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August 24, 2020

Aerotropolis Regional Transportation Authority (“ARTA”)

Mr. Bob Blodgett (303) 265-7916

Ms. Lisa Johnson (303) 439-6029

c/o CliftonLarsonAllen, LP (“CLA”)
8390 East Crescent Parkway, Suite 300
Greenwood Village, Colorado 80111

Sent via email: Mr. Bob Blodgett: bob.blodgett@claconnect.com

Cc: Ms. Lisa Johnson, District Manager: lisa.johnson@claconnect.com
Mr. Matt Hopper, President AAC MD: matt.hopper@aacmd.org

Subject: The Aurora Highlands MPC Market Study and Competitive Market Area Analysis Refresh/Update within the Denver Market Area, specific to Aurora, Colorado

Dear Mr. Blodgett,

Meyers Research LLC, a limited liability company (“Meyers-Metrostudy”) is pleased to present this proposal to provide updated economic and real estate research consulting services to the Aerotropolis Regional Transportation Authority (“Client”). **We are pleased to announce that our firm’s recent merger with Hanley Wood/Metrostudy has enhanced our array of information and our Advisory team.**

This proposal agreement (“Agreement”) contains seven sections:

1. Objective
2. Scope of Work
3. Deliverables and Timing
4. Experience
5. Fee Requirements
6. Terms and Conditions
7. Acceptance

1. BACKGROUND AND OBJECTIVES

The goal of this research is to provide ARTA with an updated assessment of the competitive position of the Aurora Highlands community within the context of the local housing market, home prices by product segment, and a build-out model forecast of home absorption over time, as well as updated value and volume forecasts for the future planned rental units.

This is an update to the previous study engaged 01/23/2019 and delivered in draft form on 03/11/2019 (utilizing December 2018 Economic data and 4Q2018 Metrosearch lot-by-lot data).

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To meet the timing of the current bond schedule, the intent is to secure Meyers-Metrostudy's calendar time following the data release of the 3Q2020 lot survey (late October), with a study completion aimed for early December.

Given the conceptual planning on phases within Aurora Highlands at this time, no assumptions will be made in regards to the ten planned villages, unless detailed information for the "first village" as requested by the Developer is provided prior to the start of the engagement.

Any potential inclusions of other development within ARTA's boundary will also lead to proposal addendums to cover new work and analysis, as needed.

Metrostudy will evaluate the current and proposed residential program within The Aurora Highlands community (represented below as part of this analysis), anticipated to include an estimated 7,465 for-sale homes and 4,284 for-rent homes at completion.



Product Type ³	Average Close Price ¹	Unit Mix ²	
		Lots	%
Product 1: Townhome Units	\$353,169	645	8.6%
Product 2: Motor-court Product	\$395,995	148	2.0%
Product 3: Duplex/Paired Product	\$384,668	538	7.1%
Product 4: SFD - 31'x52'	\$394,403	586	7.8%
Product 5: Alley-40'	\$407,517	141	1.9%
Product 6: SFD-Front 45'	\$430,649	1,466	19.4%
Product 7: SFD-Front 50'	\$446,758	2,736	36.3%
Product 8: SFD-Front 60'	\$472,930	946	12.5%
Product 9: SFD-Front 70'	\$550,935	333	4.4%
Total		7,539	100.0%

The Aurora Highlands Annual Closings

Additional Notes:

- The table above is based on the previously completed study, representing all lots within the overall community plan.
- If information on the first village is not available from the developer, Meyers- Metrostudy would update the original study based on this new information.
- If additional information on the first village can be confirmed and/or provided, Meyers- Metrostudy will update the projections with both a “First Village” and a “Future” set of the total lot mix.
- Any new product type introduced for analysis within The Aurora Highlands not listed in the above table may require additional proposal addendum to cover scope and fees.
- Any potential (newly) included developments within the Authority’s boundary area may require additional proposal addendum to cover scope and fees.

In order to do this Meyers-Metrostudy will evaluate the CMA for housing demand, active and future lot supply, and new home competition to determine the likely pace of absorption for the existing and proposed product. This will include an updated forecast of the broader Denver Market, the anticipated shape and quality of the housing and economic markets moving forward, and an analysis of the strengths of the Subject Property plan and position.

The analysis will involve field research (as possible) and a compilation of Meyers-Metrostudy statistical data and other economic information. The proposed market analysis report is a condensed version of our more detailed market study, **in the format typically utilized for special districts**, to include approximately 10-15 pages of written narrative commentary in an Executive Summary format with appropriate illustrations and tables, and an Exhibit Package at the end of the report.

The site of the Aurora Highlands development area is located to the east of E-470 Highway, west of Powhaton Road, north of 26th Avenue, and south of 56th Avenue, within the City of Aurora, in Adams County, Colorado. The first phase is located just south of 42nd Avenue. The Aurora Highlands is located within the Aurora Public Schools District. The location of the Subject Property is shown below.



2. SCOPE OF WORK

The role of Meyers-Metrostudy is to provide an independent, third-party opinion on the local economy, housing market, and strategies based on our proprietary new housing survey and local market knowledge. Our analysis will be guided by local market dynamics, but also by current and projected economic trends, and the nature of the subject property itself, its characteristics and surrounding uses. We will convey our findings in the following form:

Analysis of the Regional, and Local Markets

- Research and discuss influences of current conditions in the local economy.
- Regional economic and demographic trends.
- Population and household growth trends and projections for both the Market and local competitive area.
- Employment and job growth trends.
- Income categories and trends for both the Market and local competitive area.
- Migration trends within Adams and Denver counties.

- Any additional factors that may influence a buyer's ability to make a purchase will also be discussed.

Local Area and Site Analysis

- Review all relevant material (e.g., site plans, conceptual drawings, prior market studies, pertinent agreements, etc.)
- Meyers-Metrostudy will physically inspect the property and chronicle its surrounding land uses, such as proximity to retail and services, access, mobility, schools, and employment centers.
- Discuss the strengths and weaknesses of the subject site location.
- Define the CMA and describe the boundary of this area with an illustrative map, which will include all the active and new residential subdivisions, including details on each project.

Analysis of the Competitive Market Area

- Provide a housing snapshot for the last three years comparing the Market and CMA, in terms of housing construction, inventory of homes and home sales of both new and resale homes, segmented by detached and attached product type and price.
- Review the historical and current supply of vacant developed lots in the CMA segmented by size, product type and price.
- Evaluate the supply of future lots in the CMA and the competitive influence they will have if and when they are delivered into the market.
- Analyze home sales activity for both new and resale homes and provide average pricing and square footages for each.
- Prepare a *Competitive Community Analysis*, which will include all relevant information such as a project description, number of lots, lot sizes, active builders, and historical sales rates. Meyers-Metrostudy will physically inspect these communities (as possible).
- Prepare a price-positioning analysis of targeted price segments (recommended) for each product against new base price, new home closings, and the resale market segments.
- Collect and analyze competitive lot premiums and options/upgrades within the CMA.
- Review deed transactions for the subject property (if available) and competitive projects to further examine closing price values.

For-Rent Multi-Family Housing Market

- Update our evaluation of the CMA's rental market as a component of residential housing. To best measure the future demand for multi-family rental housing at the subject site,

Metrostudy will analyze the most recently published apartment data for the CMA. In doing so, Metrostudy will examine and evaluate: historical and current occupancy rates, historical and current rental rates, construction trends, and proposed and units under construction (based on availability).

- Evaluate and profile for-rent communities in the CMA, and position the subject property against existing projects, to estimate a total market value assessment for the site.
- Provide an analysis on how multi-family rental product has compared to for-sale product for the last ten years in the CMA and its future direction in regards to need, timing, and product type.

Conclusions and Recommendations

- Evaluate the current developed and future lot supply of comparable projects to determine percent built-out and how long each community will potentially compete with the Subject Property. The Aurora Highlands absorption model within the construct of an **overall CMA build-out model** will be updated, looking forward approximately ten years.
- An additional **demand analysis model** is then also provided through the length of the build-out model, measuring the levels of potential demand at several rates of CMA market capture growth over time within the forecast of the Colorado Springs Market.
- Offer Meyers-Metrostudy's conclusions about the marketability of the proposed plan, opportunities and constraints, and summary of any lessons learned in comparable environments.
- Provide conclusions based on client provided product type for competitive positioning, any alternative recommendations based on product type, size, and/or price point segmentation.
- Present any key marketing considerations in today's environment.

Meyers-Metrostudy understands this finalized work product will be included within a bond offering document by the Metropolitan District for consideration by those making financial decisions.

3. DELIVERABLES AND TIMING

Our research will be presented in a concise, presentation-style market report that includes both written findings and key illustrative exhibits such as trend graphs, positioning charts, maps, photos, etc.

Understanding the Authority's schedule of events and Meyers-Metrostudy current consulting commitments, Meyers-Metrostudy estimates that it can begin work on this study with 3Q2020 data survey data starting Monday, October 26th, 2020 based upon written acceptance and satisfactory execution of this agreement and payment of the retainer fee.

Meyers-Metrostudy requires approximately 4 to 6 weeks to deliver a completed study and present findings (Target Date: November 30th to December 4th, 2020). Should Meyers-

Metrostudy be able to begin earlier, we will notify Client and do so. Should we uncover any information during the course of our study that could have significant impact on your project; we will report that information as discovered.

All final start and completion times will be finalized upon the execution of this agreement.

4. EXPERIENCE

Meyers-Metrostudy is uniquely qualified to assist you with this assignment. Our highly educated and experienced consulting staff understands this market and asset.

Tim Sullivan, Senior Managing Principal. Mr. Sullivan is an expert in residential feasibility studies, strategic planning and product development and has conducted market analyses all over the United States in his 36 years of experience in the Real Estate Industry.

Tom Hayden, Vice President. Mr. Hayden has over 20 years of experience in the real estate industry and has directed analyses throughout the United States. Based in Denver, CO, Mr. Hayden has consulted on a wide array of development, regularly involving strategic planning, market and financial feasibility, economic and demographic forecasting, product positioning and planning, consumer analysis, and overall market evaluation and opportunity examination.

Joe Hemmelgarn, Senior Manager. Mr. Hemmelgarn has over 35 years of experience in the real estate industry, having conducted residential feasibility studies throughout the western United States. Mr. Hemmelgarn's specialties include consumer analysis, strategic planning, product development, and positioning.

John Covert, Senior Regional Director. Mr. Covert has been researching and analyzing housing markets since 1999, primarily overseeing operations in the Colorado and New Mexico markets. He regularly meets and consults with many of the top homebuilders in Colorado, as well as with lenders, developers, investors, suppliers, utilities, school districts, and local governments concerning trends in the local economy and their effect on the real estate market.

Other additional resources may be included in the team (as necessary) to meet the objectives of the study and the timing constraints.

5. FEE REQUIREMENTS

Professional Fees

The professional fee for this Agreement is **\$22,100**, plus any specific out-of-pocket expenses such as travel and data purchase.

For-Sale Residential Market Study - Update	\$16,300	
For-Rent Residential Analysis - Update	\$ 5,800	
Total Fee:	\$22,100	

Our fees include one initial kickoff call and one summary call after delivery of the report to review findings, if requested. If needed, **one draft revision with consideration of district, developer, underwriter, and counsel comments and/or minor edits and clarifications to assumptions related to development timeline is also included.** Any follow-up work including any further edits, revised product, or development timelines following the first draft revision will be billed at a starting revision fee of **10% of the total fee per draft** revision requested. Additional meetings will be bill at our standard hourly rates. Major revisions to product offering analysis and/or timeline assumption analysis will require an updated study proposal addendum and charges will be determined by Meyers-Metrostudy at the time of request.

Should delays in the district bond schedule for the metropolitan district (if applicable) occur with enough time passing between the completion of the market study and the district's offering and close that requires an updated market study/refresh (typically determined by the underwriter and district representatives), a new addendum proposal and signed agreement will be required. Additional charges will be determined by Meyers-Metrostudy, and based on the amount of development site changes, market conditions, and/or length of time.

Other Expenses and Billing Terms

Direct Expenses. Meyers-Metrostudy will be reimbursed for all out of pocket costs, including but not limited to travel, mileage, copies and data costs.

Non-Itemized Administrative Fee. A fee equal to 4% of the professional fees will be added to offset non-itemized expenses such as data purchases.

Initial Deposit. Meyers-Metrostudy requires a 50% deposit of consulting fees to begin work.

Balance Invoice. Meyers-Metrostudy will submit an invoice for the balance due for the professional fees plus expenses and non-itemized administrative fee. This balance invoice is due upon delivery of the draft report and is in no way contingent on closing of the district. Any delay or inaccurate information provided by the client that causes additional analysis or additional work that is outside the scope of this engagement, if any, will be billed separately.

Payment Due. Payment will be due within upon receipt of invoice. Meyers-Metrostudy reserves the right to charge up to 1.5% interest per month, on any outstanding invoices not paid within 30 days of the invoice date.

Termination Prior to Research Completion. If for some reason the Client decides to end this engagement before completion, upon written notification, Meyers-Metrostudy will stop work immediately and bill for work completed to date.

6. TERMS AND CONDITIONS

General. This letter sets forth our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. Client and its partners are responsible for representations about its plans and expectations and for disclosure of significant information that might affect the ultimate realization of the projected results. There will usually be

differences between projected and actual results because events and circumstances frequently do not occur as expected, and the differences may be material. We have no responsibility to update our report for events and circumstances occurring after the date of our report. Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services outlined in this Agreement. We understand that these reports will be shared with third parties and potential investors, but the use of any reports prepared by Meyers-Metrostudy pursuant to this Agreement should not be solely relied on by anyone in making a location or investment decision.

Limitation of Liability. In no event shall Meyers-Metrostudy , its subsidiaries, affiliates, directors, officers, employees, agents, licensors and/or suppliers (collectively, the “Research Group”) be liable, whether a claim be in tort, contract, or otherwise for any indirect, special, incidental, reliance, consequential (including lost profits or revenue), exemplary, punitive, loss or similar damages arising out of this Agreement and services rendered by Meyers-Metrostudy , even if Meyers-Metrostudy has been apprised of the possibility thereof. Furthermore, in no event shall the Research Group’s total cumulative liability for all damages, including attorneys’ fees, arising under this Agreement exceed the total professional fees paid by Client and received by Meyers-Metrostudy pursuant to this Agreement. It is further understood and agreed that the Research Group shall not be liable for any claim in the event that Meyers-Metrostudy was not: (i) notified promptly upon Client becoming aware of the existence of such claim and (ii) given an opportunity to cure or mitigate such claim, if possible. It is understood and agreed that this paragraph shall survive the termination of this Agreement and Meyers-Metrostudy’s engagement hereunder.

Publicity. Neither party shall advertise, market or otherwise make known to others any information relating to the subject matter of this Agreement, including mentioning or implying the name of the other party, without the prior written approval of such party. Notwithstanding the foregoing, Client agrees to grant Meyers-Metrostudy permission to: (i) disclose the fact that Client is our client orally or in writing to third parties; (ii) include Client’s name and logo on a client list to appear on Meyers-Metrostudy’s or its affiliate’s website; and (iii) include Client’s name and logo on a client list to appear in presentations to be given to Meyers-Metrostudy’s current or prospective clients.

Relationship of Parties. Meyers-Metrostudy shall serve as an independent contractor to Client, and under no circumstances shall it be, or be deemed to be, a partner, agent, servant, distributor or employee of Client in its performance hereunder.

Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, without reference to conflict of law principles.

Amendments; Waiver. This Agreement constitutes the sole agreement of the parties with respect to Meyers-Metrostudy’s services and any other subject matter hereof and supersedes all oral negotiations and prior writings with respect to any subject matter hereof or thereof. No modification or waiver of any terms of this Agreement shall be valid and binding unless agreed to in writing by Meyers-Metrostudy and Client. A waiver of any specific term hereof shall not be deemed to constitute a waiver of any other term hereof, nor shall a waiver of any one or more occasions be deemed to imply or constitute a waiver of the same or any other term on any other occasion.

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Severability. Wherever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Enforceability. This Agreement has been duly executed and delivered by each of Meyers-Metrostudy and Client and constitutes the legal, valid and binding obligations of each of Meyers-Metrostudy and Client enforceable against each of Meyers-Metrostudy and Client in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting the rights of creditors generally, and general principles of equity.

Counterparts. This Agreement and any amendments, waivers or supplements to this Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original. Facsimile copies of signatures shall be deemed equally binding as originals.

Confidentiality. During the course of this engagement, Meyers-Metrostudy may become privy to proprietary information about the Client's investment or development strategies for the subject property. Meyers-Metrostudy will treat any such information including the results of our work with strict confidentiality and will only discuss it with others upon receiving specific and express direction or consent.

7. ACCEPTANCE

We look forward to working with you. The signed proposal may be sent via e-mail or can be faxed to (858) 704-4097.

Respectfully,



Tom Hayden
Vice President of Advisory



John Covert
Senior Director, Colorado / New Mexico

Agreed and Accepted: AEROTROPOLIS REGIONAL TRANSPORTATION AUTHORITY

Signature: _____

Print Name: _____

Print Title: _____

Date: _____

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MEYERS-METROSTUDY RESEARCH

Meyers-Metrostudy combines experienced real estate and technology advisors with leading data to provide our clients with a clear perspective and a strategic path forward.

Our expertise includes:

- Community Development
- Resort & International Development
- Litigation Support & Expert Witness
- Institutional Advisory & Portfolio Analysis
- Multi-Family, Urban & Mixed-Use
- Commercial Analysis
- Capital Investments



Our Advantage: The combination of deep real estate knowledge and cutting-edge technology backed by the most comprehensive data.

*THE ADVISORY TEAM COMPLETED
APPROXIMATELY 600 STUDIES THROUGHOUT
THE U.S. IN THE LAST YEAR*

