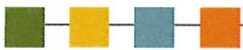




Financing the Road Network

Presentation to the ARTA Board

October 31, 2018



AACMD's Projections



DA Davidson Numbers Run Dated	04/06/2018	10/01/2018	Difference
Residential Units			
Single Family	7,448	7,448	0
Multi Family	4,284	4,284	0
Total	11,732	11,732	0
Final Build Out Year	2035	2041	6 years
Starting Home Prices			
Single Family	\$424,700	\$552,000	+ \$127,300
Multi Family	\$182,000	\$225,000	+ \$43,000
Average Home Absorption (per year)			
Single Family	438	339	- 99 per year
Multi Family	306	306	0
Cumulative Residential Market Value at Full Build Out	\$5,579,205,851	\$7,910,089,673	+ \$2,330,883,822



Starting Home Prices



	Single Family	Multi-Family	Typical SF Mortgage Payment (Freddie Mac 4.86%)	% of Adams County 2016 MHI	% of Aurora Highlands Market Study MHI
DA Davidson (dated 10/01/2018)	\$552,000	\$225,000	\$2,356	46.0%	28.3%
DA Davidson (dated 04/06/2018)	\$424,700	\$182,000	\$1,813	35.4%	21.8%
Aurora Highlands Market Study (dated 12/06/2016)	Low \$300,000s	70% - 80% lower	\$1,302	25.4%	15.6%
Adams County New Construction (Avg. 2017 & 2018)*	\$467,260	\$135,000	\$1,994	38.9%	23.9%
Adams County Median Sale Price (thru 09/30/2018)**	\$347,000	NA	\$1,481	28.9%	17.8%
Reunion New Construction (Avg. 2017 & 2018)*	\$391,800	\$105,000	\$1,672	32.7%	20.1%

Adams County Median Household Income (MHI)***: \$61,444
 Aurora Highlands Market Study MHI: \$100,000

* Source: Adams County Assessor
 ** Source: Zillow
 *** Source: U.S. Census Bureau



Housing Absorption (per year)



	Single Family	Multi-Family	Total Avg.
DA Davidson (dated 10/01/2018)	339	306	326
DA Davidson (dated 04/06/2018)	438	306	378
Aurora Highlands Market Study (dated 12/06/2016)	NA	NA	500 - 700
EPS Review of Aurora Highlands Market Study (dated 01/10/2017)	275	150	
Reunion (2001 – 2015) *			128
High Point (2001 – 2015) *			20
Single Tree at DIA (2001 – 2015) *			39
Green Valley Ranch *			235
City of Aurora – Yale to I-70 + North of I-70 (2001 – 2015) *			224

- EPS was hired by the City of Aurora to review the Aurora Highlands Market Study. The report notes:
 - The projected construction rate in the Aurora Highlands market study most closely matches historical rates in Highlands Ranch and Stapleton.
 - This is judged to be overly aggressive. Stapleton is a better located development. Likewise, Highlands Ranch is located in Douglas County with access to better schools and I-25.
 - Reunion is judged to be a more appropriate comparable as it is located north of I-70 and is one of the best quality developments in the NE metro area.

* Source: EPS Review of Aurora Highlands Market Study



Affordability



	All Projects Afforded	Notes
At 9% compound interest \$552,000 SF / \$235,000 MF 339 Res. Units / Year 100% Build Out – No Slowdowns		<ul style="list-style-type: none"> All projects financed and paid for by 2072
Same as above 10% Slowdown w/ 5 year catch up		<ul style="list-style-type: none"> About \$8.0 million of projects unfinanced (2018 \$) If financing all projects, could pay off debt by 2090
Same as above 40% Slowdown w/ 10 year catch up		<ul style="list-style-type: none"> About \$47.7 million of projects unfinanced (2018 \$)
Graduated interest rates Reunion: \$391,800 SF / \$105,000 MF Same absorption numbers as DA Davidson		<ul style="list-style-type: none"> All debt repaid by 2059 Total DS: \$537 million approximately At EPS absorption numbers of 275 SF and 150 MF (per year), all debt is repaid by 2065

