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February 6, 2023

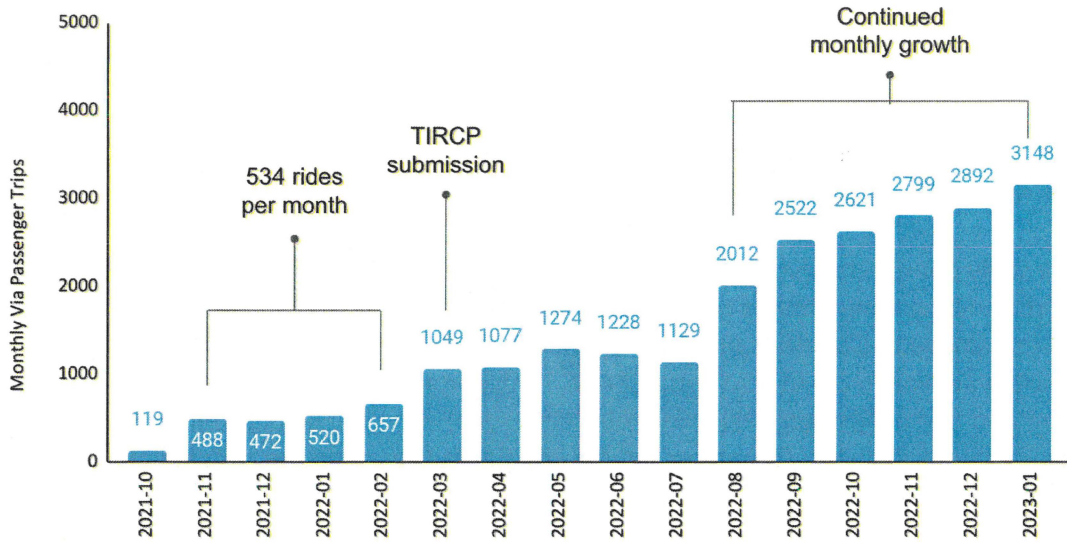
To the City of Cupertino and the City of Santa Clara:

Via has proudly operated a microtransit service in partnership with the City of Cupertino, named Via-Cupertino, since it began as a pilot program in October 2019. In March 2022, Via provided technical assistance to Cupertino staff in preparing a Transit & Intercity Rail Capital Program (TIRCP) grant application to the California State Transportation Agency (CalSTA). The application and original project design laid out a five-year microtransit program that included an expansion of the existing Via-Cupertino service into Santa Clara and the conversion to a fully electric fleet.

The proposal submitted nearly a year ago relied on ridership data in 2021 alongside commute projections in a post-COVID world. New data gathered since March 2022 and what we know about the world today has required us to update the service design.

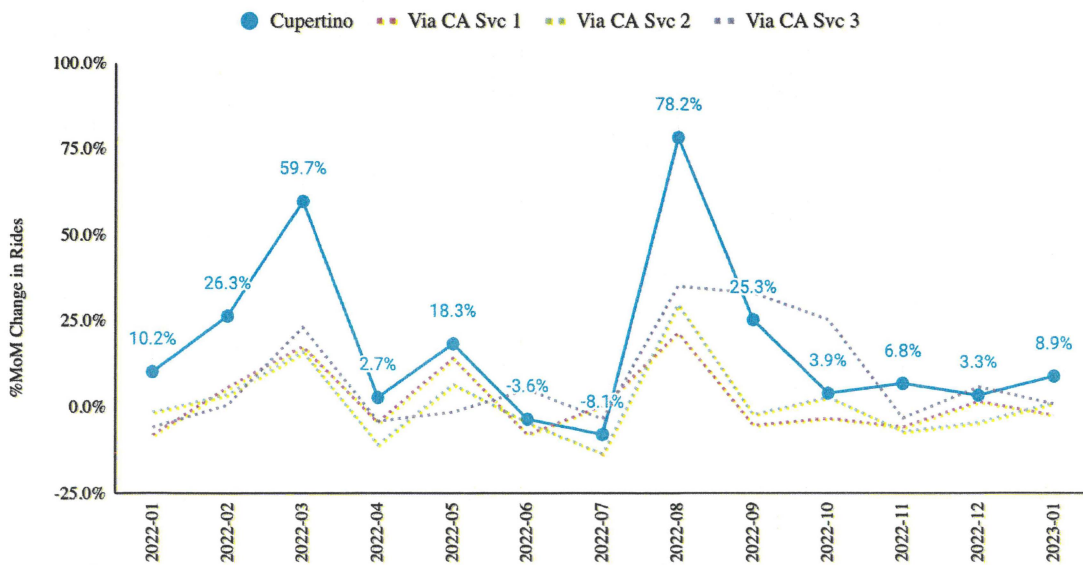
More specifically, our submission in March 2022 was rooted in ridership data that showed lower usage of microtransit, and projected a future in which people would slowly return to work some days of the week but would no longer require employees to be in the office every day. Apple set and reset return to work dates throughout the spring and summer (and are still not requiring 5 days/week); De Anza community college courses were fully or partly remote until fall 2022. Throughout the past year, the Via and Cupertino partnership adjusted to these ever-changing conditions, most notably through rider outreach efforts, marketing campaigns, and fare adjustments. As a result, ridership growth in the Cupertino service post-Covid leveled off as other services did, but then, August of 2022, rose faster than other services. Cupertino and Via's marketing efforts, alongside clearer return to work and school policies, advancements in healthcare and vaccinations, and pent-up public demand to get out of the house--effectively brought ridership back to pre-COVID levels faster than anticipated (see charts below). As we enter into 2023, the data shows Via to serve a loyal and growing ridership base.

Via Cupertino Monthly Ridership - Oct 2021 to Jan 2023

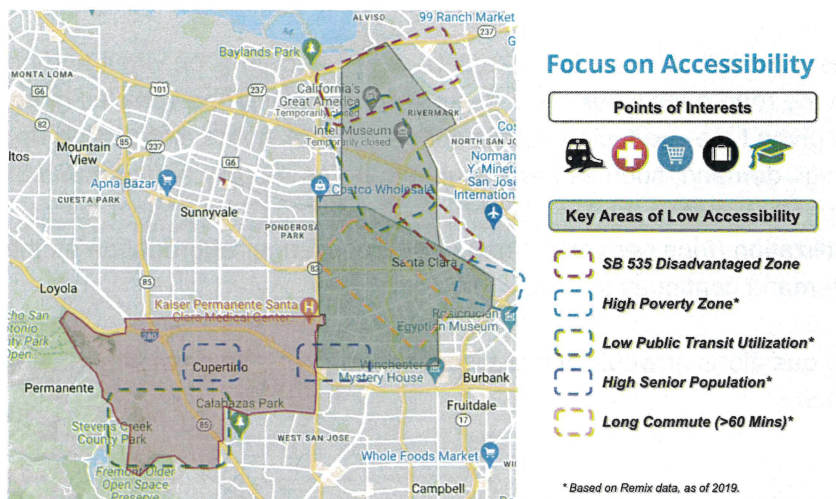


As the chart above shows, at the time of submission, monthly ridership from the four preceding months averaged fewer than 550 rides. Most recently, in January 2023, Via Cupertino served more than 3,100 rides. This growth exceeded expectations, and **significantly outpaced the growth seen in Via’s other city services in California**. As seen below, Via-Cupertino’s first significant spike in ridership occurred in March 2022, at the time of the TIRCP submission. A subsequent spike occurred in August, when monthly ridership jumped 78%, compared to less than 35% in other Via services in California. As seen in the charts, ridership continues to grow, but at lower rates, signaling a more stable demand pattern in the months ahead.

Monthly Percentage Change in Rides - Cupertino (Jan 2022 to Jan 2023)



While this is very positive news, it means that as we expand into the City of Santa Clara and parts of Mountain View, our service may struggle to meet demand without a significant addition of weekly van hours. We are currently running Via-Cupertino (red zone below) with ~350 weekly van hours. The TIRCP grant in its current form as a 5-year program would only enable us to put around 50 incremental weekly van hours on the road in year 1, which we do not project will be enough to serve a geographic area ~2x as large with additional transit connection use cases.



Cupertino zone population: 64,800
 Santa Clara zone population: 111,600
 Total zone population: 176,400

Our goal is to launch service this spring in a way that allows us to retain high quality of service levels (low wait times, efficient trips) for residents in Cupertino, and to introduce a service that can immediately accommodate riders in Santa Clara. After discussing our service design proposal with Santa Clara, we agreed that a compressed four-year project schedule would better help us meet our goal. More specifically, this change would allow us to increase driver hours and vehicle supply over four years, while serving the same number of trips envisioned in the original application. The \$16,931,283 budget and estimated GHG reduction of 76,000 MTCO2e would remain unchanged.

If the change from a five to four-year structure is approved, we will have ~600 weekly van hours at our disposal--a ~70% increase in hours compared to the ~15% increase currently afforded by the five-year structure. This increase sufficiently prepares the service to meet large spikes in demand from Santa Clara, similar to the increases seen in Cupertino throughout 2022. At the same time, if such a dramatic increase does not occur in Santa Clara, **Via will adjust supply to meet actual demand, and unused vehicle hours will be rolled over to subsequent service months.** Please also note that **Via will only invoice the city for actual vehicle hours deployed.** In total, Via feels confident that this level of incremental hours will position the expanded service for success from the start, and allow the service to flexibly meet demand.

In our updated budget, you may also notice that the vehicle hourly rate has increased from \$91.10, as submitted in the TIRCP application, to \$93.87. The reason for this change is the higher than anticipated cost of electric wheelchair accessible vehicles. At the time of grant application submission, the market lacked high-quality wheelchair accessible electric options, so the original proposal made approximate estimates of the cost of these vehicles. We have since identified wheelchair accessible electric vehicles that will safely and comfortably transport priority populations that require this service.

Via's operations team will continue to make data-driven decisions on when and how many van hours to put on the road each week. This means only deploying the vehicles needed to meet demand at any given time—reducing supply during off-peak hours and scaling up during times of anticipated high demand, such as peak commute hours. Supply and demand trends will be discussed frequently between the Via, Cupertino, and Santa Clara project teams, with the goal of increasing utilization (trips per vehicle hours) and passenger aggregation as the zone expands and demand continues to grow.

If you have any questions or would like to discuss further, please don't hesitate to contact me at your convenience.

Sincerely,

DocuSigned by:

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Alex Lavoie
Manager
Nomad Transit LLC
Co-Chief Operating Officer
Via Transportation Inc.