

AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
SPECIAL BOARD MEETING AGENDA

Board of Directors:

Matthew Hopper, Chairman
 Dave Gruber, Vice-Chair
 Nicole Johnston, Secretary
 Steve O’Dorisio, Treasurer
 Charles “Chaz” Tedesco, Director

Date: December 12, 2018 (Wednesday)
Time: 11:00 a.m.
Place: City of Aurora
15151 E. Alameda Parkway
Aurora, CO 80012
(5th Floor Mt. Elbert Conference Room)

1. CALL TO ORDER
2. DECLARATION OF QUORUM/DIRECTOR QUALIFICATIONS/DISCLOSURE MATTERS
3. APPROVE AGENDA
4. PUBLIC COMMENT and/or GUESTS
 Members of the public may express their views to the Board on matters that affect the Authority, Comments will be limited to three (3) minutes. Please sign in.
5. **CONSENT AGENDA**

Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Board. The Board has received the information on these matters prior to the meeting. An item may be removed from the consent agenda to the regular agenda, if desired, by any Board member. Items on the consent agenda are then voted on by a single motion, second, and vote by the Board.

 - A. Review and Consider Approval of November 14, 2018 and November 28, 2018 Special Meeting Minutes (enclosed)
6. ENGINEERING/CONSTRUCTION MATTERS
 - A. Update on Initial Design and Adjacent Improvements Initial Design IGA - Todd Johnson

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7. FINANCIAL MATTERS

- A. Discuss Recommended RFP Finalists
- B. Review Criteria/Questions for RFP Interviews (enclosed)
- C. Review Interview Schedule for December 19, 2018 Special Meeting
- D. Other

8. MANAGER MATTERS

- A. Website Update
- B. Other

9. LEGAL MATTERS

- A. Approve Agreement with Schedio Group LLC for Cost Verification Engineering Services (to be distributed)
- B. Discussion and possible action concerning regional public improvements financing options (possible executive session under C.R.S. 24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiations concerning the same).

10. OTHER BUSINESS

11. ADJOURNMENT

TIMELINE

December 13, 2018	Revised market study due to AACMD.
December 19, 2018	Additional “Mini” IGA sub elements run out of funding on this date.
December 20, 2018	Revised financial plan to be delivered to ARTA by AACMD.
January 2, 2019	Ehlers reviews revised financial plan and issues opinion to ARTA Board.
January 15, 2019	Anticipate running out of funding for the remaining “Mini” IGA sub elements so AACMD needs to provide 30 day notice to stop work.
*January 15, 2019	Consideration of Agreement for Funding between AACMD and ARTA for all ARTA improvements.

NEXT SCHEDULED BOARD MEETING

Wednesday, December 19, 2018 at 8:30 a.m.

Adams County Government Center

4430 S. Adams County Parkway

Brighton, CO 80601

(5th Floor Study Session Conference Room)

FUTURE MEETING SCHEDULE NEXT PAGE

Wednesday, January 2, 2019

Wednesday, January 9, 2019

Wednesday, January 16, 2019

Wednesday, January 23, 2019

Wednesday, January 30, 2019

**MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS OF THE
AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
HELD
November 14, 2018**

A meeting of the Board of Directors (the “Board”) of the Aerotropolis Regional Transportation Authority (the “Authority”) was held on Wednesday, November 14, 2018 at 11:00 a.m. at the Adams County Government Center, 4430 S. Adams County Parkway Brighton, Colorado.

Attendance: In attendance were Board members:

- Matthew Hopper, Chairman
- Dave Gruber, Vice-Chairman
- Nicole Johnston, Secretary
- Steve O’Dorisio, Treasurer
- Charles “Chaz” Tedesco, Director (arrived at 12:30 p.m.)

Also in attendance were:

- Alisha Reis; Adams County
- Dan Brotzman, Jason Batchelor and Michelle Gardner; City of Aurora
- Bob Blodgett and Anna Jones; CliftonLarsonAllen LLP
- Tom George; Spencer Fane LLP
- MaryAnn McGeady; McGeady Becher P.C.
- Rick Gonzales; Marchetti & Weaver, LLC
- Todd Johnson; AACMD
- Carla Ferreira; AACMD
- Jim Harrington; Ehlers

1. Call to Order and Approve Agenda

Chairman Hopper called the meeting to order at 11:47 a.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters

Chairman Hopper noted that a quorum was present. No additional disclosures of potential conflicts of interest were made.

3. Approve Agenda

After review, upon a motion duly made by Vice-Chairman Gruber, seconded by Treasurer O’Dorisio, and upon vote unanimously carried, the Board approved the agenda as presented.

4. Public Comment

Ms. Ferreira reviewed holiday commercials that Aurora Highlands will be playing in the next 30 days during Denver Broncos games and other media events.

She also distributed copies of renderings of the Aurora Highlands buildout plan as well as a listing of other projects in the vicinity of Aurora Highlands that have been approved by the City of Aurora and are under planning, design or construction.

Vice-Chairman Gruber asked if Ms. Ferreira and her team are working with the City's Arts Department related to sculptures along Highlands Creek Park. Ms. Ferreira responded that yes they are.

Ms. Ferreira further reported the development display board on the wall that she brought to the meeting reflects the approved Framework Development Plan by the City. She reported that Century, Lennar and Richmond are contracting to purchase lots in the future Aurora Highlands project.

Vice-Chairman Gruber reported there is an article in the Denver Post today that the Aurora Highlands developer has agreed with Conoco Phillips to relocate their surface use agreement to the industrial corridor within Aurora Highlands. He also reported his understanding that the developer and Extraction are making progress and may have an announcement soon regarding relocating their facilities from 56th and Harvest.

The Board thanked Ms. Ferreira and Vice-Chairman Gruber for their updates on the project.

5. Administrative Matters

A. Review and Consider Approval of October 31, 2018 Special Meeting Minutes

After review, upon a motion duly made by Vice-Chairman Gruber, seconded by Secretary Johnston, and upon vote unanimously carried, the Board approved the minutes of the October 31st Special Meeting minutes as presented.

B. Consider Approval of 2019 Annual Administrative Matters Resolution

Deferred to the November 28th Board meeting.

C. Other

None.

6. Engineering/Construction Matters

A. Update on Initial Design and Adjacent Improvements Initial Design IGA

Mr. Johnson reported he will have a written report for the November 28th meeting. He reported the District had a Board meeting on November 13th and has another scheduled for November 15th. The District staff is meeting with the E-470 Public Highway

Authority regarding the 38th Avenue interchange. Meetings are also being held with the City and Green Valley Ranch regarding the extension of the interchange over Himalaya and necessary coordination. Main Street, 26th to 42nd is presently out for bids. He reported the E-470 Public Highway Authority has approved the 38th interchange. The City has also approved this interchange. There ultimately needs to be a final IGA between the City, the District and ARTA regarding the 38th and E-470 construction.

In response to questions from the Board, Mr. Johnson noted that all of this work is necessary for the future. There is no throwaway design or construction work being performed.

Treasurer O'Dorisio asked how the District ensures costs are current and as low as possible. Mr. Johnson explained that he is an independent engineer and reviews the costs initially. Then the cost verification engineering firm will review and certify the costs before they are finally approved for reimbursement.

Mr. Johnson further reported that the District pre-qualifies a list of contractors. The District is working with the City and County staff regarding the necessary qualifications. The District is not yet constructing any of the Regional Transportation System. The qualification process will be approved by both the City and County staff. The District will have the discretion to award contracts to other qualified contractors if some are too busy or prices change.

Treasurer O'Dorisio stated he is concerned about the potential for conflicts of interest to exist between the developer of the District and contractors working on transportation projects. He wants to ensure there are arm's length relationships between all. Mr. Johnson stated he works for the District not the developer, and to his knowledge the developer does not have a relationship with any current contractors.

B. Review Options for Professional Engineering Independent Cost Verification Services

Mr. Johnson presented to the Board proposals from three qualified engineering firms to perform independent cost verification services. The District recommended the Schedio Group as the best qualified with knowledge related to the work to be performed. Mr. George reported that based on his conversations with staff members from the City and the County, the City and County did not have any reservations about any of the firms and did not have a preference as to the selection. Mr. George and Mr. Blodgett supported the District's recommendation of the Schedio Group.

Upon a motion duly made by Vice-Chairman Gruber, seconded by Treasurer O'Dorisio, and upon vote unanimously carried, the Board approved the Schedio Group to perform third-party cost verification services on the regional transportation system and directed Mr. George to coordinate with the District's legal counsel to prepare the necessary agreement.

Mr. George reported the cost verification services costs will be shared by the Authority and the District based on the percentage of costs verified for each party's improvements.

He will work on a three way contract with the District, ARTA and Schedio Group to be approved by the RTA in the future.

Mr. George stated the Authority is not obligated by statute to solicit formal bids for professional services as it is for construction contracts over \$60,000.

The Board discussed expanding the Schedio Group scope of work to include a review of cost estimates for design and construction at the beginning of the process as well as at the conclusion of the process. Treasurer O’Dorisio recommended their scope be amended to include this work as well. Mr. Johnson indicated this can be accomplished, and that he would confirm with Schedio Group.

The Board concurred. The District will work with the RTA regarding the revised scope of work with Schedio to review cost estimates early in the design process.

7. Financial Matters

A. Review and Consider Approval of Claims

After review, upon a motion duly made by Treasurer O’Dorisio, seconded by Vice-Chairman Gruber, and upon vote unanimously carried, the Board approved the October claims totaling \$43,838,47.

B. Other

Mr. Blodgett reported the final RFP from Ehlers to potential underwriters or lenders for the Authority’s \$200,000,000 for regional improvements was posted and sent on November 9th. The deadline to respond is November 30th. Mr. Harrington described a number of firms the RFP is being sent to directly. He reported others have already downloaded the RFP from the internet where it is publicly available. He will provide this list to of the 16 different firms that have downloaded and received the RFP to Mr. Blodgett for distribution to the Board.

Mr. Blodgett distributed copies of Ehlers’s response to the Adams County financial consultants regarding the District term sheet. After review, the Board asked that the response be revised to be sent from Ehlers to Adams County directly instead of from the ARTA Board. Mr. Harington will do so.

8. Manager Matters

A. Other

None.

9. Legal Matters

Mr. George reported on an additional contact with Mr. Robbins and City staff regarding the City's appeal of the recent COGCC decision regarding Extraction Oil and Gas development adjacent to the RTA boundaries.

The City reported that it has appealed the recent decision, and stated that an appeal letter from the RTA is not needed until January 28th, which is just before the pending appeal hearing before the COGCC. The proposed permits are currently in abeyance.

Mr. George will work with Mr. Robbins to prepare a letter from ARTA supporting the City's appeal for consideration by the Board at a later date. The Board concurred.

Ms. Jones reported the website has been on hold based on the direction of the Board. The Board noted that it will be important to provide information on the website about the RFP and other progress by the Authority in moving forward in implementing the Establishing IGA.

Ms. Jones reported three bids were received to perform the requested website design and hosting services. Of the respondents, Ms. Jones recommended the selection of Cohn Marketing Group, Inc., based on their familiarity with the project and the proposed transportation network as well as their reasonable pricing. She estimated their bid is approximately \$5,000 to \$10,000 annually.

Upon a motion duly made by Secretary Johnston, seconded by Vice-Chairman Gruber, and upon vote unanimously carried, the Board authorized the engagement of Cohn Marketing Group, Inc. in a not to exceed amount of \$10,000 to establish the RTA website and directed legal counsel to prepare an agreement for the same.

- A. Discussion and Possible Action Concerning Regional Public Improvements Financing Options (possible executive session under C.R.S. 24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiations concerning the same).

Upon a motion duly made by Secretary Johnston, seconded by Vice-Chairman Gruber, and unanimously approved, the Board adjourned into executive session pursuant to C.R.S. 24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiations concerning financing options for the RTA's proposed Regional Transportation System at 12:58 p.m. Upon a motion duly made by Treasurer O'Dorisio, second by Secretary Johnston, and unanimously carried, the Board adjourned out of executive session at 2:15 p.m. No action was taken.

10. Other Business

None.

11. Adjournment

As there were no further matters to discuss, upon a motion duly made by Secretary Johnston, seconded by Treasurer O'Dorisio, the Board adjourned the meeting at 2:16 p.m.

Respectfully submitted,

Secretary for the Meeting

**MINUTES OF A MEETING OF
THE BOARD OF DIRECTORS OF THE
AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY
HELD
November 28, 2018**

A meeting of the Board of Directors (the “Board”) of the Aerotropolis Regional Transportation Authority (the “Authority”) was held on Wednesday, November 28, 2018 at 11:00 a.m. at the City of Aurora, 15151 E. Alameda Avenue, Aurora, Colorado.

Attendance: In attendance were Board members:

Matthew Hopper, Chairman
Dave Gruber, Vice-Chairman
Nicole Johnston, Secretary
Steve O’Dorisio, Treasurer
Charles “Chaz” Tedesco, Director

Also in attendance were:

Dan Brotzman, Jason Batchelor and Michelle Gardner; City of Aurora
Benjamin Dahlman; Adams County
Bob Blodgett and Anna Jones; CliftonLarsonAllen LLP
Tom George; Spencer Fane LLP
MaryAnn McGeady; McGeady Becher P.C.
Rick Gonzales; Marchetti & Weaver, LLC
Todd Johnson; AACMD
Carla Ferreira; AACMD
Jim Mann; Ehlers
Quincy Snowden; Aurora Sentinel
Carl Windler

1. Call to Order and Approve Agenda

Chairman Hopper called the meeting to order at 11:17 a.m.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters

Chairman Hopper noted that a quorum was present. No additional disclosures of potential conflicts of interest were made.

3. Approve Agenda

After review, upon a motion duly made by Director Tedesco, seconded by Vice-Chairman Gruber, and upon vote unanimously carried, the Board approved the agenda as presented.

4. Public Comment

There were no public comments.

5. Administrative Matters

A. Review and Consider Approval of November 7, 2018 Special Meeting Minutes

After review, upon a motion duly made by Vice-Chairman Gruber, seconded by Secretary Johnston, and upon vote unanimously carried, the Board approved the minutes of the November 7th Special Meeting minutes as presented.

B. Other

None.

6. Engineering/Construction Matters

A. Update on Initial Design and Adjacent Improvements Initial Design IGA

Mr. Johnson reviewed his November 26th 90 day status report with the Board. Design is underway on all of the regional projects within the \$750,000 "mini" IGA between the District and the Authority. He reported the Authority's funds will begin to run out in December and be exhausted in January. Without another agreement for funding, the District will cease work by approximately January 15th on the regional improvements design efforts.

Treasurer O'Dorisio asked Mr. Johnson to add a column to his report which indicates the expenses incurred by the District for the adjacent designs, as well as the regional costs for the Authority for each project design. Mr. Johnson will do so in the future.

After discussion, the Board thanked Mr. Johnson and the District for their update.

7. Financial Matters

A. Public Hearing on Proposed 2019 Budget; Consider for Approval of Resolution to Adopt 2019 Budget, Appropriate Expenditures and Certify Mill Levy

Chairman Hopper opened the Public Hearing for approval the 2019 budget at 11:54 a.m. There were no public comments. Chairman Hopper closed the Public Hearing at 11:55 a.m.

Mr. Gonzales reviewed the draft budget with the Board. He reported that pursuant to the proposed budget a 5.000 mill levy, the maximum authorized for the Authority, will be levied in 2019. The Board asked that he add line items for the City of Aurora Use Tax and Transportation Impact Fee as revenue in 2019. Mr. Johnson estimated 100 to 200 homes will be permitted in 2019 with completion in 2020. Mr. Mann provided estimates for the Use Tax and Transportation Impact Fee revenue for homes at approximately

\$450,000. Mr. Batchelor reported the City's Use Taxes are 3.5% on 50% of the actual value of the home permit. He stated the Transportation Impact Fee is \$550 per single-family home. Mr. Johnson will provide Mr. Gonzales an estimate of the number of homes and the estimated values so the calculation may be refined for the 2019 budget. The Board asked that this information be added to the 2019 budgeted revenue.

Mr. Gonzales reported the 2019 budget assumes the remaining expenditures of the \$15.1 million for regional design costs will be incurred by the Authority in 2018-2019. Director Tedesco asked questions regarding the Emergency Reserve. Mr. Gonzales and Mr. George explained this is part of the 2019 fund balance in the General Fund to meet TABOR requirements.

After additional discussion, upon a motion duly made by Treasurer O'Doriso, seconded by Vice-Chairman Gruber, and upon vote unanimously carried, the Board adopted the 2019 budget as amended, approved the resolution appropriating expenditures, certifying the mill levy and authorized the District Accountant to make the changes approved by the Authority.

A. Other

Mr. Gonzales reported he has obtained three quotes from auditors for the Authority's 2018 audit. He will provide this information for review by the Board at their December 5th Board Meeting.

8. Manager Matters

A. Timeline Regarding Implementation of Establishing IGA

Mr. Blodgett distributed copies of the timeline developed by the Authority consultants regarding key dates and future actions since the establishing IGA was approved on February 27, 2018. He reported the District, through Ms. McGeady, had recommended amendments to the timeline to emphasize the importance of Authority decisions by January 15, 2019.

Mr. Blodgett indicated the District has requested that the Authority Board provide direction to its consultants to begin drafting an agreement with the District for consideration by the Authority at its January 15, 2019 meeting. The District has suggested that if the Authority does not begin that process today, there will not be time to develop this agreement before the \$750,000 in initial design fees run out in January and work must cease on the IGA schedule. The District indicated it understands that the Authority prefers to proceed with its ongoing independent RFP and a financing plan at a lower interest rate than 9%. However, the District recommends the Authority work with the District to have an agreement in place by January 15th in case other financing is not yet ready. If the Authority-District IGA is ultimately not required to be used, this is acceptable to the District.

Treasurer O'Doriso asked why the District and/or its lender won't respond to the RFP. Ms. McGeady explained that the District and its lender prefer to finance the

improvements through an IGA between the Authority and the District, with funds loaned to the District first and not to the Authority directly. Mr. Mann confirmed this has been the feedback consistently from the District during these discussions.

Mr. Mann reported the RFP has been sent to underwriters who will respond by November 30, 2018 to assist the Authority in a future loan or bond issue. He clarified that underwriters will locate a lender for the Authority; they will not be the lender.

Director Tedesco stated he does not see a problem with pursuing both the RFP process and the preparation of an IGA with the District simultaneously so the Authority has all options to consider by mid-January. Vice-Chairman Gruber agreed. Secretary Johnston disagreed, stating her continuing concern regarding the District's proposed 9% interest rate, and that the District may not be terminating the design work, it may simply be delayed. Ms. Johnston would prefer to have the Market Study and revised Financing Plan first.

Treasurer O'Dorisio stated he is comfortable with continuing to explore options related to a financing arrangement with the District but not as much so with drafting an actual agreement. Director Tedesco clarified his understanding that the request is for the Authority to make a final decision on January 15th, and that developing the draft agreement with the District in advance of that date does not automatically give approval to the agreement.

Vice-chairman Gruber stated he sees three financing options at this point: A) City of Aurora initial financing; B) commercial lending, and; C) financing through an IGA with the District at 9%. He stated his understanding that the Authority will not be making a decision on which, if any, of these to pursue until mid-January.

Vice-Chairman Gruber asked Ehlers to provide the previously requested information on the net effective interest rate of a current interest bond and the net proceeds after deduction of costs of issuance, debt service revenue and capitalized interest and a lower interest rate versus a cash flow bond at 9% interest rate without similar cost of issuance deductions. Mr. Mann stated he will have this information for the December 5th Board meeting. Chairman Hopper discussed an example of a recent "dirt bond" with gross proceeds of \$15 million but only net proceeds of \$11 million (due to closing costs) at an approximate 7.5% interest rate.

Treasurer O'Dorisio stated the importance of the interest rates, the absorption and home values as the key issues to determine if a loan is a fair deal for the Authority.

Ms. McGeady stated the proposed 9% interest rate may not be as high as it seems considering discharge provisions and annual appropriation provisions that come with the Authority loan commitment if it is provided.

Ms. Ferreira stated the concern of the lender is the annual appropriation clause which increases the risk associated with the loan.

Ms. McGeady reiterated the Authority financing is not like other district financings where there is a property tax pledge in place for the debt. The Authority members can choose not to annually appropriate Authority revenues in the future.

Treasurer O’Dorisio emphasized that, generally speaking, just because there may only be one deal on the table, that doesn’t mean it’s the best deal or even a good deal for the Authority, and the Authority may ultimately need to walk away if the proposed deal is not a good deal for the Authority.

Vice-Chairman Gruber emphasized the Authority staff needs to work on this agreement knowing that other financing options are still being pursued; the Authority needs to take this first step. Secretary Johnston stated she is comfortable with this approach, knowing the Authority will have a final decision whether or not to approve any agreement with the District in mid-January.

Treasurer O’Dorisio asked, if the Authority will have the Market Study and Financing Plan in the next two weeks, why do we have to proceed now?

Mr. Johnson noted the District’s representation that all design stops January 15th if there is not a funding commitment in place at that time.

Mr. George suggested that if the Board decides to direct staff to begin drafting the proposed agreement with the District, certain key items could be left blank, such as the interest rate and other open terms, until they are agreed upon.

After additional discussion, upon a motion by Director Tedesco, seconded by Vice-Chairman Gruber, the Board voted to approve the timeline as amended to reflect the Authority will consider a proposed agreement with District on January 15th, and authorized the Authority consultants to prepare the proposed agreement with the District, by a 4 to 1 vote. (Treasurer O’Dorisio voting No)

B. Website Update

1. Discuss Project Timelines

Ms. Jones reported the website is scheduled to be active by the end of January. The Board asked that it be activated and be available to the public as soon as possible. Ms. Jones indicated CLA will work to achieve this in the next two weeks.

Mr. George reported that there will need to be some revisions to the initial form of agreement proposed by Cohn Communications. This agreement should be ready for the December 5th Board meeting to ratify.

C. Other

There were no other manager matters.

9. Legal Matters

- A. Discussion and possible action concerning agreement with Schedio Group LLC for cost verification engineering services

Mr. George reported a conference call with the District was held yesterday to discuss the agreement. It will be a three-way agreement between the District, the Authority and Schedio.

Mr. George reported that the agreement will include a clause allowing the District or the Authority to unilaterally request Schedio to review cost estimates in advance of the work being done and other items. Chairman Hopper noted that if the engineer is reviewing costs when submitted to the District, the District engineer, Terra Forma Solutions, will also review the cost estimates; thus, whichever party requests the additional review (either the District or the Authority), should pay the additional cost of the third level of review by Schedio.

The Board did not take action.

Vice-Chairman Gruber asked Mr. Blodgett to prepare a flowchart regarding the review of future design costs and cost verification before and after the project is done.

- B Discussion and possible action concerning regional public improvements financing options (possible executive session under C.R.S. 24-6-402(4)(e) to develop negotiating positions, strategy, or instruct negotiations concerning the same).

There was no discussion and no executive session was held.

10. Other Business

The Board confirmed the December 5, 2018 meeting at 11:00 a.m. at the Adams County Government Center.

11. Adjournment

As there were no further matters to discuss, upon a motion duly made by Vice-Chairman Gruber, seconded by Director Tedesco, the Board adjourned the meeting at 1:20 p.m.

Respectfully submitted,

Secretary for the Meeting

General (For all shortlisted candidates)

1. Please describe your team's capability and experience in establishing a credit history for start-up entities.
2. What structural features beneficial to the ARTA would you suggest the Authority include when issuing bonds in the open market, e.g. additional bonds test, targeted minimum debt service coverage ratios, etc.?
3. Discuss the marketability of 30 - 40-year bonds for a startup entity such as the ARTA.
4. The ARTA boundaries are located within an Opportunity Zone. Discuss the impact this may have on the marketability of ARTA bonds.
5. Please describe in detail a case study you feel best illustrates your firm's expertise and ability to execute ARTA debt successfully.
6. Discuss any internal credit processes that you will need to go through to underwrite debt and/or takedown bonds.

Citigroup:

1. In your RFP Response, you note due to the start-up nature and lack of existing development within the ARTA, the amount of debt that can be issued to finance infrastructure may be constrained. What did you mean?
2. How would your firm suggest the ARTA structure its initial financing to achieve the lowest cost of capital? Please also describe your marketing strategy, including potential investors your firm would target.

Stifel:

1. In the preliminary model attached as Appendix B to your RFP Response, we note ARTA bonds are issued with 6.00% coupons. Please describe your thinking behind this assumption.
2. We note your firm picked up on the fact that ARTA's 5 mill levy is not Gallagherized. The mill levy is set by state statute cannot be Gallagherized. Given the residential assessment ratio is expected to drop from 7.20% to 6.11%, how would you suggest the ARTA best mitigate such changes?

RBC:

1. Given the high yield nature of ARTA debt at this point, there may be a limited pool of investors who may be interested. Please discuss who your firm would target as a potential buyer of ARTA debt and how your firm would structure such an offering to a) obtain the lowest cost of capital and b) ensure a successful transaction.
2. Discuss the impact of discharge provisions. What recent experience does your firm have in marketing debt with such provisions?
3. We note in your RFP Response that RBC was involved in the Stapleton Redevelopment from its inception. Please describe your firm's involvement in greater detail. What similarities do you see with the ARTA?

JP Morgan:

1. We note in your RFP Response JP Morgan provided a \$125 million 15-year delayed draw term loan to the City of Detroit shortly after the City emerged from one of the largest municipal bankruptcies ever filed. Please describe the deal structure and how JP Morgan was able to get comfortable with extending credit to a distressed municipality.

2. Given the high yield nature of ARTA debt at this point, there may be a limited pool of investors who may be interested. Please discuss who your firm would target as a potential buyer of ARTA debt and how your firm would structure such an offering to a) obtain the lowest cost of capital and b) ensure a successful transaction.
3. Given the pledged revenue streams being predominantly annual appropriations from the City and the County, what measures should the RTA take to mitigate the annual appropriation nature of the pledged revenue streams?