

## DRAFT FOR DISCUSSION PURPOSES ONLY

### AURORA REGIONAL TRANSPORTATION AUTHORITY

#### Proposed General Terms for Aerotropolis Regional Transportation Authority Funding Agreement with Aerotropolis Area Coordinating Metropolitan District

(Rev. 11-5-18)

*The following Term Sheet is a preliminary outline of a possible financing structure between the Aerotropolis Regional Transportation Authority (the "Authority" or "RTA") and the Aerotropolis Area Coordinating Metropolitan District ("AACMD" or "District"). This is a working outline intended to facilitate further discussions. This Term Sheet is a non-binding proposal only and is not an offer or commitment. The contents of this Term Sheet necessarily remain subject to possible modification, and all terms and provisions contained in this Term Sheet, whether or not later modified, are subject to approvals required by the Intergovernmental Agreement establishing the RTA.*

#### ▪ **Proposed Financial Commitment**

- Subject to additional terms set forth below, the Authority proposes to borrow from the District in any number of separate tranches the total funds sufficient to finance the full cost of the proposed "Regional Transportation System," as defined in the Authority's Establishing IGA (currently estimated to cost approximately \$175,000,000 in 2018 dollars, \$199,000,000 at full buildout) consistent with the Capital Plan set forth in the Authority's Establishing IGA.

#### ▪ **Aurora Highlands Project Status (express conditions)**

- As an express condition precedent, the RTA shall not have any obligation to borrow from the District or to issue any note, debt or other obligation to the District unless and until the following conditions are met:
  - all conditions of the Aurora Highlands FDP approval by the City of Aurora have been met (e.g., necessary agreements are completed between the Aurora Highlands developer(s) and oil and gas operators);
  - the District and the developer of the Aurora Highlands project ("Developer"), as applicable, have reached agreement with Extraction Oil & Gas to relocate Extraction's oil and gas operations currently planned adjacent to the planned Aurora Highlands development; and
  - the District commits fully to the buildout of the Aurora Highlands development and the Regional Transportation System as currently understood by the parties.

#### ▪ **Pledged Repayment Sources (within RTA boundaries)**

- 5.000 *ad valorem* property tax mill levy (imposed by RTA or Aerotropolis Area Coordinating Metropolitan District pursuant to RTA Establishing IGA)
- 50% of Adams County's General Fund Property Tax
- 100% of Adams County's Road and Bridge Fund Tax
- 100% of City of Aurora's City Use Tax (excludes 0.25% otherwise dedicated by the City)

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- 100% of the City Transportation Impact Fee for Residential Development
- AACMD pledge to offset any negative Gallagher impacts on the RTA's 5 mills (presently estimated to be 0.55 mills) for all RTA debt obligations

\*All revenues except the AACMD Gallagher offset pledge are net of administrative/operations costs of RTA

- **Maximum Interest Rate** (to be fixed at the time of financial close on each individual RTA note or other obligation):
  - Notes or other obligations issued prior to January 1, 2021: 8% fixed
  - Notes or other obligations issued between 2021-2025: the higher of 6.00% or 165 basis points above the 30-year MMD AAA scale, with a maximum rate of 8%, fixed
  - Notes or other obligations issued between in 2026 and beyond: the higher of 5% or 100 basis points above the 30-year AAA MMD scale with a maximum rate of 8%, fixed
- **Maximum Maturity:** 40 years (as required by the Authority's Establishing IGA)
- **Call/Refunding/Refinancing Limitations:** none; optional redemption at any time at par plus accrued interest.
- **Additional Bonds:** The authority shall have the ability to issue additional bonds or other obligations to any other lender at any time in the RTA's sole discretion, provided the issuance of said additional bonds or other obligations shall either refund or be issue on parity with existing debt outstanding between the RTA and the District.
- **Identity of Funding Source(s):** the identity of any and all third-party financiers of AACMD-RTA debt or other obligations shall be disclosed to the RTA 45 days prior to closing on such debt or other obligations with the District and shall be subject to certain credit due diligence analyses
- **Discharge Provisions:**
  - All accrued interest on all debt or other obligations issued to the District will discharge 50 years after the issuance of the latest debt or other obligation.
  - RTA will consider extending the 50 year discharge date on an annual, year-for year basis, indefinitely, only in the event of either City of County failure to appropriate funds due to ARTA under the Establishing IGA.
  - RTA will not extend the discharge date due to any other circumstances or to economic factors outside of RTA's direct influence or control.
- **Termination/Default**
  - The RTA shall have the right to terminate any financing agreement should one or more of the events detailed below occur:
    - **Lender Default:** Inability of AACMD to provide full funding for any RTA funding request within 60 days shall be considered default and shall remove any obligation of RTA to borrow any additional amounts.

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- **Significant Project Delay:** The RTA may terminate any existing agreement in the event of a District-caused >12-month delay in completion of the “Regional Transportation System” as set forth in the Authority’s Establishing IGA.
  
- **Agreement to Meet and Discuss**
  - The RTA and District will agree to meet at any time during the term of the proposed agreement to cooperatively discuss matters and undertake efforts related to the completion of the “Regional Transportation System” and the furtherance of the purposes of the Authority’s Establishing IGA.
  
- **Additional Conditions Specific to the Authority**
  - Prior to entering into any financing arrangement, the Authority must adopt a financing plan as required by the Authority’s Establishing IGA.
  - Prior to entering into any financing arrangement, the Authority must obtain a credible independent third-party market study of the Aurora Highlands development.

