

ANDERSON ANALYTICS, LLC

1516 North Nevada Avenue
Colorado Springs, CO 80907

June 1, 2017

Vincent Harris, AICP
Planning Director
Baseline Engineering, Planning, & Surveying
1950 Ford Street, Golden, CO 80401

Dear Vince:

Per your request, this is a proposed letter of engagement to review, analyze, and comment on service plans and statutorily required plan(s) of finance for proposed Title 32 special districts within the Independence development in Elbert County.

SCOPE OF WORK

Task 1: Collect and review all available documents and other materials associated with the proposed titles 32 metropolitan districts including: draft service plan(s); plan(s) of finance; development phasing and build-out assumptions; market studies prepared to support the build-out projections; and general master plan and infrastructure plans for the Independence development.

Task 2: Evaluate and comment on the development phasing and build-out assumptions/projections used in the preparation of projected property tax, specific ownership and other taxes/fees proposed for use in the plan(s) of finance for the Districts.

Task 3: Analyze and comment on the proposed debt structure, debt instruments, and overall plan(s) of finance for the Districts. Evaluate the appropriateness and level of risk to bondholders; property owners; and Elbert County that may result from the proposed debt structure.

Task 3: As necessary, develop spreadsheet models to replicate the projections of revenue available to pay debt service and projected debt service schedule(s) includes in the proposed Service Plans.

Task 4: Compare the key financing assumptions used in the preparation of the plan(s) of finance to current market conditions and industry norms including: interest rates; capitalized interest; issuance expenses; underwriters discount; debt service reserves (if any; and calculated debt service coverage ratios.

Task 5: Examine the cumulative property tax mill levy load on the proposed Independence project with comparable developments in the area.

Task 6: Evaluate the level of conformance of the proposed plan(s) of finance with the Elbert County special district policy. Identify any areas of non-compliance.

Task 7: As necessary, meet with the developer, Elbert County staff, and members of the special district tem (financial advisor, special district counsel, and bond counsel) to obtain clarification of the plan(s) of finance for the proposed Districts.

Task 8: Prepare a summary report describing approach, analysis, and findings.

Project Team

The project team principal for this project will be Mike Anderson. Graham Anderson will provide technical assistance as needed. Brief biographies of each are attached.

Cost

Work covered by the agreement will be performed on a time and materials basis. We will invoice for hours worked at the following rates:

Principal	@\$150/hr.
Consultant	@ \$75/hr.

All hours to be worked under each task will be subject to prior approval of Baseline.

Out of pocket reimbursable expenses (\$.565/mile car mileage, lodging as necessary, reproduction, delivery charges and data purchases) will be billed at cost and will not exceed \$300. The total amount to be billed under this agreement will not exceed

\$4,300 plus out of pocket expenses. That cap can be adjusted by mutual agreement of Baseline and Anderson Analytics.

You will be billed monthly for work performed and out of pocket expenses incurred during the month. Invoices shall be payable upon receipt. There shall be a late payment charge of 1.0% per month for any invoice that is more than 30 days past due.

If an unpaid balance is referred to an attorney for collection, all attorneys' fees, court costs and collection expenses incurred shall become part of the total balance owed.

Completion

Work can begin as soon as a signed engagement letter is received.

Termination

Either party may terminate this agreement upon written notice. Payment for work performed during the month termination notice is provided will be the pro-rated portion of the monthly fee.

Sincerely,



Michael L. Anderson
Principal, Anderson Analytics LLC

Agreed and accepted:

Vince Harris, Planning Director
Baseline Engineering, Planning & Surveying

Date

Profiles

Mike Anderson, Principal, will serve as the Project Lead and day-to-day contact for this engagement. Mr. Anderson has over 33 years of experience in municipal budgeting, public finance, municipal management, economic development, and fiscal/economic impact analysis. His career has included serving as a financial analyst, financial economist and city manager for local government. Mr. Anderson also served as a municipal budget director for over a decade. In that capacity he managed the annual city budget development process and was responsible for capital improvements planning and budgeting, multi-year revenue and expenditure forecasting, fiscal impact analysis, negotiation of the fiscal aspects of annexation agreements, debt management, management of special districts, and strategic planning. Mr. Anderson also was a senior partner at Summit Economics LLC for six years during which he provided research and consulting services in applied economics to many clients in the private, public, and non-profit sectors. He has specialized experience and expertise in financial feasibility studies, fiscal impact analysis, economic development, and public policy. Further, he has extensive experience in the formation, management and determination of the financial feasibility of special districts used to finance, maintain and administer the public infrastructure elements of new development and redevelopment projects. Additionally, Mr. Anderson is recognized as an expert in infrastructure finance and has been directly involved in scores of projects resulting in the successful issuance of over \$900 million of bonds and other financial instruments used for the finance of public infrastructure necessary for municipal projects, new development, redevelopment projects, and economic development. He has also prepared municipal policies regulating the use of special districts within municipalities and has experience in resolving the fiscal difficulties of troubled special districts. Having managed a large full-service municipality, he brings a unique perspective and wealth of knowledge that will be applied in this project.

Graham Anderson, Consultant, will provide technical assistance, as necessary, with the preparation and update of financial modeling and analysis for this project. Graham has experience in the conduct of economic impact and real estate market studies, real estate financial structuring, feasibility analysis, and has special skills in the conduct of topic-specific research and data collection for economic and fiscal impact analyses. Graham earned an A.B. in History magna cum laude from Brown University in 2010, where he also completed extensive coursework in urban studies and, with special faculty approval, performed graduate coursework in the History and in the Urban Studies departments in completion of his undergraduate studies.