DENVER
THE MILE HIGH CITY

CITY AND COUNTY OF DENVER, COLORADO
2018 DISCLOSURE STATEMENT

For the year ended December 31, 2017

PROVIDED TO COMPLY WITH CONTINUING DISCLOSURE UNDERTAKINGS EXECUTED PURSUANT TO THE SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 IN CONNECTION WITH MUNICIPAL BONDS AND OTHER OBLIGATIONS

2018 DISCLOSURE STATEMENT
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DENVER
THE MILE HIGH CITY

Michael B. Hancock
Mayor

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

201 W. Colfax Avenue, Dept 1010
Denver, CO 80202
p: (720) 913-1514
f: (720) 913-5599
www.denvergov.org/finance

September 11, 2018

Dear Reader:

This Disclosure Statement for the Year Ended December 31, 2017 has been prepared to comply with the City's current continuing disclosure undertakings pursuant to Rule 15c2-12 of the U.S. Securities and Exchange Commission and the Denver Mayor's Executive Order 114, first enacted in 1996, which commits the City to provide ongoing information about the City's 2017 financial condition. This Disclosure Statement also contains certain post 2017 unaudited and prospective information as noted. This Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report ("CAFR"), the Wastewater Management Enterprise Fund Financial Statements, the City's Municipal Airport System Annual Financial Report and the Denver Employees Retirement Plan's CAFR. Information on where to locate these reports can be found at the end of this Disclosure Statement. It is the practice of the City to separately file Event Notices on EMMA. This Disclosure Statement includes all other information the City has contracted to provide on an ongoing basis.

The following is an overview of the 2017 transactions:

In February 2017, the City entered into a lease purchase transaction. $15,506,673 of Series 2017A Certificates of Participation (COPs) were executed and delivered by the trustee for the purpose of refunding the outstanding Series 2008B Denver Botanic Gardens Parking Facility COPs.

In October 2017, the City, for and on behalf of its Department of Aviation, issued $254,225,000 Series 2017A Airport System Revenue Bonds (ASRBs) for the purpose of refunding the outstanding Series 2007A and 2007D ASRBs, and issued $21,280,000 Series 2017B ASRBs for the purpose of refunding the outstanding Series 2007C ASRBs.

In December 2017, the City, for and on behalf of its Department of Aviation, issued $300,000,000 of Series 2017C Airport System Subordinate Revenue Bonds for the purpose of providing interim financing.

In December 2017, the City, for and on behalf of its Department of Aviation, entered into a $150,000,000 Revolving Credit Agreement with U.S. Bank National Association for the purpose of providing interim financing.

The information contained in this Disclosure Statement is current as of the date of this letter, unless it is expressly stated that the information is as of December 31, 2017 or relates to future results. Certain information in this Disclosure Statement including information incorporated by reference has been provided by third-party sources, which are believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Nothing contained in any continuing disclosure undertaking or this Disclosure Statement is, or should be construed as, a representation by any person, including the City, that this Disclosure Statement includes all information that may be material to a decision to invest in, hold or dispose of any of the securities with respect to which this Disclosure Statement is provided, or any other securities of the City. Nothing contained in this Disclosure Statement obligates the City to update any of the financial information or operating data contained in this Disclosure Statement or incorporated by reference in this Disclosure Statement.

This Disclosure Statement contains statements relating to future results that are "forward-looking statements." Words such as "expects," "anticipates," "intends," "plans," "project," "estimate," or "propose" and similar expressions or variations of such words are intended to identify forward-looking statements. Such statements are based on facts and circumstances currently known to the City and consequently, forward-looking statements are inherently subject to risks and uncertainties. The actual results may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Readers are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this Disclosure Statement. The City undertakes no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Disclosure Statement.

For those who seek additional information about the City's 2017 transactions or other financings, the Official Statements and/or relevant event disclosures can be found in the files of the Municipal Securities Rulemaking Board, online at http://emma.msrb.org or may be obtained by calling the City's Debt Management offices at 720-913-5500.

As the Manager of Finance and Chief Financial Officer, I am responsible for the City's compliance with Rule 15c2-12 and Denver Mayor's Executive Order 114. Please contact my office if you have questions about the material contained within this Disclosure Statement, or if you have any comments regarding future disclosures.

Sincerely,

Brendan J. Hanlon
Deputy Mayor, Chief Financial Officer as
the Manager of Finance/*ex-officio* Treasurer
City and County of Denver

CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2017

Mayor
Michael B. Hancock

City Council
Albus Brooks, President

Kendra Black	Paul Kashmann
Jolon Clark	Robin Kniech
Rafael Espinoza	Paul D. López
Kevin Flynn	Wayne New
Stacie Gilmore	Deborah Ortega
Christopher Herndon	Mary Beth Susman

Auditor
Timothy M. O'Brien

Clerk and Recorder
Debra Johnson

CABINET OFFICIALS

Allegra "Happy" Haynes	Deputy Mayor, Executive Director of the Department of Parks and Recreation
Brendan J. Hanlon	Chief Financial Officer as the Manager of Finance/*ex-officio* Treasurer
Kristin M. Bronson, Esq.	City Attorney
Brad Buchanan	Executive Director of the Department of Community Planning and Development
Eulois Cleckley	Executive Director of the Department of Public Works
Kim Day	Executive Director of the Department of Aviation
Donald J. Mares	Executive Director of the Department of Human Services
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Stephanie O'Malley	Executive Director of the Department of Safety
Murphy Robinson	Executive Director of the Department of General Services

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THE CITY AND COUNTY OF DENVER, COLORADO

General Information

The City and County of Denver (the "City") is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado. Denver is the capital of the State and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 3 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which more than 700,000 reside in the City limits.

Organization

The City was originally incorporated by a special act passed at the first session of the Legislative Assembly of the Territory of Colorado, adopted and approved on November 7, 1861. The State Constitution was adopted by the people of the State on March 14, 1876, and the Territory was admitted into the Union as a state by proclamation of President Grant on August 1, 1876. Article XX was added to the State Constitution at the State's general election in November 1902. The City was reorganized thereunder as the consolidated municipal government known as the City and County of Denver and exists as a "home-rule" city under the City Charter adopted by the qualified electors of the City on March 29, 1904, as amended from time to time. The City is a single governmental entity performing both municipal and county functions.

Government

The City Charter establishes a "strong-mayor" form of government. The Mayor of the City is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is elected every four years and is limited to three consecutive terms. The legislative powers of the City are vested in the City Council, except as otherwise provided in the City Charter. The City Council consists of thirteen members, two of whom are elected on an at-large basis and eleven of whom are elected by districts, all for four-year terms with a three consecutive-term limit. Seven members constitute a meeting quorum, and the vote of seven members is necessary to adopt any ordinance or resolution. Ordinances passed by the City Council are subject to a qualified veto by the Mayor (except certain ordinances concerning charter amendments or conventions). The Mayor's veto may be overridden by the vote of nine City Council members.

The City Auditor is responsible for internal audits of the City and, with the Audit Committee, oversees the audit of the City's Comprehensive Annual Financial Report (CAFR). The Auditor is elected every four years and is limited to three consecutive terms. Powers to conduct financial and performance audits are carried out by the City Auditor.

The Clerk and Recorder is responsible for performing all the duties of the City Clerk as provided for in the City Charter and City ordinances, as well as the duties of the Public Trustee and the County Clerk and Recorder provided by the State Constitution and statutes, with the exception of those relating to the registration of motor vehicles. The Clerk and Recorder also has oversight of the Election Division. The Clerk and Recorder is elected every four years and is limited to three consecutive terms.

The Manager of Finance/Chief Financial Officer serves on the Mayor's cabinet and is responsible for the management of the City's debt and financial obligations and the appointment of the Manager of Cash, Risk & Capital Funding, Controller, Treasurer, Budget Manager, Assessor, and Director of Real Estate. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance.

As of December 31, 2017, the appointed members of the Mayor's cabinet, by their common title, were the following individuals:

Allegra "Happy" Haynes	Deputy Mayor, Executive Director of the Department of Parks and Recreation
Brendan J. Hanlon	Chief Financial Officer as the Manager of Finance/*ex-officio* Treasurer
Kristin M. Bronson, Esq.	City Attorney
Brad Buchanan	Executive Director of the Department of Community Planning and Development
Eulois Cleckley	Executive Director of the Department of Public Works
Kim Day	Executive Director of the Department of Aviation
Donald J. Mares	Executive Officer of the Department of Human Services
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Stephanie O'Malley	Executive Director of the Department of Safety
Murphy Robinson	Executive Director of the Department of General Services

In addition to the members of the cabinet as of December 31, 2017, other advisors include Chief of Staff Alan Salazar, and Deputy Chiefs of Staff Evan Dreyer and Penny May. As of the date of this Disclosure Statement, Allegra "Happy" Haynes has been replaced by Brendan Hanlon as Deputy Mayor, Troy Riggs has been appointed Executive Director of the Department of Safety, and Stephanie O'Malley has taken a position as Senior Special Advisor to the Mayor. Councilman Jolon Clark was elected president of the Denver City Council by the Council Members on July 16, 2018.

The City Charter provides that a vacancy in the office of Mayor is to be filled by a special election except that, if the vacancy occurs within the final six months of a term of office, the acting Mayor, as described in this paragraph, is to discharge the duties of the Mayor for the unexpired portion of the term. Prior to the special election or for the remainder of the unexpired portion of the term, in the event a vacancy occurs in the office of Mayor, the City Charter provides for succession to such office by the Deputy Mayor, who is to resign and become Mayor. If the Deputy Mayor refuses or is unable to serve as Mayor, the President of the City Council is to resign as President and become Mayor. If the President of the Council refuses or is unable to serve as Mayor, the City Council is to elect one of their members to fulfill the duties of the Mayor.

Budget Policy

The City Charter establishes a fiscal year for the City that begins on January 1 and ends on December 31 (the "Fiscal Year"). Before the third Monday in October of each Fiscal Year, the Mayor submits an operating and capital budget for the ensuing Fiscal Year to the City Council for its approval. The City Council may accept the budget with a majority vote or may vote to override all or any part of the Mayor's budget with a two-thirds majority vote. After the budget is approved (no later than the second Monday in November), the Mayor is empowered to administer the operating and capital budget for the next Fiscal Year. If the City Council fails to adopt a budget by the required date, the proposed budget, together with any amendments approved by the City Council, becomes the official budget.

The budget proposed by the Mayor may not include expenditures in excess of estimated opening balances and anticipated revenues. In addition, the General Fund budget is required by the City Charter to include a year-end closing balance, which may only be expended upon a two-thirds majority vote of the City Council during that Fiscal Year, but may be considered income for the ensuing Fiscal Year. The annual budget includes a Contingency Reserve of no less than 2% of total estimated expenditures. In addition, an Emergency Reserve equal to 3% of Fiscal Year spending excluding debt service is required by State constitutional provisions (the "TABOR Reserve") to be included in the budget. In March 2014, the City Council approved fulfilling a portion of the TABOR Reserve requirement by pledging real property in lieu of cash. This reserve may only be applied for emergency purposes as specified in the Colorado Constitution. By Department of Finance policy, the General Fund targeted reserve is 15%, and should not be drawn below 10%.

The City administration uses multi-year planning and forecasting methods for General Fund budgeting and for capital projects planning.

Ratings

The City's general obligation debt is rated in the highest possible credit rating with a "Stable" outlook by each of the three major credit ratings agencies. Denver is the only city or county in Colorado to hold AAA General Obligation bond ratings from all three rating agencies.

Constitutional Revenue and Spending Limitations

In 1992, the voters of the State approved an amendment to the State Constitution known as the "Taxpayer's Bill of Rights" ("TABOR"), which limits the powers of public entities to borrow, tax and spend.

TABOR restricts the total amount of expenditures and reserve increases (excluding changes in debt service payments) that may be made by the City for all purposes by limiting the City's revenues to the total amount of revenues received by the City in the preceding year, adjusted for inflation and local growth. Under TABOR, excess revenues received by a government are required to be refunded to citizens in the next fiscal year unless the voters approve that a government may retain excess revenues. On November 6, 2012, Denver voters passed ballot measure 2A that permanently removed all TABOR restrictions described above regarding the collection and retention of all taxes. The measure permanently allows the City to collect, retain, and spend all lawful taxes.

TABOR requires voter approval prior to the City incurring any multiple fiscal year debt or other financial obligation, subject to certain exceptions, such as refinancing outstanding bonds at a lower interest rate. TABOR contains an exception for "enterprises," defined in TABOR as a government-owned business authorized to issue its own revenue bonds and receiving less than 10% of its annual revenues from all State and local governments combined. The effect of "enterprise" status is to exempt an enterprise from the restrictions and limitations otherwise applicable under TABOR. The City has designated as enterprises for purposes of TABOR the operations of its sanitary and storm sewerage utilities, the Department of Aviation, the Department of Environmental Services, and City-owned golf courses.

General Fund

The General Fund is the principal operating fund of the City. Information contained in this section has been derived from the annual financial reports of the City, the General Fund budget for the years 2017 and 2018, and information prepared by the Department of Finance.

Major Revenue Sources. Two major revenue sources for the City's General Fund are sales and use taxes and the City's property tax. Additional revenue sources include intergovernmental revenues, licenses and permits, fines and forfeitures, charges for services, investment income, and other miscellaneous taxes and revenues.

The general sales tax, at the end of December 31, 2017, was a fixed-rate (3.65%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax, at the end of December 31, 2017, was a fixed-rate (3.65%) tax imposed on the storage, use and consumption of tangible personal property not specifically exempted. In practice, sales and use taxes are accounted for on a combined basis. See also "Sales and Use Taxes."

Property taxes are levied on all real property, personal property and public utilities within the City, except for certain property that has been specifically exempted in whole or in part. General categories of exempt property include property used for religious or charitable purposes and property owned by governmental entities.

Additional amounts collected by the City and accounted for in the General Fund include the City's lodger's tax ("Lodger's Tax"), short-term auto rental tax ("Auto Rental Tax"), prepared food and beverage tax ("Food and Beverage Tax"), occupational privilege taxes ("OPT" or "Head Tax"), automobile ownership tax, telecommunications business tax, and franchise fees. A portion of the Lodger's Tax, Auto Rental Tax, and Prepared Food and Beverage Tax are pledged to debt service on Excise Tax/Dedicated Tax Revenue bonds of the City. See "DEBT STRUCTURE OF THE CITY – Excise Tax/Dedicated Tax Revenue Bonds Debt Service Coverage."

The automobile ownership tax is levied on all motor vehicles registered with the City's Division of Motor Vehicles and is based on the age and value of the vehicle. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines. Franchise fees include the utility franchise fees imposed upon Xcel Energy for its franchise to serve customers in the City and the franchise fee imposed on Comcast for operation of its cable television franchise within the City.

Charges for services are another major revenue source for the City's General Fund. General Fund agencies bill individuals, businesses and other City funds for various services, supplies and materials. Charges vary depending upon cost and are assessed to the individual or entity benefiting from the provision of a specific service, supply or material.

Intergovernmental revenues received by the City include State grants and other revenues. Various highway taxes and fees collected by the State are shared with local governments including the City. Currently, a portion of the State-imposed cigarette tax and wholesale marijuana tax is also shared with the City and included in intergovernmental revenues.

Major Expenditure Categories. The General Fund accounts for all expenditures normally associated with basic municipal functions. Expenditures in the General Fund include: General Government; Public Safety; Public Works; Health; and Parks and Recreation and Cultural Facilities. The largest portion of the 2017 revised expenditure budget (39.1%) was allocated to Public Safety, which is primarily responsible for administering police, fire and the sheriff's departments' services. For the 2018 adopted Budget, Public Safety represents 38.6% of the General Fund.

Management Discussion of 2018 Budget

The 2018 Budget, adopted in November 2017, projected total General Fund revenue of $1.3 billion in 2018, an increase of approximately $49 million or 3.8% over the 2017 revised budget due primarily to growth in sales and property tax revenues and to a lesser extent, an increase in General Government revenue. Core sales and use taxes (defined as sales and use tax revenue excluding audit revenues, aviation fuel, and Stapleton retained tax) are collected in accordance with the Denver Revised Municipal Code Section 53. Additionally, the City collects taxes that were not previously reported through routine audits ("audit revenues"). Core sales and use tax revenues are projected to increase 3.7% in 2018 driven by continued expansion of City's economy. General Fund expenditures are projected to grow to $1.4 billion in 2018, up by 5.4% over the revised 2017 appropriations, driven by significant expenditures in transportation and mobility projects, an expansion to affordable housing options and programs, increased emergency homeless services and facilities, increases to safety personnel and call staff, increased assistance for those experiencing behavioral health challenges, increased support of local business development, and increased expenditures for neighborhood parks, recreation centers, and libraries. Undesignated General Fund reserves are anticipated to be $211 million, or 15% of projected expenditures, by the end of 2018. For a copy of the 2018 Budget, visit www.denvergov.org/budget.

Litigation Update

The City is party to numerous pending lawsuits, which it may be required to pay certain amounts upon final disposition of these matters. Generally, the City is self-insured, except for the City's Airport System.

For Fiscal Year 2017, the City Attorney's office has received an appropriation of approximately $2.0 million in addition to any unspent amounts from the 2016 appropriation, for payment of claims and judgments for items not paid by existing insurance. The City anticipates additional claims could be filed that may require a request for the City Council to transfer additional funds into the claims account in excess of the amounts described above.

The City is one of several hundred localities nationwide selected by the Department of Justice's Project Civic Access for an Americans with Disability Act ("ADA") compliance review. In 2012, Project Civic Access conducted a compliance review of City facilities. In 2014, the City received the results of the compliance review and engaged with Project Civic Access to identify and agree on necessary public improvements. The City reached an agreement with the Department of Justice, in January 2018, for a process to fund necessary improvements that have been identified in the agreement and the City expects to request funds necessary for such improvements through the City's ordinary budgeting process.

Related to the Airport Enterprise, the City and the County of Adams, Colorado ("Adams County"), the county from which land for the Denver International Airport ("Airport") was annexed into the City, entered into an Intergovernmental Agreement on a New Airport, dated April 21, 1988 (the "Adams County IGA") that, among other things, governs land use in and around the Airport and establishes maximum levels of noise (the "Noise Standards") at 101 grid points in the vicinity of the Airport. The Adams County IGA also establishes a noise contour for the Airport beyond which the City agrees to keep aircraft noise below certain levels. On July 2, 2018, the Board of County Commissioners of Adams County filed a civil complaint against the City in the Jefferson County District Court of the State of Colorado (which was amended on July 20, 2018 to include the City of Aurora and the City of Brighton as plaintiffs) asserting various claims of violation of the Adams County IGA related to the Noise Standards and noise contour. Additionally, the City received Notices of Violation from Adams County and certain other cities dated July 2, 2018, asserting certain violations by the City for 2014 through 2017 and claiming a noise mitigation payment for certain violations of $84,000,000 plus interest. The City has filed an answer and counterclaims and intends to vigorously defend against all claims alleged in the Complaint. To the extent the City becomes obligated to pay all or a portion of any noise mitigation payments, the City expects to include such amounts in its calculation of future airlines rates and charges. For additional information relating to this litigation, see the Official Statement prepared by the City in connection with the issuance of the $2,341,710,000 Airport System Subordinate Revenue Bonds, Series 2018A (AMT) and $184,365,000 Airport System Subordinate Revenue Bonds, Series 2018B (Non-AMT), available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system.

Related to the Wastewater Enterprise, in a complaint titled MacFarlane v. City and County of Denver, et al., Plaintiff sought declaratory and injunctive relief to prevent the City from re-grading a portion of City Park Golf Course to detain storm water that currently comprises a portion of the Platte to Park Hill Stormwater Systems program (see "WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan for more information regarding the program), while continuing to provide recreational opportunities. Trial began on August 21, 2017, and concluded on August 24, 2017. The court ultimately ruled in favor of the City, finding that the City is authorized to undertake the project for wastewater and flood control purposes.

Additionally, the City received a "Notice of Claim" letter, as required under C.R.S. §24-10-109 of the Colorado Governmental Immunity Act as defined below under the subsection header "--Governmental Immunity", containing various and several allegations against the Wastewater Management Division, however no complaint was timely filed and the Notice has become moot.

In respect of the Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, issued for the purpose of capital projects for the National Western Center and improvements to the Colorado Convention Center, the City is pursuing condemnation actions with property owners unwilling to sell for the National Western Center in the ordinary course. One condemnee was contesting the authority of the City to condemn the condemnee's property; however, the condemnee ultimately agreed to the authority of the City to condemn and reached a settlement as to the amount of just compensation...

Pursuant to State law and subject to constitutional limitations, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the City Council must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City is required to continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes.

Governmental Immunity

The Colorado Governmental Immunity Act, Title 24, Article 10, Part 1, C.R.S. (the "Immunity Act"), provides that, with certain specified exceptions, sovereign immunity acts as a bar to any action against a public entity, such as the City, for injuries which lie in tort or could lie in tort.

The Immunity Act provides that sovereign immunity is waived by a public entity for injuries occurring as a result of certain specified actions or conditions, including: the operation of a non-emergency motor vehicle (including a light rail car), owned or leased by the public entity; the operation of any public hospital, correctional facility or jail; a dangerous condition of any public building; certain dangerous conditions of a public highway, road or street; and the operation and maintenance of any public water facility, gas facility, sanitation facility, electrical facility, power facility or swimming facility by such public entity. In such instances, the public entity may be liable for injuries arising from an act or omission of the public entity, or an act or omission of its public employees, which are not willful and wanton, and which occur during the performance of their duties and within the scope of their employment. The maximum amounts that may be recovered under the Immunity Act, whether from one or more public entities and public employees, are as follows: (a) for any injury to one person accruing in any single occurrence before January 1, 2018, the sum of $350,000 and in an occurrence on or after January 1, 2018, the sum of $387,000; (b) for an injury to two or more persons accruing in any single occurrence, before January 1, 2018, the sum of $990,000 except in such instance, no person may recover in excess of $350,000 and in an occurrence on or after January 1, 2018,the sum of $1,093,000; except in such instance, no person may recover in excess of $387,000. The City may increase any maximum amount that may be recovered from the City for certain types of injuries. However, the City may not be held liable either directly or by indemnification for punitive or exemplary damages unless the City voluntarily resolves to pay such damages in accordance with State law. The City has not acted to increase the damage limitations in the Immunity Act.

The City may be subject to civil liability and damages including punitive or exemplary damages under federal laws, and it may not be able to claim sovereign immunity for actions founded upon federal laws. Examples of such civil liability include suits filed pursuant to Section 1983 of Title 42 of the United States Code, alleging the deprivation of federal constitutional or statutory rights of an individual. However, the Immunity Act provides that it applies to any State court having jurisdiction over any claim brought pursuant to any federal law, if such action lies in tort or could lie in tort.

TABLE 1

GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 REVISED BUDGET AND 2018 ADOPTED BUDGET
Prepared in Budgetary Format
($ in thousands)

	2017 Actual[1]	2017 Revised Budget	2018 Adopted Budget
REVENUES			
Taxes			
Property	$120,328	$118,569	$131,949
Sales and Use	656,531	646,236	670,773
Other	116,347	109,926	112,867
Intergovernmental Revenues	35,500	37,395	38,763
Licenses and Permits	64,601	56,708	51,871
Fines and Forfeitures	49,710	51,440	55,758
Charges for Services	194,569	208,279	214,784
Investment Income	9,185	9,468	11,274
Transfers In	43,125	40,819	40,081
Other Revenues and Financing Sources	18,553	8,235	8,346
TOTAL FINANCIAL SOURCES	1,308,449	1,287,075	1,336,466
EXPENDITURES			
General Government	309,591	381,609	402,859
Public Safety	561,995	518,867	539,967
Public Works	151,959	126,791	137,189
Health	54,045	47,148	47,667
Parks and Recreation	68,087	69,775	72,750
Cultural Activities	48,444	46,619	49,081
Debt Service	4,950		
Transfers Out	112,742	133,670	128,472
General Fund Contingency	-	18,584	34,458
Estimated Unspent Appropriation	-	(15,000)	(12,000)
TOTAL EXPENDITURES BUDGET	1,311,813	1,328,063	1,400,443
FUND BALANCES[2]			
Net Change in Fund Balance	(3,364)	(40,988)	(63,975)
Fund Balance January 1	397,423		
Fund Balance December 31	$394,059		
Undesignated Fund Balance January 1		316,570	275,582
Undesignated Fund Balance December 31	$264,124	$275,582	$211,605

1 The City's CAFRs and Budgets differ in reporting categories for certain revenues and expenditures, resulting in differences in some line item descriptions and totals.

2 For the 2017 CAFR, the City follows GASB 54, which clarifies existing fund type definitions. The CAFR lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds. The City's Budget Division does not use this methodology for the Budget, therefore Fund balances should only be compared within the budget columns.

(Sources: 2017 CAFR, Denver 2018 Budget)

TABLE 2

GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 REVISED BUDGET AND 2018 ADOPTED BUDGET
(by percentage)

	2017 Actual[1]	2017 Revised Budget	2018 Adopted Budget
REVENUES			
Taxes			
Property	9.2 %	9.2 %	9.9 %
Sales and Use	50.2	50.2	50.2
Other	8.9	8.5	8.4
Intergovernmental Revenues	2.7	2.9	2.9
Licenses and Permits	4.9	4.4	3.9
Fines and Forfeitures	3.8	4.0	4.2
Charges for Services	14.9	16.2	16.1
Investment Income	0.7	0.7	0.8
Transfers In	3.3	3.2	3.0
Other Revenues and Financing Sources	1.4	0.7	0.6
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government	23.6 %	28.7 %	28.8 %
Public Safety	42.8	39.1	38.6
Public Works	11.6	9.5	9.8
Health	4.1	3.6	3.4
Parks and Recreation	5.2	5.3	5.2
Cultural Activities	3.7	3.5	3.5
Debt Service	0.4	-	-
Transfers Out	8.6	10.1	9.2
General Fund Contingency	-	1.4	2.5
Estimated Unspent Appropriations	-	(1.2)	(1.0)
TOTAL EXPENDITURES BUDGET	100.0 %	100.0 %	100.0 %

1 The City's CAFRs and Budgets differ for certain revenues and expenditures. Accordingly, there may be differences in some line item descriptions and totals.

(Sources: 2017 CAFR, Denver 2018 Budget)

Management Discussion of Recent Financial Results

2013. General Fund core revenue collections of sales and use tax (see Management Discussion of 2018 Budget for "core sales and use tax" definition), not including audit revenues, were 7.5% higher than 2012 primarily as a result of a recovering economy following the economic downturn. Including audit revenues, total sales and use tax revenue collections for the General Fund were 9.2% higher than 2012. Total 2013 revenues performed 10.4% over 2012. With respect to expenditures, City departments saved over $17 million from the revised 2013 budget, adjusted for the passage of ballot measure 2A in November 2012. See also "Constitutional Revenue and Spending Limitations." This was due to expected unspent appropriations, in large part by achieving savings measures put in place to respond to the recession, including compensation savings and equipment replacement deferrals. Total General Fund expenditures, including transfers out, increased by 5.1% from 2012, primarily driven by personnel cost increases and transfers to other funds.

2014. Core revenue collections of sales and use tax, not including audit revenues, were 11.7% higher than 2013 primarily as a result of the continued robust recovery of the economy. Including audit revenues, total sales and use tax revenue collections for the General Fund were 12.7% higher than 2013. Total 2014 revenues performed 8.6% over 2013. With respect to budget basis expenditures, City departments saved $43.6 million due to achieving expected unspent appropriations, due in large part to payroll savings. Total General Fund expenditures, including transfers out, increased by 9.8% from 2013, primarily driven by personnel cost increases.

2015. Core revenue collections of sales and use tax, not including audit revenues, were 3.9% higher than 2014. Including audit revenues, total sales and use tax revenue collections for the General Fund were 4.8% higher than 2014. Total 2015 revenues performed 7.1% over 2014. With respect to budgeted expenditures, City departments saved $54.6 million from the revised 2015 budget due to achieving unspent appropriations and return of contingency funds in 2015. Total General Fund expenditures, including transfers out, increased by 10.3% from 2014, primarily due to personnel cost increases and transfers between City funds.

2016. Core revenue collections of sales and use tax, not including audit revenues, were 6.5% higher than 2015. Audit revenues decreased year-over-year in 2016. For the General Fund, total sales and use tax revenue collections were 5.4% higher than 2015 including audit revenues. Total 2016 revenues performed 2.8% over 2015. With respect to budgeted expenditures, City departments saved $72.7 million from the revised 2016 budget due to achieving unspent appropriations and return of contingency funds in 2016. Total General Fund expenditures, including transfers out, increased by 10.3% from 2015, primarily due to personnel cost increases and transfers between City funds.

2017. Core revenue collections of sales and use tax, not including audit revenues, were 6.3% higher than 2016. Audit revenues increased in 2017. For the General Fund, total sales and use tax revenue collections were 7.0% higher than 2016 including audit revenues. Total 2017 revenues were 5.7% higher than in 2016. Excluding a one-time legal settlement related to online travel companies, total 2017 revenues were 4.9% higher than in 2016. With respect to budget, City departments saved $34.0 million from the revised budget by achieving savings in compensation and contingency categories. Total General Fund expenditures, including transfers out, increased by 5.8% from 2016, primarily driven by personnel cost increases and transfers between City funds.

General Fund Financial Information

The following pages include Table 3, General Fund Balance Sheet and Table 4, General Fund Statement of Revenues, Expenditures and Changes in Fund Balance for 2013 through 2017.

TABLE 3

CITY AND COUNTY OF DENVER
GENERAL FUND BALANCE SHEET
For the years ending December 31
($ in thousands)

ASSETS	2013	2014	2015	2016	2017
Cash and cash equivalents	$195,214	$270,048	$273,039	$274,060	$286,222
Cash on hand	143	140	117	1,156	921
Receivables (net of allowances for uncollectibles):					
Taxes	170,018	180,913	185,474	189,709	203,890
Notes	2,804	2,785	430	2,589	2,822
Accounts	20,109	19,541	21,999	24,642	19,877
Accrued interest	1,440	1,876	1,973	1,902	2,025
Interfund receivable	12,528	9,077	12,436	11,608	13,530
Prepaid items and other assets	268	425	2,890	7,215	2,983
Restricted assets:					
Cash and cash equivalents	48,203	51,218	65,283	68,115	71,295
Assets held for disposition	11,436	11,436	-	-	-
TOTAL ASSETS	$462,163	$547,459	$563,641	$580,996	$603,565
LIABILITIES					
Vouchers payable	$17,037	$19,921	$19,240	$27,539	$42,799
Accrued liabilities	32,423	35,582	15,882	19,620	19,609
Due to other funds	274	266	556	528	501
Interfund Payable	2,122	3,548	36	24	1,763
Deferred revenue	122,972	124,126	133,702	134,787	144,616
Advances	-	-	25	1,075	218
TOTAL LIABILITIES	$174,828	$183,443	$169,441	$183,573	$209,506
FUND BALANCE					
Nonspendable	268	425	2,890	7,215	2,979
Restricted	62,443	65,439	65,713	68,114	71,295
Committed	23,594	30,388	32,121	50,964	55,661
Unassigned	201,030	267,764	293,476	271,130	264,124
TOTAL FUND BALANCE	287,335	364,016	394,200	397,423	394,059
TOTAL LIABILITIES AND FUND BALANCE	$462,163	$547,459	$563,641	$580,996	$603,565

(Source: City and County of Denver's CAFR, 2013 - 2017)

TABLE 4

CITY AND COUNTY OF DENVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31
($ in thousands)

REVENUES	2013	2014	2015	2016	2017
Taxes:					
Property	$108,522	$112,120	$107,198	$116,009	$120,328
Sales and Use	493,002	555,428	581,922	613,617	656,531
Other	85,816	94,124	100,704	104,291	116,347
Licenses and Permits	42,916	48,425	59,909	59,593	64,601
Intergovernmental Revenues	27,669	31,647	33,240	34,414	35,500
Charges for Services	167,864	169,047	189,573	193,659	194,569
Investment Income	1,890	7,499	7,388	8,308	9,185
Fines and Forfeitures	54,818	51,954	52,989	48,893	49,710
Other Revenues	10,314	8,233	16,443	10,666	14,393
TOTAL REVENUES	$992,811	$1,078,477	$1,149,366	$1,189,450	$1,261,164
EXPENDITURES					
Current:					
General Government	181,635	211,460	230,258	259,959	276,941
Public Safety	475,654	500,627	518,800	539,428	561,995
Public Works	98,178	129,111	121,516	135,073	151,959
Health and Human Services	44,636	48,957	49,301	53,051	54,045
Parks and Recreation	55,279	57,476	57,914	64,534	68,087
Cultural Activities	39,192	41,064	44,213	45,416	48,444
Community Development	15,998	18,152	21,515	29,464	32,463
Economic Opportunity	574	527	601	558	187
Obligation Retirement	4,785	7,506	5,995	5,904	4,950
TOTAL EXPENDITURES	$915,931	$1,014,880	$1,050,113	$1,133,387	$1,199,071
Excess of Revenues Over Expenditures	76,880	63,597	99,253	56,063	62,093
OTHER FINANCING SOURCES (USES)					
Other	305	19,039[1]	772	564	4,160
Operating Transfers In	38,589	46,045	56,366	51,333	43,125
Operating Transfers Out	(55,287)	(52,000)	(126,207)	(104,737)	(112,742)
TOTAL OTHER FINANCING SOURCES (USES)	(16,393)	13,084	(69,069)	(52,840)	(65,457)
Net Change in Fund Balances	60,487	76,681	30,184	3,223	(3,364)
Fund Balance - January 1	226,848	287,335	364,016	394,200	397,423
Fund Balance - December 31	$287,335	$364,016	$394,200	$397,423	$394,059

1 Amount includes $18,763,065 of Other Financing Sources related to the execution of non-certificated capital equipment leases for the lease purchase of public works fleet in 2014.

(Source: City and County of Denver's CAFR, 2013 - 2017)

Collection of Taxes

The City Charter provides that the Manager of Finance/Chief Financial Officer shall collect taxes in the same manner and at the same time as State taxes are collected. All laws of the State for the assessment and collection of general taxes, including laws for the sale of property for taxes and the redemption of the same, apply to the City, except as modified by the City Charter.

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately 50% of the General Fund revenues. For 2017 and 2018, a general sales tax of 3.65% was imposed on the sale of all tangible personal property not specifically exempted and on certain services and a general use tax of 3.65% was also imposed on the storage, use and consumption of tangible personal property not specifically exempted. The City's practice is to account for sales and use taxes on a combined basis.

The sales and use tax rate includes a 0.15% portion authorized by voters to fund increased access to and quality of preschool programs for the City and is only available for the described purposes and cannot be used for General Fund purposes through 2026.

The general sales and use tax and the preschool tax are imposed on all medical marijuana sales and, effective January 1, 2014, an additional 3.5% special tax is imposed on all retail recreational marijuana sales, proceeds of which are deposited in the General Fund for expenditures authorized in the Denver Revised Municipal Code, which include, among other things, expenses related to the licensing and regulation of the retail marijuana industry and, generally, the expenses of operating and improving the City and its facilities.

The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES
EFFECTIVE FOR 2017[5]

Taxation of Certain Goods or Services	City Tax Rate
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.65%[1,2]
Retail marijuana special sales tax	3.5%[3]
Prepared food and drink	4.0%
Aviation fuel	$0.04 per gallon
Automobile rental for thirty (30) days or less	7.25%
Lodging for thirty (30) days or less	10.75%[4]

[Footnotes on next page]

1 Includes a 0.15% portion dedicated to increasing access to and quality of preschool programs for City residents. The revenue from this portion of the sales tax is only available for such purpose, and cannot be used for General Fund revenue.

2 Revenue from this tax collected in 2015 exceeded the estimated revenue set forth in the 2014 ballot measure and the limitations of TABOR; however, in November 2016, Denver voters authorized the City to retain and spend all 2015 tax revenues derived from this special tax, as well as continue to impose and collect the tax as previously applied.

3 A maximum tax of 15% was approved by voters to be imposed as a tax on the sale of retail marijuana and marijuana products. As of December 31, 2017, a retail marijuana tax rate of 3.5% was imposed. City Council approved the increase of the retail marijuana tax rate from 3.5% to 5.5% effective as of October 2018. The additional tax revenue generated from the 2.0% tax rate increase is required to support affordable housing.

4 In addition to the 10.75% Lodger's Tax imposed by the City, at an election held in 2017, certain hoteliers in Denver approved the creation of the Denver Tourism Improvement District (the "TID"), which imposes an additional hotel and lodger's tax of 1.0% on every hotel within the City limits with 50 or more rooms. The purpose of the additional lodger's tax is to contribute to an increase in marketing services provided by Visit Denver and to contribute to tourism-related capital improvements, including improvements at the Colorado Convention Center. Collection of this tax started January 1, 2018.

5 City Council has referred a measure to the November 2018 ballot for a 0.25% sales and use tax to fund Denver parks, trails, and open space. Additional citizen-initiated measures for the November 2018 ballot include a 0.25% sales and use tax for mental health services and substance abuse prevention, a 0.08% sales and use tax for college scholarships, and a 0.08% sales and use tax to improve availability of healthy food for children.

The above General Fund Sales and Use Tax Rates effective for 2017 reflect the City's total tax rate for goods and services as set forth; however, portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax are reflected in the General Fund's Sales and Use Tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Excise Tax/Dedicated Tax Revenue bonds and recorded in other Funds.

Table 5 reflects the City's General Fund sales and use tax collections for the past ten years.

TABLE 5

GENERAL FUND SALES AND USE TAX REVENUES
2008 – 2017
($ in thousands)

Year	Revenues[1]	Percent Change
2008	$430,928	3.05%
2009	387,838	(10.00)
2010	409,816	5.67
2011	441,187	7.65
2012	451,352	2.30
2013	493,002	9.23
2014	555,428	12.66
2015	581,922	4.77
2016	613,617	5.45
2017	656,531	6.99

1 Revenues include amounts received from audit revenues.

(Source: Department of Finance)

Property Taxation

Assessed Valuation. The assessed value of real property for tax purposes is computed using statutory actual values as determined from manuals published by the Administrator of the State Division of Property Taxation and from data developed by the Chief Financial Officer, *ex officio* Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 2008 through 2017.

TABLE 6

STATE PROPERTY APPRAISAL METHOD

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2009	2008	June 30, 2006	January 1, 2005 to June 30, 2006
2010	2009	June 30, 2008	January 1, 2007 to June 30, 2008
2011	2010	June 30, 2008	January 1, 2007 to June 30, 2008
2012[1]	2011	June 30, 2010	July 1, 2008 to June 30, 2010
2013	2012	June 30, 2010	July 1, 2008 to June 30, 2010
2014	2013	June 30, 2012	July 1, 2010 to June 30, 2012
2015	2014	June 30, 2012	July 1, 2010 to June 30, 2012
2016	2015	June 30, 2014	July 1, 2012 to June 30, 2014
2017	2016	June 30, 2014	July 1, 2012 to June 30, 2014
2018	2017	June 30, 2016	July 1, 2014 to June 30, 2016

1 Beginning in 2012, the City instituted a policy change already authorized by law to utilize a 24 month valuation period instead of an 18 month valuation period in order to provide more stability, accuracy, and fairness in valuation. The dollar amounts of tax collected during these years were accurately reported, it is only the methodology of valuation that changed.

(Source: Assessor's Office Division of the Department of Finance)

As of January 1, 1985, the State General Assembly was required to determine the percentage of the aggregate statewide valuation for assessment that is attributable to residential real property. For each subsequent year, the General Assembly was and is required to re-determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding any increased valuation for assessment attributable to new construction and increased oil and gas production. For each year in which there is a change in the level of value, the General Assembly is required to adjust the assessed valuation ratio for residential real property as necessary to maintain the previous year's percentage of aggregate statewide valuation attributable to residential real property. The Colorado General Assembly set the residential real property assessed valuation ratio at 7.96% of its statutory actual value for assessment years 2007 through 2016 and 7.20% beginning with the 2017 reassessment period. All other taxable property (with certain specified exceptions) has had an assessed valuation ratio throughout these tax years of 29% of statutory actual value.

The City's assessed valuation is established by the Assessor of the City, except for public utility property, which is assessed by the Administrator of the State Division of Property Taxation. Property taxes are levied on all real and personal property, except certain categories of exempt property. Classes of property not subject to property taxes include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; property of school districts; property used as an integral part of a licensed school childcare center, inventories of merchandise and supplies that are held for consumption by a business or are held primarily for sale; agricultural and livestock products; agricultural equipment; property used for religious or charitable purposes; and noncommercial personal property.

Property Taxes. Property taxes are due January 1 of each year. They may be paid in full on or before April 30 or in two equal installments, the first due the last day of February and the second due June 15. The first half becomes delinquent after the last day of February. The second half becomes delinquent after June 15. If the entire tax is paid at one time on or before April 30, no interest is charged.

Delinquent general property taxes draw interest where the following circumstances exist. If the first installment is not paid by the last day of February, penalty interest accrues at the rate of 1% per month from March 1 until June 16 or to the date of payment if such installment is paid prior to June 16. After June 15, the entire tax becomes delinquent and accrues interest at the rate of 1% per month until the date of payment, which penalty interest is in addition to any penalty interest which may have accrued on the same taxes prior to June 16. If the full amount of taxes is paid in a single payment after the last day of April, interest is added to the full amount of taxes due in the amount of 1% per month and accrues from the first day of May until the date of payment.

The Treasurer is empowered to sell at public auction property upon which levied taxes remain unpaid, after due process of law. Tax lien sales are held in November of the year in which the taxes become delinquent. All tax certificates not sold to buyers at the annual tax lien sale are bid on by the City. Property that thereby becomes the property of the City or another taxing entity is removed from the tax rolls. Three years after the date of sale, a tax deed may be issued by the Treasurer for unredeemed tax certificates.

The City Charter imposes a tax limit of 15 mills for all general municipal purposes. This limit does not apply to taxes levied for the payment of general obligation bonded indebtedness, to fund the City's Social Services Fund, to provide for fire and police pensions, to fund a City program for the developmentally disabled or taxes levied pursuant to a voter authorized 2.5 mill levy increase dedicated for deferred capital maintenance. State case law permits the City to impose an additional General Fund levy for functions ordinarily performed by counties in the State. Current State statutes limiting mill levies imposed by counties do not apply to the City.

Table 7 sets forth the mill levies for the City, School District No. 1, and the Urban Drainage and Flood Control District for the last five levy years. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" for a discussion of mill levies attributable to other taxing entities which overlap or partially overlap the boundaries of the City.

TABLE 7

CITY AND COUNTY OF DENVER
CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS[1]
(by year assessed)

Taxing Entity	2013	2014	2015	2016	2017
City and County of Denver:					
General Fund	10.458	10.436	8.989	8.943	7.888
Bond Principal Fund	4.330	4.100	5.433	7.433	7.000
Bond Interest Fund	4.103	4.333	3.000	1.000	1.433
Social Services	4.480	4.470	3.849	3.835	3.380
Developmentally Disabled	1.021	1.016	1.012	1.010	1.010
Fire Pension	1.572	1.568	1.350	1.345	1.185
Police Pension	1.875	1.870	1.610	1.604	1.413
Capital Maintenance[2]	2.553	2.542	2.534	2.528	2.526
Capital Improvement	2.727	2.720	2.342	2.333	2.056
Affordable Housing[3,4]	0.000	0.000	0.000	0.500	0.442
TOTAL DENVER MILL LEVY	33.119	33.055	30.119	30.531	28.333
School District No. 1	49.299	49.299	47.397	50.396	48.244
Urban Drainage and Flood Control District	0.672	0.700	0.611	0.620	0.557
TOTAL MILL LEVY:	83.090	83.054	78.127	81.547	77.134

Note: A mill equals one-tenth of one percent of assessed valuation.

1 The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City's boundaries. For "Overlapping Taxing Districts with General Obligation Debt" see Table 17 under "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities."

2 A levy in excess of the 2.5 mills approved by voters is allowable due to prior year refunds and abatements.

3 In 2016, in addition to an affordable housing linkage fee applicable to new construction, the City Council approved a dedicated mill levy to support affordable housing development and preservation, for collection beginning on January 1, 2017. See footnote 4 below for affordable housing information.

4 In August 2018, the City proposed a new revenue framework for Affordable Housing to City Council, which includes a new Intergovernmental Agreement ("IGA") with Denver Housing Authority ("DHA"). Under the IGA, the City will seek to annually appropriate to DHA the current 0.442 mills in property taxes, dedicated to the Affordable Housing Fund, for 20 years. DHA intends to bond against the mills; proceeds of approximately $105 million are anticipated to support the creation and preservation of affordable housing units throughout the City.

(Source: CAFR)

Table 8 summarizes the statutory actual and assessed valuation of property in the City and taxes levied and collected by the City for the last five assessment years. Collection data is reported as of December 31, 2017.

TABLE 8

PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS
($ in millions)

ACTUAL AND ASSESSED VALUATION:	**2013**	**2014**	**2015**	**2016**	**2017**
Statutory Actual Valuation (est.)[1]	$79,581	$80,891	$100,204	$105,773	$134,744
Assessed Valuation:					
Real Property – Land	$3,252	$3,218	$4,514	$4,506	$5,671
Real Property – Improvement	6,441	6,564	8,220	8,406	10,064
Personal Property	742	765	826	827	888
Public Utilities	829	838	824	921	925
Total Assessed Valuations[2]	$11,264	$11,385	$14,384	$14,660	$17,548
Total Assessed Valuation Percentage Change[3]	4.71%	1.07%	26.35%	1.91%	19.71%
LEVIES AND COLLECTIONS:[2,4,5]					
Taxes Levied:	$310,922	$312,314	$360,103	$372,011	$427,059
Total Collections	$306,893	$308,808	$348,477	$369,940	N/A
Total Collections at Year End (as Percentage of Original Levy)	98.70%	98.88%	96.77%	99.44%	N/A

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1 Colorado statutes establish property valuation methods with actual valuation representing estimated appraisal value before the respective assessment ratios are applied. In general, an income and expense value is used for commercial property, and market value is used for residential property.

2 This includes the assessed valuation attributable to Tax Increment Finance Districts, a portion of which is attributable to DURA and DDDA. Incremental assessed valuation attributable to DURA and the DDDA were the following amounts: $781,793,064 for levy year 2013; $818,799,594 for levy year 2014; $1,149,380,667 for levy year 2015; $1,141,847,073 for levy year 2016; and $962,347,864 for levy year 2017. Figures listed for taxes levied and collected are net of amounts paid to DURA and DDDA. See "DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities."

3 Changes in assessed valuations for the years shown are due in part to changes in the years used to compute values which occur every two years and adjustments attributable to a legislative extension of time permitted for appeals of assessed values. See "Property Taxation – Assessed Valuation" and Table 6 above.

4 The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2017 are collected in 2018.

5 Total collections represent City retained collections, therefore, figures do not include mills levied for the Fire Pension and Police Pension funds, School District No. 1, or Urban Drainage and Flood Control District.

(Source: Department of Finance)

Assessed Valuation of Major Taxpayers. Table 9 lists the major property taxpayers based on assessed valuations for the 2017 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2017
(FOR COLLECTION IN 2018)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Public Service Co.	Utility	$281,847	1.61%
Brookfield Office Properties	Real Estate	244,372	1.39
Invesco Realty Advisers Inc.	Real Estate	159,599	0.91
CenturyLink Communications	Utility	148,688	0.85
Ivanhoe Cambridge Inc.	Real Estate	141,701	0.81
Franklin Street Properties	Real Estate	130,296	0.74
UBS Realty Investors	Real Estate	128,054	0.73
Beacon Capital Partners	Real Estate	126,543	0.72
Taubman Centers Inc.	Real Estate	111,836	0.64
Columbia-Healthone	Health Care	108,776	0.62
TOTAL:		$1,581,712	9.02%

1 Based on a 2017 assessed valuation of $17,548,347,337. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and DDDA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY-Overlapping Debt and Taxing Entities."

(Source: Assessor's Office Division of the Department of Finance)

DEBT STRUCTURE OF THE CITY

General Obligation Debt

General Obligation Bonds ("GO") are backed by the full faith and credit of the City and are payable from ad valorem property taxes and other general revenues. Except for refunding bonds issued to achieve savings, Denver voters must approve general obligation debt prior to issuance. Under the City Charter, general obligation bonded debt is subject to a limitation of three percent (3%) of the actual value of the taxable property within the City.

In November 2017, the City's voters approved seven ballot questions authorizing GO debt in the aggregate principal amount of $937,418,500. In June 2018, the City issued Series 2018A General Obligation Bonds in the aggregate principal amount of $193,000,000; from this authorization leaving $744,418,500 in authorization remaining.

The following schedule sets forth the computation of the General Obligation debt margin of the City as of December 31, 2017.

COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN
($ in thousands)

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2017	$ 134,744,419
Maximum general obligation debt, limited to 3% of actual valuation	4,042,333
Less outstanding bonds chargeable to limit[1]	661,776
LEGAL DEBT MARGIN – December 31, 2017	$ 3,380,557

1 This figure represents outstanding gross principal of the City's General Obligation Bonds. It differs from the Debt Margin calculation in the City's CAFR because that figure uses outstanding principal net of the Debt Service fund balance as of December 31, 2017, allocated to Bond Principal in the amount of approximately $29.9 million. Amounts in the Debt Service fund may be applied to both principal and interest of General Obligation Bonds.

As of December 31, 2017, the City had outstanding general obligation bonds in the aggregate principal amount of $661,775,500, which does not include accrued interest of $7,763,617 on compound interest bonds. See Table 10 below.

Outstanding General Obligation Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2017.

TABLE 10
OUTSTANDING GENERAL OBLIGATION DEBT
($ in thousands)

Issue	Original Amount	Amount Outstanding
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007[1]	$8,861	$8,861
General Obligation Justice System Facilities Bonds, Series 2008[2]	174,135	94,615
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	66,350
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	305,835
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	56,010
General Obligation Refunding Bonds, Series 2013B1-2[3]	137,435	118,105
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A[4]	12,000	12,000
TOTAL[2]:	$869,911	$661,776

1 Amount excludes $5,774,197 of compound interest on the Series 2007 Capital Appreciation Bonds.
2 On June 27, 2018, the City issued $193,000,000 of General Obligation Elevate Denver Bonds, Series 2018A, and $67,905,000 General Obligation Justice System Facilities Refunding Bonds, Series 2018B. The Series 2018A Bonds were issued for the purpose of financing various civic facilities. The Series 2018B Bonds were issued to current refund, pay and discharge all of the City's outstanding General Obligation Justice System Facilities Bonds, Series 2008, maturing on and after August 1, 2019. Effective as of August 1, 2018, the outstanding General Obligation Justice System Facilities Bonds, Series 2008, will be legally defeased, thereby reducing the amounts outstanding to zero.
3 Direct bank placement; no official statement prepared.
4 Amount excludes $ 1,989,420 of compound interest on the Series 2014A Capital Appreciation Bonds.

(Source: Department of Finance)

The following schedule sets forth the debt service on the City's outstanding General Obligation Bonds as of December 31, 2017.

Year Ending December 31	Debt Service[1] ($ in thousands)
2018	$87,158
2019	70,558
2020	70,521
2021	70,477
2022	70,414
2023 through 2030, totaling	545,249

1 The City previously issued Taxable General Obligation Better Denver Bonds (Direct Pay Build America Bonds), Series 2010B. The amounts in this column do not include the cash subsidy payments related to the interest payable on the 2010B Bonds pursuant to the City's designation of the 2010B Bonds as "Build America Bonds." Because the subsidy is not included in the annual debt service totals, sequestration will not affect the numbers going forward.

The following schedules set forth certain debt ratios based on the City's actual and assessed valuations and General Obligation bonded debt as of December 31, 2017.

SUMMARY OF
DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
($ in thousands)

Total Direct General Obligation Bonded Debt	$661,776
Overlapping General Obligation Bonded Debt[1]	$1,668,092
Total Direct and Overlapping General Obligation Bonded Debt	$2,329,868
Actual Valuation	$134,744,419
Assessed Valuation[2]	$17,548,347

1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" below for information relating to other overlapping entities.

2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and DDDA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities."

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita[2]
Total Direct G.O. Bonded Debt	0.49%	3.77%	$941
Total Direct and Overlapping G.O. Bonded Debt[1]	1.73%	13.28%	$3,312

1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" below for information relating to other overlapping entities.

2 Based upon a 2017 population projection from the State Demography Office of 703,462. The 2017 CAFR uses a population estimate from the U.S. Census Bureau of 693,292.

Excise Tax/Dedicated Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds (which were redefined as "Dedicated Tax Revenue Bonds" effective 2016) are special and limited revenue obligations of the City, payable from a specific, dedicated source of revenue which does not pledge the full faith and credit of the City. Except for refunding bonds issued to achieve savings, Denver voters must approve these Revenue Tax debts prior to issuance. There are no City Charter limitations stipulating maximum revenue bond debt.

Colorado Convention Center and National Western Center. In 2001, the City issued Excise Tax Revenue Bonds, Series 2001A-B, in the amount of $261,500,000. The 2001A-B Bonds were issued to finance the expansion of the Colorado Convention Center ("CCC") and were subsequently refunded with the 2005A and 2009A Bonds, respectively. The 2005A and 2009A bonds were required to be repaid by pledged revenues consisting of portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax.

The total Lodger's Tax, imposed on the purchase price of hotel, motel and similar temporary accommodations in the City, is 10.75%. Of that amount, 3.25% is directed to the General Fund and 2.75% is contractually pledged to the privately-operated Denver Metropolitan Convention and Visitors Bureau; these portions of the tax revenues are not pledged for bond debt service with respect to the 2005A and 2009A Bonds. The remaining 4.75% of the Lodger's Tax was pledged to the repayment of the 2005A and 2009A Bonds related to the CCC improvements, consisting of a 3.0% portion (Pledged Lodger's Tax Base Revenues) that has no expiration date and a 1.75% portion (Pledged Lodger's Tax Increases) that was due to expire in 2023 upon the final maturity of the 2005A and 2009A Bonds.

The Auto Rental Tax, imposed on car rentals paid on the purchase price of short-term automobile rentals, is 7.25%. Of that percentage, 3.5% was directed to the General Fund and was not pledged for bond debt service with respect to the 2005A and 2009A Bonds. The remaining 3.75% of the Auto Rental Tax was pledged to the repayment of the 2005A and 2009A Bonds, consisting of a 2.0% portion (Pledged Auto Rental Base Revenues) that has no expiration date and a 1.75% portion (Pledged Auto Rental Tax Increases) that was due to expire in 2023 upon the final maturity of the 2005A and 2009A bonds.

The Food and Beverage Tax, imposed upon the purchase price of certain prepared food and beverages, is 4.0%. Of that amount, 3.5% is directed to the General Fund and is not pledged for bond debt service. The remaining 0.5% of the Food and Beverage Tax was pledged to the repayment of the 2005A and 2009A Bonds.

In November 2015, Denver voters approved the indefinite extension of each of the 1.75% Pledged Lodger's Tax and the 1.75% Auto Rental Tax Increases ("Excise Tax Increases") and authorized the issuance of up to $778 million of new Excise Tax Revenue bonds supported by pledged portions of the Lodger's, Food and Beverage, and Auto Rental Taxes for the purpose of financing tourism related projects for the National Western Center ("NWC") and for improvements to the CCC.

In April 2016, the City issued Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, in the principal amount of $397,310,000. As of December 31, 2017, a principal amount of $351,475,000 of the Series 2016 A-B Bonds remained outstanding. The bonds were issued to fund the initial costs of the NWC and CCC improvements as well as to advance refund and defease all of the outstanding 2005A and 2009A Bonds. The City pledged additional portions of revenues for the repayment of the 2016A-B Bonds that were not previously pledged to the repayment of the 2005A and 2009A Bonds. The previously unpledged 3.25% and 3.5% portions of the Lodger's Tax and Auto Rental Tax, respectively, have been pledged to the repayment of the 2016A-B Bonds.

In August 2018, the City issued Dedicated Tax Revenue Bonds, Series 2018A-B, in the principal amount of $299,999,983.80 to provide additional funding for the National Western Center. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of the Series 2016A-B Bonds or Series 2018 A-B Bonds.

The following table presents the City's calculation of the historic debt service coverage on the Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, for the years 2013 through 2017.

TABLE 11

HISTORY OF PLEDGED REVENUES AND DEBT SERVICE COVERAGE ON DEDICATED TAX REVENUE BONDS, SERIES 2016A-B[1] 2013-2017 ($ in thousands)

Fiscal Year	2013	2014	2015	2016	2017[3]
Excise Tax Increases					
Lodger's Tax Increase (1.75%)[3]	$10,340	$12,303	$13,410	$14,468	$18,386
Auto Tax Increase (1.75%)	8,247	9,532	10,163	10,910	10,962
Total Excise Tax Increases	18,587	21,835	23,573	25,378	29,348
Base Excise Taxes					
Base Lodger's Taxes (6.25%)[3]	35,328	42,153	46,061	49,771	63,665
Base Auto Taxes (5.50%)	25,919	29,958	31,940	34,288	34,308
Base Food and Beverage Taxes (0.50%)	13,564	15,202	16,350	17,164	18,619
Total Base Excise Taxes	74,811	87,313	94,351	101,223	116,592
Total Pledged Excise Taxes	$93,398	$109,148	$117,924	126,601	145,940
Estimated Combined Maximum Annual Debt Service Requirements on the Series 2016 Bonds [2]	$37,628	$37,628	$37,628	$37,628	$37,628
Pro-Forma Coverage	2.48x	2.9x	3.13x	3.36x	3.88x

1 The above coverage for the years 2013 through 2015 is for informational purposes as these years did not have the same base pledge as the Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B. The base pledged taxes during 2013 through 2015 were: Lodger's Tax imposed at a rate of 4.75%; Auto Rental Tax imposed at a rate of 3.75%; and Food and Beverage Tax imposed at a rate of 0.5%. The City pledged an additional Base Lodger's Tax rate of 3.25% and an additional Base Auto Rental Tax rate of 3.5% to the Series 2016A-B Bonds.

2 Represents the Combined Maximum Annual Debt Service Requirements on the Series 2016A-B Bonds ($37,627,880 in 2017).

3 Lodger's Tax for 2017 includes $9,989,000 from a one-time legal settlement with online travel companies.

(Source: Department of Finance)

Golf Enterprise Revenue Bonds

In 2005, the City designated the Golf Division of its Department of Parks and Recreation (the "Golf Enterprise") as an "enterprise" within the meaning of the State Constitution and established the Golf Division Enterprise Fund. The assets of the Golf Enterprise are owned by the City and the power to operate, maintain and control the Golf Enterprise is vested in the City's Department of Parks and Recreation. The Golf Enterprise is not authorized to levy any taxes in connection with the Golf Facilities, and changes to the rates, fees and charges collected by the Golf Enterprise are set by City Council acting by ordinance.

In March 2006, the City issued $7,365,000 of Golf Enterprise Revenue Bonds, Series 2005 on behalf of the Golf Division of its Department of Parks and Recreation. As of December 31, 2017, a principal amount of $1,865,000 of the Bonds remains outstanding. The Bonds were issued for the purpose of acquiring, maintaining, constructing, improving, installing and equipping certain City-owned golf facilities. The Bonds are special and limited obligations of the City payable solely from and secured by a first lien upon the pledged revenues of the Golf Enterprise from the operation of its golf facilities, which means all City-owned land, buildings, man-made structures, and equipment used to operate golf courses within the Golf Enterprise. The Bonds are also payable under certain circumstances from a reserve account and a rate maintenance account. The Wastewater Management Enterprise Fund ("Wastewater"), a division within the City's Department of Public Works, is working to implement stormwater improvements throughout the City, which include the Platte to Park Hill: Stormwater Systems program. A project within the Platte to Park Hill: Stormwater Systems program consists of integrating stormwater detention areas at City Park Golf Course. As a result, City Park Golf Course closed on November 1, 2017. Wastewater has entered into an interagency memorandum of understanding to reimburse Golf Enterprise for lost net revenue and specified expenses to the project during the time period that the City Park Golf Course is closed; no reimbursements were made in 2017. The City will continue to evaluate any impacts from this stormwater project. For more information regarding the program see "WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan."

Tables 12 and 13 summarize the debt service coverage ratios of the Golf Enterprise and the Golf Facilities, based upon the revenues and expenditures of the Golf Enterprise for the past five years. In 2013, Operation and Maintenance Expenses included a one-time accounting adjustment reflected as a non-cash charge of $617,324 to reflect prior years' accounting inconsistencies which required reconciliation. Calculated based upon Bond Ordinance 891, Series of 2005 (the "Golf Bond Ordinance"), the debt service coverage ratio for 2013 was 1.67. In 2014, Operation and Maintenance Expenses included a net non-cash charge of $1,318,108 related to a capital lease financing to acquire golf carts. Calculated based upon the Golf Bond Ordinance, the debt service coverage ratio for 2014 was 2.19. See "Accounting of Capital Assets" below.

Accounting of Capital Assets. As further described in the Notes to Basic Financial Statements in the City's 2015 CAFR, assets to be acquired pursuant to capital leases are to be recorded at the present value of future minimum lease payments and amortized over the shorter of the lease term or the estimated useful life of the asset. The City maintains an internally established capitalization threshold of $5,000 for the asset. Under the City's internally established policies, assets purchased under capital leases which fall below the capitalization threshold are to be fully expensed in the year purchased.

On December 31, 2009, the Golf Enterprise entered into a non-certificated capital lease financing transaction to acquire golf carts for a principal amount of $617,324. Because the total principal amount exceeded the City's capitalization threshold, this lease was accounted for by the Golf Enterprise as a capital asset which depreciated under the straight-line method over a 5 year useful life. However, the Office of the Controller uses a capitalization policy that assets must have a value over $5,000 on a per unit basis, and therefore the entire principal amount of the lease should have been expensed in 2009. This resulted in a one-time, non-cash charge of $617,324 taken in 2013 to correct the booking which had occurred in 2009. This lease was fully paid off in 2014.

On May 30, 2014, the Golf Enterprise entered into a non-certificated capital lease financing transaction to acquire golf carts for a principal amount of $1,318,108. This did not meet City's capitalization threshold on a per unit basis, and therefore resulted in a net non-cash expense of $1,318,108 in 2014. The full amount was expensed in 2014 as a non-cash charge in accordance with the Department of Finance capitalization policy and this amount was correctly reported in previous disclosures.

Table 12 below shows the calculation of the debt service coverage ratio from 2013 through 2017 based on audited CAFR figures which reflect the City's internally adopted threshold for accounting of capital assets.

TABLE 12

Historical Coverage Based on CAFR Figures

	2013	2014	2015	2016	2017
Operating Revenues	$9,521,319	$10,881,173	$10,542,563	$11,058,264	$11,962,883
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	9,761,722	11,121,576	10,782,966	11,298,667	12,203,286
Operation and Maintenance Expenses	9,231,856	10,935,965	9,450,590	9,852,543	10,240,379
Net Pledged Revenue	529,866	185,611	1,332,376	1,446,124	1,962,907
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	0.77	0.27	1.94	2.11	2.87

(Source: Denver Parks and Recreation)

Table 13 shows the City's calculation of the debt service coverage ratio from 2013 through 2017 utilizing the standard practice under GASB of depreciation of lease financed capital assets over the useful life of the asset. The allowance for depreciation is expressly excluded from Operation and Maintenance Expenses under the Golf Bond Ordinance. In addition, under the Golf Bond Ordinance, the one-time, non-current, non-cash charge taken in 2013 for prior accounting inconsistencies occurring in 2009 should be excluded from Operation and Maintenance Expenses.

TABLE 13

Historical Coverage Based on Golf Bond Ordinance

	2013	2014	2015	2016	2017
Operating Revenues	$9,521,319	$10,304,073	$10,542,563	$11,058,264	$11,962,883
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	9,761,722	10,544,476	10,782,966	11,298,667	12,203,286
Operation and Maintenance Expenses	8,614,532[1]	9,040,757[2]	9,450,590	9,852,543	10,240,379
Net Pledged Revenue	1,147,190	1,503,719	1,332,376	1,446,124	1,962,907
Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	1.67	2.19	1.94	2.11	2.87

1 2013 Operation and Maintenance Expense excludes a one-time, non-current, non-cash charge of $617,324 in Supplies and Materials Expenses to reflect prior years' accounting inconsistencies.

2 2014 Operation and Maintenance Expense excludes a non-cash expense of $1,895,208 in Supplies and Materials Expenses for the gross cost of leased golf carts that did not meet City's capitalization threshold. 2014 Operating Revenues excludes $577,100 of revenues reflecting the trade-in value of older golf carts related to the same lease. The net effect to Net Pledged Revenue is $1,318,108, equal to the principal amount of the 2014 golf cart capital lease financing.

(Source: Denver Parks and Recreation)

The following table sets forth comparative, operating results of the Golf Enterprise for Fiscal Years 2013 through 2017.

TABLE 14

City of Denver, Colorado – Golf Division Enterprise Fund - Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances.

	2013	2014	2015	2016	2017
Operating Revenues					
Golf Charges	$9,521,319	$10,289,915	$10,538,700	$11,028,217	$11,850,521
Other	-	591,258[3]	3,863	30,047	112,362
Total Operating Revenues	9,521,319	10,881,173	10,542,563	11,058,264	11,962,883
Operating Expenses					
Personnel Services	4,606,117	5,132,359	5,354,362	5,933,998	5,779,628
Contractual Services	350,022	614,338	1,009,942	822,742	1,032,521
Supplies and Materials	1,607,081[2]	3,050,851[4]	1,108,606	974,784	1,151,970
Depreciation Expense	1,002,716	1,120,810	1,132,992	1,163,438	1,142,687
Other Operating Expenses[1]	2,668,636	2,138,417	1,977,680	2,121,018	2,276,260
Total Operating Expenses	10,234,572	12,056,775	10,583,582	11,015,980	11,383,066
Operating Income (Loss)	(713,253)	(1,175,602)	(41,019)	42,284	579,817
Non-Operating Revenue (Expenses)					
Investment and Interest Income	(39,740)	50,380	28,050	309,660	24,758
Interest Expenses	(224,277)	(195,125)	(185,119)	(156,148)	(120,000)
Income(Loss)	(977,270)	(1,320,347)	(198,088)	195,796	484,575
Change in accounting position GASB 68[5]			(2,944,000)		
Net Assets – January 1	15,325,834	14,253,564	12,933,217	9,791,129	9,986,925
Net Assets – December 31	$14,348,564	$12,933,217	$9,791,129	$9,986,925	$10,471,500

1 Major costs include payments made to City for employee costs, Workers Compensation and payroll processing.
2 Supplies and Materials Expenses and Operating Income in 2013 impacted by a one-time, non-cash charge of $617,324 to reflect prior years' accounting inconsistencies.
3 Other revenue in 2014 includes $577,100 of revenues reflecting the trade-in value of older golf carts related to the purchase of new golf carts financed by a capital lease.
4 Supplies and Materials Expenses and Operating Income in 2014 impacted by a non-cash expense of $1,895,208 for leased golf carts that did not meet City's capitalization threshold.
5 In 2015, the City implemented GASB 68 relating to the accounting for pension obligations, which resulted in an adjustment of beginning net position as of January 1, 2015. For additional information on the impact of the implementation of GASB 68, refer to the 2015 CAFR.

(Source: Denver Parks and Recreation)

Usage of Courses and Multi-Year Green Fees. In addition to the usage of the Courses for golfing purposes, in 2017 the Golf Enterprise contracted to lease the Overland Golf Course for short-term concert use beginning in 2018. Usage of the courses of the Golf Facilities in the last full five years are represented in Table 15. Table 16 reflects the green fees in effect on December 31, 2017.

TABLE 15

Total Rounds Played

	2013	2014	2015	2016	2017
Aqua Golf[1]	13,935	13,363	16,171	17,080	19,643
City Park[2]	46,148	50,751	51,836	48,492	45,645
Evergreen	19,053	19,331	21,678	24,988	25,099
Harvard Gulch	28,275	27,671	31,924	30,583	31,165
Kennedy[3]	89,579	85,408	85,333	85,212	83,640
Overland	42,118	45,277	45,130	45,149	47,572
Wellshire	49,016	52,274	52,105	54,184	55,778
Willis Case	48,153	50,079	49,636	51,360	51,521
Total	336,277	344,154	353,813	357,048	360,063

1 This facility offers two separate 18 hole miniature golf courses and has a signature aquatic driving range.
2 City Park Golf Course closed on November 1, 2017, as a result of integrating stormwater detention areas. For more information, see "DEBT STRUCTURE OF THE CITY - Golf Enterprise Revenue Bonds."
3 Kennedy Golf Course has a miniature golf course; however, miniature golf rounds are not included in total rounds played.

(Source: Denver Parks and Recreation)

TABLE 16

Schedule of Green Fees[1] in effect on December 31, 2017 – Denver Golf Courses

Category of Play	City Park	Evergreen	Harvard Gulch[2]	Kennedy	Overland	Wellshire	Willis Case
18-Hole - Weekday	$29.00	$29.00	N/A	$29.00	$29.00	$29.00	$29.00
18-Hole - Weekend/Holiday	$41.00	$41.00	N/A	$41.00	$41.00	$41.00	$41.00
18-Hole - Senior (Weekday Only)	$23.00	$23.00	N/A	$23.00	$23.00	$23.00	$23.00
18-Hole - Junior (Weekday Only)	$14.00	$14.00	N/A	$14.00	$14.00	$14.00	$14.00
9-Hole - Weekday	$18.00	$18.00	11.00	$18.00	$18.00	$18.00	$18.00
9-Hole - Weekend/Holiday	$21.00	$21.00	11.00	$21.00	$21.00	$21.00	$21.00
9-Hole - Senior (Weekday Only)	$13.00	$13.00	8.00	$13.00	$13.00	$13.00	$13.00
9-Hole - Junior (Weekday Only)	$9.00	$9.00	7.00	$9.00	$9.00	$9.00	$9.00

1 The City charges the same fees for residents and non-residents.
2 Harvard Gulch is a 9-hole par 3 course.

(Source: Denver Parks and Recreation)

Overlapping Debt and Taxing Entities

The following information has been supplied by the overlapping entities described below and the City has not attempted to verify the accuracy thereof.

School District No. 1 in the City and County of Denver. School District No. 1 (the "School District") has identical boundaries with the City. As of December 31, 2016, the School District had $1,251,397,000 aggregate principal amount of general obligation bonds outstanding. In November 2016, Denver voters approved $572 million of general obligation bonds to build and improve schools. In January 2017, the School District issued $467 million of general obligation bonds. Upon this issuance, the School District has $105 million in authorization remaining from the Election. As of December 31, 2017, the School District had $1,668,092,000 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2017, the aggregate principal amount of such certificates outstanding was $1,014,490,000. In 2017, through June 30, the School District issued $46 million of certificates of participation. Neither the lease purchase agreements nor the related certificates executed and delivered by the trustees are considered debt or multiple-fiscal year financial obligations of the School District for State law purposes. The obligations of the School District to make lease payments for each year are subject to annual appropriations by the Board of Education. For more information, see "DEBT STUCTURE OF THE CITY – Outstanding General Obligation Debt."

Metro Wastewater Reclamation District. Metro Wastewater Reclamation District (the "Metro"), a governmental and political subdivision of the State, was organized in 1961 and currently includes the City and numerous other adjacent municipal units. Each municipal unit presently owns and operates a sewer system and voluntarily became part of the Metro in order to construct and operate a sewage disposal system in the Denver metropolitan area. Under service contracts with the Metro, each municipal unit is obligated to pay the Metro for the costs of services rendered (including debt service) based on usage of the Metro's facilities. Each municipal unit imposes taxes or charges sufficient to fund its share of Metro costs.

The City is meeting its obligation to the Metro from a sewer service charge collected from the System's users. The Metro assessed the City charges of $54,709,961 for 2017. The Metro had outstanding $562,640,000 aggregate principal amount of bonds as of December 31, 2017.

Regional Transportation District. The Regional Transportation District ("RTD"), a governmental and political subdivision of the State, was established in 1969, and currently includes the City, Boulder, City and County of Broomfield and Jefferson Counties and portions of Adams, Arapahoe, Weld and Douglas Counties. RTD is empowered to develop, maintain and operate a mass transportation system within its boundaries. RTD may levy up to one-half of one mill on all taxable property within the RTD for the payment of its expenses in situations of deficiencies, subject to the provisions of State constitutional revenue and spending limitations. RTD has not exercised its power to levy a general ad valorem property tax since 1976. At an election held within the RTD in 2004, voters approved an increase to the RTD's sales tax rate from 0.6% to 1.0% and authorized debt in the amount of $3.477 billion to be spent on the construction and operation of a transit expansion plan known as FasTracks. As of December 31, 2017, approximately $2.608 billion of FasTracks debt was outstanding. RTD also has $96,695,000 of principal outstanding on non-FasTracks debt and $1,176,697,512 of principal outstanding on certificates of participation related to various lease purchase and installment sales arrangements under which RTD is the lessee or purchaser.

Urban Drainage and Flood Control District. The Urban Drainage and Flood Control District (the "Drainage District"), a governmental and political subdivision of the State, was established in 1969 and includes the City and portions of Adams, Arapahoe, Boulder, Broomfield, Douglas and Jefferson Counties. The Drainage District was established to provide flood control and drainage facilities for the areas within the Drainage District. The Drainage District may levy up to 1/10 mill to defray engineering and operating expenses, up to 4/10 mill for construction costs and up to 4/10 mill for maintenance expenses. Beginning with taxes levied in 1986 and collected in 1987, a 1/10 mill for a special revenue fund for the South Platte River basin was authorized. Authorization for an additional levy may be obtained by voter approval. The Drainage District has no outstanding bonded indebtedness. Projects undertaken by the Drainage District to date have been financed from ad valorem taxes and local government matching contributions.

Other Overlapping Taxing Entities. There are a number of partially overlapping taxing districts, whose boundaries overlap the City or portions thereof, having general obligation debt in amounts which do not materially affect the ability of the City to pay debt service on its general obligation bonds. Assessed valuation and bond mill levy information for those taxing districts with general obligation debt outstanding as of December 31, 2017 is provided in the following table.

TABLE 17

CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2017

Taxing District	Assessed Valuation Attributable to Area Overlapping with Denver	% of Total Denver Assessed Value	2017 Mill Levy[4]
Adams County/ North Washington Fire[1]	$7,303,680	0.04%	16.733
Aviation Station #2[2]	2,115,350	0.01	53.000
Aviation Station #3[2]	380	0.00	53.000
Aviation Station #5[2]	30	0.00	10.000
Belleview Station Metro No 2[2]	39,586,130	0.23	50.554
BMP No 2 (debt)[2, 3]	26,564,240	0.15	15.200
BMP No 3[2, 3]	4,505,830	0.03	16.583
Bowles Metropolitan[1]	30,918,520	0.18	42.000
Broadway Station Metro No.3[2, 3]	5,267,350	0.03	6.000
Central Platte Valley Metro[2, 3]	208,341,430	1.19	28.250
Central Platte Valley Metro (debt)[2]	75,445,350	0.43	10.250
Cherry Creek North B.I.D.	294,065,090	1.68	15.642
Colo. Int. Center Metro No 14[2]	16,245,200	0.09	75.000
Denargo Market Metro No 2[2]	15,393,180	0.09	40.000
Denver Connection West Metro	3,158,300	0.02	50.000
Denver Gateway Center Metro	6,238,090	0.04	50.000
Denver Intl. Bus. Ctr Metro No 1	30,425,070	0.17	44.175
DUS Metro No 2[2, 3]	88,645,360	0.51	25.000
DUS Metro No 3[2, 3]	8,406,400	0.05	27.639
Ebert Metropolitan[2]	103,418,220	0.59	90.861
Ebert Metropolitan (debt)[2]	3,146,150	0.02	61.911
Gateway Regional Metro	73,452,570	0.42	16.000
Midtown Metro District	5,711,310	0.03	30.000
Mile High Business Center Metro	26,970,550	0.15	30.000
RiNo GID[3]	128,693,280	0.73	4.000
Sand Creek Metropolitan[1,2]	37,129,250	0.21	27.500
Sand Creek Metropolitan (debt)[1,2]	14,317,540	0.08	16.000
SBC Metro[3]	90,927,420	0.52	35.000
Section 14 Metro[1,2]	9,583,720	0.05	23.669
Section 14 Metro (debt Raccoon)[1,2]	3,762,240	0.02	13.812
Section 14 Metro (debt Fairmark)[1,2]	4,806,530	0.03	4.976
South Sloan's Lake Metro No 2[2, 3]	16,586,040	0.09	37.529
Southeast Public Impr Metropolitan[1]	332,073,140	1.89	2.000
Westerly Creek Metro[2]	512,131,970	2.92	60.217
Special District Total Assessed Value	$2,225,334,910	12.69%	
Denver Total Assessed Value[3]	$17,548,347,337		

1 District also has assessed value located in more than one county.

2 Includes related districts which have separate financing and taxing roles; financing districts may not be listed in the chart above due to insignificant assessed value.

3 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and DDDA and are not retained by the City.

4 The mill levy represented is the total mill levy for each respective district, not only the bond mill levy.

(Source: Assessor's Office Division of the Department of Finance, Department of Finance)

City Discretionary Support Payments

General The City has entered into agreements with several independent authorities in which the City, subject to annual appropriation, may be required to make certain contingent or discretionary payments. Those authorities may be component units of the City for accounting purposes; however, the City is not responsible for the repayment of any bonds or other obligations of the authorities. The City may enter into other agreements in the future.

Denver Convention Center Hotel Authority Discretionary Economic Development Payments The City created the Denver Convention Center Hotel Authority (the "DCCHA") for the express purpose of acquiring, constructing, equipping, operating and financing a convention center headquarters hotel, parking garage and supporting facilities across the street from the Colorado Convention Center. The DCCHA has issued various revenue bonds payable from hotel revenues and the hotel is mortgaged by the Authority to the bond trustee to secure the payment of those bonds. The City is not obligated to pay debt service on the DCCHA bonds. However, the City entered into an Economic Development Agreement with the Authority pursuant to which the City makes economic development payments related to the hotel's construction and operation. The agreement requires $11,000,000 of payments each year through 2040; those payments are subject to annual appropriation by the City. The Economic Development Agreement is subject to termination on each December 31 according to its terms.

Denver Urban Renewal Authority Contingent and Discretionary Payments The Denver Urban Renewal Authority ("DURA") has issued numerous series of tax increment revenue bonds secured by certain DURA tax increment revenues. With respect to one series of bonds (the "2010B-1 Bonds"), the City entered into a services agreement with DURA pursuant to which the City's Manager of Finance agreed to request that the City Council consider appropriating funds to replenish the reserve fund for the 2010B-1 Bonds in an amount not to exceed the maximum annual debt service payments (with a maximum of $12 million) to the extent that DURA's pledged revenues are not sufficient to pay debt service and amounts drawn from the reserve fund for the on the 2010B-1 Bonds. The City Council's decision to appropriate such funds is solely in the City Council's discretion. The 2010B-1 Bonds mature on December 1, 2025, and were outstanding in the aggregate principal amount of $56,126,000 as of December 31, 2017. The City Council has never been requested to appropriate funds under the services agreement.

Denver Union Station Project Authority Contingent and Discretionary Payments In 2001, the City and various other entities created the Denver Union Station Project Authority ("DUSPA") as a Colorado nonprofit corporation and instrumentality of the City for the purpose of financing, owning, constructing, operating and maintaining a multi-modal hub for the region's transit system at Denver Union Station. DUSPA obtained various loans and the City agreed, in the sole discretion of the City Council and subject to annual appropriation, to replenish one of the related reserve funds. The City Council was never requested to appropriate such funds. All of DUSPA's loans have been repaid and DUSPA was dissolved at year-end 2017.

PENSION PLANS

The City's career service employees are covered under the Denver Employees Retirement Plan ("DERP"). Employees of the police department and the fire department are covered by separate retirement plans affiliated with and administered by the Fire and Police Pension Association ("FPPA").

Denver Employees Retirement Plan

The following information is from 2017 Comprehensive Annual Financial Report (the "2017 CAFR") of DERP and has not been verified by the City.

DERP is a defined benefit plan. Its purpose is to provide retirement benefits to qualified members of the City and County of Denver and the Denver Health and Hospital Authority. DERP has separate legal standing and has no financial responsibility to the City. The assets of DERP are funds held in trust by DERP for the exclusive purpose of paying pension and certain postemployment health benefits to eligible members. DERP health benefits are described below under "OTHER POST EMPLOYMENT BENEFITS – DERP OPEB Plan."

The Denver Health and Hospital Authority ("DHHA") was established in 1996, and effective January 1, 1997, DHHA made contributions to DERP on behalf of its Denver Career Service Authority employees who were members of DERP.

DERP membership consisted of the following as of December 31, 2016 and 2017:

	2016	2017
Retirees and beneficiaries currently receiving benefits	9,302	9,644
Terminated employees entitled to benefits but not yet receiving such benefits	3,500	3,464
Current employees:		
Vested	5,104	4,978
Non-vested	3,877	4,114
TOTAL	21,783	22,200

DERP provides retirement benefits plus death and disability benefits. Members who were hired before July 1, 2011, and retire at or after the age of 65 (on or after age 55 if the sum of their age and credited years of service is at least 75) are entitled to an annual retirement benefit. For members hired before September 1, 2004, the annual retirement benefit is in an amount equal to 2.0% of their final average salary for each year of credited service, payable monthly for life. Effective for employees hired on or after September 1, 2004, the formula multiplier was reduced to 1.5%. Final average salary is based on the member's highest salary during a 36 consecutive month period of credited service. Members with 5 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

For members who were hired on or after July 1, 2011, the earliest they can retire is at the age of 60. In order to receive a normal, unreduced retirement prior to age 65, the sum of age added to credited years of service must equal at least 85. Final average salary is based on the member's highest salary during a 60 consecutive month period of credited service. Five-year vesting is required of all employees in order to qualify for a benefit, regardless of their age at the time of termination of employment.

Annual cost of living adjustments to retirement benefits are authorized only by vote of DERP's board of directors; however, no cost of living adjustment has been made since 2002. The estimated cost of benefit and contribution provisions is determined annually by an independent actuary, recommended by DERP's board of directors and enacted into ordinance by the City Council.

The following are DERP contribution requirements and dates on which contribution requirement changes took effect. Effective as of the first payroll after January 1, 2018, the City contribution (employer contribution) was increased to 12.50%. The employee contribution remained at 8.00%. Additional change in contribution would require a recommendation by DERP's board of directors to the City Council and enactment of an ordinance, but no ordinance has been filed with the City Council.

	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015	January 1, 2018
City Contribution	8.50%	9.50%	10.25%	11.00%	11.20%	11.50%	12.50%
Employee Contribution	4.50%	5.50%	6.25%	7.00%	7.30%	8.00%	8.00%
Total	13.00%	15.00%	16.50%	18.00%	18.50%	19.50%	20.50%

The total net plan assets were $2,082,001,911 and $2,300,253,563 as of December 31, 2016, and December 31, 2017, respectively. Per DERP, as of January 1, 2017, the most recent actuarial valuation, 69.5% of the plan's actuarial accrued liabilities were covered by actuarial value of assets and as of January 1, 2018, the date of the last actuarial valuation, 67.7% of the plan's actuarial accrued liabilities were funded by actuarial value of assets.

On October 2, 2017, City Council passed a bill approving changes, effective October 1, 2017, to the DERP governing ordinance, one of which was a requested change in the "actuarially assumed rate of investment return" for the plan, from 7.75% to 7.50%. This request was made "in light of work done by DERP's investment consultant indicating lower 10-year expected returns for the DERP-specific asset allocation." The other requested changes to this ordinance were non-substantive, technical changes. In July 2018, the DERP Board announced it would seek an increase of 1.08% in actuarily determined contribution due to mortality table changes approved by the DERP Board, but no ordinance has been filed with the City Council.

Fire and Police Pension Plans

All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978 ("New Hires") participate in the Statewide Defined Benefit Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the FPPA. Pursuant to Colorado Revised Statutes §31-31-701(2), which was deleted in 2014 as obsolete, full-time City firefighters and police officers in the classified service hired prior to April 8, 1978 ("Old Hires") participate in the City's Old Hire Fire and Police Pension Plans ("Old Hire Plans"), unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. The FPPA manages investments, and administers the contributions to, and distributions from, the Old Hire Plans. The City's Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

The City's contributions to FPPA Old Hire Plans, for the years ended December 31, 2017, 2016, and 2015, were $24,343,000, $18,088,000, and $34,889,000, respectively. For FPPA, covered employees under the New Hire Plan contribute at the rate of at least 8% of base salary. The City also made contributions for the years ended December 31, 2017, 2016, and 2015, to the New Hire Plan, in the amounts of $15,934,000, $15,648,000, and $15,299,000, respectively. Due to the implementation of the provisions of GASB 68 in 2015, the funded status of the FPPA Old Hire and New Hire Plans will no longer be disclosed. For additional information on the implementation of GASB 68, refer to the 2015 CAFR.

OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described above, the City provides health insurance benefits to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit benefit for the retirees in the plans. The City's contribution toward the implicit rate subsidy is based on pay-as-you-go funding for the retirees. The plans for eligible DERP and FPPA retirees are described below and at Note F in the "Other Note Disclosures" section of the City's 2017 CAFR.

DERP OPEB Plan

DERP retirees are responsible for 100% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of $12.50 per year of service for retired participants not eligible for Medicare and $6.25 per year of service for retirees eligible for Medicare. Per DERP's independently audited 2016 CAFR, 52.5% of the plan's accrued, OPEB liabilities were covered by valuation assets. Per DERP's Actuarial Valuation dated January 1, 2017, 50.40% of the plan's accrued, OPEB Retiree Medical Plan liabilities were covered by actuarial valuation assets.

OPEB for Collectively Bargained Agreements

The City has collectively bargained agreements with the Sheriff, Police, and Fire Departments employees. Each of those agreements provides for post employment benefits as individually negotiated. All collectively bargained agreements are of public record and available in the Clerk and Recorder's Office.

The Sheriff Department employees are treated as DERP employees for purposes of retirement including their post employment health benefits but have additional bargained benefits, including funeral expenses for death in the line of duty, within the collectively bargained agreement. Police and Fire Department employees or their survivors receive contractual payments for their respective non-City post employment health plans, funeral expenses, and statutorily required death and disability coverages.

LEASE PURCHASE AGREEMENTS

Certificated Lease Purchase Agreements

The City has entered into lease purchase transactions whereby an independent lessor sells Certificates of Participation ("COPs") which represent proportionate interests in the lessor's right to receive rentals and revenues paid by the City pursuant to lease purchase agreements executed to facilitate the financing of certain public capital projects. Neither the lease purchase agreements nor the COPs constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations. Under its various lease purchase agreements, the City has the right to appropriate or not appropriate the rental payments due for the then current fiscal year. In the event of nonappropriation, the respective lease purchase agreement terminates and the related COPs are then payable solely from the proceeds received by the trustee for the benefit of the owners of the COPs from specified remedies. If appropriated for the applicable fiscal year, the City has the obligation to pay the related lease agreement rentals for that fiscal year.

Certificated Lease Purchase Transactions. Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal portions of Base Rentals under these lease purchase agreements outstanding as of December 31, 2017, as well as the dates on which leased property is scheduled to be acquired by the City at the end of the term of the related lease purchase agreements, are summarized in Table 19.

TABLE 19

SCHEDULE OF CERTIFICATED LEASE PURCHASE TRANSACTIONS AND RELEASE DATES AS OF DECEMBER 31, 2017

Series	Outstanding Principal Amount	Leased Property	Date Leased Property Scheduled to be Acquired
2005A[1]	$5,075,000	Human Services Campus	May 1, 2020
2008A1-A3	211,585,000	Wellington E. Webb Office Building	December 1, 2031
2010A[2]	16,620,000	Central Platte Campus	December 1, 2030
2010B	8,750,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
2012A	4,180,000	Denver Cultural Center Parking Garage	December 1, 2021
2012C1-C3[2]	37,040,000	Denver Properties Leasing Trust	December 1, 2031
2013A	27,310,000	Buell Theatre	December 1, 2023
2015A	20,400,000	Blair-Caldwell African American Research Library, Fire Station Nos. 18, 19, and 22	December 1, 2034
2017A[2]	15,506,673	Denver Botanic Gardens Parking Facility	December 1, 2028
TOTAL	$346,466,673		

1 Through June 2016, the entire Human Services Campus was used by the City in its governmental functions. However, as Denver Human Services has modified its policies with respect to privatizing some services, the City has met its services obligations through contracts with non-profit service providers. As a result, the Family Crisis Center portion of the campus has been minimally-used in recent years. The City is currently reviewing alternative human services-related uses with the non-profit sector, under private-use guidelines, to optimize use of the former Family Crisis Center facility. To facilitate this direction the City conducted a TEFRA hearing in 2017.

2 Direct bank placements; no official statement prepared.

On August 21, 2018, the City executed and delivered $129,000,000 of Certificates of Participation, Series 2018A, to expand the existing Colorado Convention Center. The leased property is a portion of the Colorado Convention Center and is scheduled to be acquired on June 1, 2048.

(Source: Department of Finance)

Non-certificated Lease Purchase Agreements

The City may also enter into non-certificated capital lease purchase arrangements for the lease purchase of real property and equipment. As of December 31, 2017, the City was the lessee under various other capitalized lease agreements in a principal amount of $23,319,310 compared to $13,404,489 as of December 31, 2016. At the end of the final term of each such leases, the City expects to own the equipment which are the subject of such leases. The City in December 2017 completed its purchase of real property located at 4495 Jason Street, Denver, Colorado under a non-certificated 1996 Lease and Agreement. Such leases do not constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations.

DENVER WATER BOARD

In November 1870 the privately owned Denver City Water Company was organized. It was merged into the Denver Union Water Company in October 1894, along with several smaller companies servicing various parts of a growing Denver. In November 1918, the governing board of the Denver Water Department purchased the Water Company for the citizens of the City. Article X of the Charter of the City establishes the Denver Water Department, an independent and non-political agency of the City, which is under the control of a five-member, nonpartisan Board of Water Commissioners (the "Denver Water Board"), and vests the charge and control of the City's water system and plant in the Denver Water Board. All revenues of the water system are accounted for in the Water Works Fund, disbursements from which are controlled by the Denver Water Board. Members of the Denver Water Board are appointed by the Mayor of the City. The Denver Water Board may issue revenue bonds that are payable solely from the net revenues of the operations of the Denver Water Board but, since 2003, the Denver Water Board has not had the authority under the City Charter to issue general obligation bonds of the City and there are no Denver Water Board general obligation bonds outstanding. Financial statements for Denver Water are available at: https://www.denverwater.org/about-us/investor-relations/financial-information. Such financial statements are not incorporated into this Disclosure Statement by this reference.

WASTEWATER MANAGEMENT SYSTEM

The Wastewater Management Enterprise Fund ("Wastewater"), a division within the City's Department of Public Works, was established to account for the sanitary sewer and storm operations of the City. The City's wastewater collection facilities as of December 31, 2017, consisted of approximately 1,533 miles of sanitary sewer lines and 823 miles of storm drainage lines of various compositions, overall ranging in size from 8" to more than 120" in diameter. Denver's system uses 5 sanitary sewer lift stations and 9 storm sewer lift stations which are currently in service as well as gravity flow stations.

Denver maintains an active line maintenance program, which uses television and sealing units to monitor line condition and seal joints. Denver employs a regular maintenance schedule to flush out lines, a grout process to repair slight breaks, and trenchless technology to replace lines. Maintenance and replacement have historically been funded out of the Wastewater System's capital maintenance program.

In January 2012, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $50,425,000 of Wastewater Enterprise Revenue Bonds, Series 2012. The proceeds were used to defease the outstanding Series 2002 revenue bonds and to finance $32,500,000 capital improvements to storm drainage facilities. As of December 31, 2017, a principal amount of $34,865,000 of the Series 2012 Wastewater Bonds remains outstanding. In November 2016, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $115,000,000 of Wastewater Enterprise Revenue Bonds, Series 2016, to fund capital improvement projects, including the Platte to Park Hill ("P2P"): Stormwater Systems program. For more information regarding the program see "WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan." As of December 31, 2017, a principal amount of $113,015,000 of the Series 2016 Wastewater Bonds remains outstanding.

In February 2018, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $103,050,000 of Wastewater Enterprise Revenue Bonds, Series 2018, to fund capital improvement projects, including P2P and citywide improvements to storm drainage and sanitary sewage facilities. A project within the P2P program consists of integrating stormwater detention areas at City Park Golf Course. As a result, City Park Golf Course closed on November 1, 2017. Wastewater has entered into an interagency memorandum of understanding to reimburse Golf for lost net revenue and specified expenses due to the project during the time period that the City Park Golf Course is closed; no reimbursements were made in 2017. The City will continue to evaluate any impacts from this stormwater project. For more information regarding the program see "WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan." As of February 28, 2018, the combined outstanding principal amount for the Series 2012, Series 2016, and Series 2018 bonds is $250,930,000.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 161,288 sanitary sewer customers. Of this amount, approximately 145,159 (90%) are residential customers; approximately 16,129 (10%) are commercial, industrial, or governmental customers. It is estimated that Wastewater serves approximately 168,192 storm customers. Of this amount, approximately 158,100 (94%) are residential customers; approximately 10,092 (6%) are commercial, industrial or governmental customers.

Metro Wastewater Reclamation District. The sewage carried by the City's Sanitary Sewerage Facilities is delivered to Metro Wastewater Reclamation District ("Metro"), a political subdivision of the State organized to manage and finance facilities for the carriage, treatment and disposal of wastewater throughout the metropolitan Denver area. The City entered into a Sewage Treatment and Disposal Agreement (the "Metro Agreement") with Metro in March 1964. There are currently 60 municipalities, districts and industrial entities contracting with Metro for sewage treatment and disposal services. Under the Metro Agreement, there is an annual charge to each entity, payable quarterly. The annual charge is required by the terms of the Metro Agreement to be reasonable and in an amount adequate to fund Metro's operation and maintenance expenses as well as debt service on Metro's outstanding debt obligations and certain other obligations. The annual charge is calculated with the intention that each signatory pays in proportion to its use of Metro's services. The Metro Agreement may not be terminated until such time as all Metro debt obligations are no longer outstanding (currently 2041). At such time, the Metro Agreement will be extended to the extent permitted by law from year to year until the City or Metro elects to terminate the Metro Agreement. Table 20 presents historical data between 2013 and 2017 relating to the Metro's total annual charges to Wastewater, the Metro Annual Charge as a percentage of the Wastewater's total operating expenses and the annual increase (decrease) in the Metro Annual Charge.

TABLE 20

HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT ANNUAL CHARGES[1]

	2013	2014	2015	2016	2017
Total Enterprise Operating Expense[2]	$104,064,242	$101,801,603	$111,330,996	$113,147,311	$120,618,000
Metro Annual Charge	$44,859,512	$44,200,243	$48,872,825	$49,197,801	$54,710,000
Metro Annual charge as a Percentage of Total Operating Expense	43.11%	43.42%	43.90%	43.48%	45.36%
Year-to-Year Metro Annual Charge Increase (Decrease)	1.11%	(1.47%)	10.57%	0.66%	11.20%

1 In this table, "Enterprise" refers to Wastewater Management Enterprise Fund.
2 These figures do not reflect the amounts paid to other sewage treatment and disposal districts.

(Source: Wastewater Enterprise)

Account Information. The number of accounts served by the Storm Drainage facilities and Sanitary Sewerage facilities of Wastewater during the past ten years are reflected in the following table:

TABLE 21

HISTORICAL ACCOUNT INFORMATION

Years Ended December 31	Storm Drainage Accounts	Sanitary Sewerage Accounts
2008	158,176	153,720
2009	158,955	154,230
2010	159,932	156,392
2011	159,932	156,392
2012	161,420	156,374
2013	162,192	156,884
2014	163,143	157,939
2015	164,681	158,956
2016	166,638	160,047
2017	168,192	161,288

(Source: Wastewater Enterprise)

Storm Drainage Service Charge. The City imposes a storm drainage service charge on every lot or parcel of land within the City to the owners thereof, with the exception of property at Denver International Airport. The storm drainage service charge is structured so that the owner of each lot or parcel pays for the Storm Drainage Facilities to the extent its lot or parcel contributes stormwater runoff to the Storm Drainage Facilities. The amount of stormwater runoff attributed to a lot or parcel is directly related to the amount of impervious surface area (e.g., roofs, driveways, parking lots, etc.) on the property. The storm drainage service charge is based on the percentage of impervious area to the total property area. The City determines the annual storm drainage service charge for each lot or parcel by dividing the lot's or parcel's impervious area by its total area. The ratio of these figures is then matched to the appropriate ratio group determined by the City, with each ratio group assigned a corresponding rate.

Storm drainage service charges were increased effective July 1st from 2011 through 2015 as follows: as of July 1, 2011, increased 20%; as of July 1, 2012, increased 2%; as of July 1, 2013, increased 2%; as of July 1, 2014, increased 2.8% (in accordance with the percentage change from the previous year in the United States Consumer Price Index (the "Consumer Price Index")); as of July 1, 2015, increased 2.7% (in accordance with the percentage change from the previous year in the Consumer Price Index. In June of 2016, the City adopted by ordinance a fee schedule for storm drainage service changes informed by a rate study calculated with the assistance of the Wastewater Consultant whereby storm drainage service charges were increased effective as of July 1, 2016 as follows: as of July 1, 2016, increased 11%; as of January 1, 2017, increased 11%; as of January 1, 2018, increased 11%; as of January 1, 2019, will increase 10%; as of January 1, 2020, will increase 10% and thereafter, the minimum charge will increase annually according to the percentage change from the previous year in the Consumer Price Index. The following table show the historical, current, and future storm drainage service charges imposed in accordance with the 2016 ordinance.

TABLE 22

STORM DRAINAGE HISTORICAL, CURRENT AND FUTURE RATES

Ratio Group	Rate 2015(July)	Rate 2016(July)	Rate 2017(Jan)	Rate 2018(Jan)	Rate 2019(Jan)	Rate 2020(Jan)
0 to .10	$1.90	$2.11	$2.34	$2.60	$2.86	$3.15
.11 to .20	2.37	2.63	2.92	3.24	3.56	3.92
.21 to .30	2.88	3.20	3.55	3.94	4.33	4.76
.31 to .40	3.40	3.77	4.18	4.64	5.10	5.61
.41 to .50	3.88	4.31	4.78	5.31	5.84	6.42
.51 to .60	4.15	4.61	5.12	5.68	6.25	6.88
.61 to .70	4.41	4.90	5.44	6.04	6.64	7.30
.71 to .80	4.90	5.44	6.04	6.70	7.37	8.11
.81 to .90	5.39	5.98	6.64	7.37	8.11	8.92
.91 to 1.00	5.92	6.57	7.29	8.09	8.90	9.79
Minimum Annual Charge	$13.53	$15.02	$16.67	$18.50	$20.35	$22.39

(Source: Wastewater Enterprise)

The rate for the lot or parcel's ratio group is multiplied by the square footage of the lot's or parcel's impervious area and then divided by 100. The resulting quotient is equal to the annual storm drainage service charge. For example, on January 1, 2018, a 5,000 square foot lot with 3,000 square feet of impervious area would be included in the .51 to .60 ratio group and therefore would be charged an annual storm drainage service charge of $170.40 ($5.68 x 3,000/100). The minimum annual storm drainage service charge will not be less than $18.50 for the rate period effective January 1st of 2018. The power and authority of home rule municipalities such as the City to impose storm drainage service charges computed as described above has been affirmed by the State Supreme Court.

Sanitary Sewer Service Charge. The sanitary sewage service charge is imposed on all real property within the City which discharges or has the opportunity to discharge sewage into the Sanitary Sewerage Facilities of the City. The City Code prescribes a methodology for calculation of these charges. Depending on the circumstances of the particular user, the user will be charged the fee on a flat rate, a rate correlated to the user's use of potable water, a rate based on the characteristics of the subject property (e.g., number of rooms and bath facilities, etc.), or a rate based on use measured by a meter or other method approved by the Manager of Wastewater. Industrial waste accounts are also assessed a sewer service surcharge based on the amount and composition of their sewage, with such surcharges calculated to match the aggregate surcharge payable to the Metro under the Metro Agreement. This surcharge is billed to and paid by industrial waste accounts in the same frequency as the sanitary sewage service charge.

Sanitary sewage service charges were increased effective July 1st from 2011 through 2015 as follows. In June 2016, the City adopted by ordinance a fee schedule for sanitary sewage service charges whereby such sanitary sewage service charges are to increase effective July 1st 2016, and then each January 1st from 2017 through 2020 as shown in the table below. On January 1, 2021, and thereafter, the annual sanitary sewerage service charges are to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

Effective Date	**Rate Change**
July 1, 2011[1]	45%
July 1, 2012	15
July 1, 2013	10
July 1, 2014	CPI (2.8)
July 1, 2015	CPI (2.7)
July 1, 2016	5
January 1, 2017	5
January 1, 2018	4
January 1, 2019	4
January 1, 2020	4

1 Prior to 2011 the last rate increase for sanitary sewer occurred in 1995.

CURRENT AND FUTURE SEWAGE RATES

For each residential unit: Monthly charge of $11.85 effective January 1, 2018; monthly charge of $12.32 effective January 1, 2019; monthly charge of $12.81 effective January 1, 2020.

For other than residential units: The charge shall be computed in relation to the rated size of the water meter as follows.

Size (inches)	Rate 2017(Jan)	Rate 2018(Jan)	Rate 2019(Jan)	Rate 2020(Jan)
5/8	$11.39	$11.85	$12.32	$12.81
3/4	17.10	17.78	18.49	19.23
1	28.47	29.61	30.79	32.02
1 1/4	42.79	44.50	46.28	48.13
1 1/2	57.03	59.31	61.68	64.15
2	91.18	94.83	98.62	102.56
3	170.95	177.79	184.90	192.30
4	285.00	296.40	308.26	320.59
6	569.96	592.76	616.47	641.13
8	912.30	948.79	986.74	1,026.21
10	1,310.87	1,363.30	1,417.83	1,474.54
12	2,450.76	2,548.79	2,650.74	2,756.77

For users whose water is metered or measured: The sanitary sewage service charge is computed by multiplying the volume of potable water into the premises during the billing period by $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020.

For users whose potable water is not metered or measured (flat rate customers): The charge shall be one-twelfth of the annual charge which shall be computed by multiplying the annual equivalent sewage contribution by $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020. The annual equivalent sewage contribution shall be the total of the annual unit equivalent sewage contributions in relation to the number of rooms and water-using devices in the premises of the users as follows:

Equivalency Factors	Annual Unit Equivalent Sewage Contribution (in thousands of gallons)
Room (1—4, each)	8.030
Room (all rooms over 4, each)	1.736
First bath facility	16.425
Each additional bath facility	10.950
First water closet	21.000
Each additional water closet	14.600
Each water-using device	5.475

[Rates continued on next page]

For users whose potable water is measured: The charge shall be computed by multiplying the volume of sewage during the billing period by $3.78/thousand gallons effective July 1, 2015; $3.97/thousand gallons effective July 1, 2016; $4.17/thousand gallons effective January 1, 2017; $4.34/thousand gallons effective January 1, 2018; $4.51/thousand gallons effective January 1, 2019; $4.69/thousand gallons effective January 1, 2020.

(Source: Wastewater Enterprise)

The following table sets forth the statements of revenues, expenses of the 2016, 2017 and 2018 Approved Budgets with respect to Wastewater.

TABLE 23

WASTEWATER ENTERPRISE BUDGETS

	2016	2017	2018
Total Operating Revenue	$128,695,163[1]	$141,554,117	$151,292,789
Operating Expenses			
Personnel Services	27,386,875	28,340,440	31,158,346
Contractual Services	27,680,797	25,832,699	22,515,795
Supplies and Materials	2,108,908	1,766,552	2,104,946
District Water Treatment Charges	52,813,200	54,000,000	57,530,600
Total Operating Expenses	109,989,780	109,939,691	113,309,687
Operating Income (Loss)	18,705,383	31,614,426	37,983,102
Other Income (Expense)			
Investment and Interest Income	821,969	1,096,300	1,893,846
Debt Interest Payment	(1,478,425)	(6,103,125)	(5,983,325)[2]
Bond Principal Payment	(2,850,000)	(5,427,800)	(5,065,000)[2]
Purchase of capital equipment	(2,913,000)	(207,500)	(2,428,000)
Total Other Income (Expense)	(6,419,456)	(10,642,125)	(11,582,479)
Modified Net Income	$12,285,927	$20,972,301	$26,400,623

1 The rate increases that went into effect on July 1, 2016 are not reflected in the 2016 budget.
2 Figures do not include debt service related to the Wastewater Bonds.

(Source: Wastewater Enterprise)

Operating History

Historical Wastewater Management Enterprise Fund Information. A five-year comparative statement of Denver's Wastewater Management Fund revenues, expenses and resulting changes in retained earnings as reported in Wastewater Management Enterprise Fund's Audited Financial Statements for Fiscal Years 2013 through 2017 is set forth in the following table.

TABLE 24

WASTEWATER MANAGEMENT ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the years ending December 31

	2013	2014	2015	2016	2017
OPERATING REVENUES					
Sanitary sewer	$78,000,355	$81,833,408	$85,709,854	$90,811,637	$98,800,000
Storm drainage	37,871,321	38,972,387	40,550,193	42,563,676	51,322,000
TOTAL OPERATING REVENUES	115,871,676	120,805,795	126,260,047	133,375,313	150,122,000
OPERATING EXPENSES					
Personnel services	21,429,496	21,175,362	22,532,732	25,534,697	26,662,000
Contractual services	19,687,211	18,021,659	20,052,641	17,982,487	17,621,000
Supplies	1,158,631	1,220,404	1,429,301	1,533,686	2,219,000
Utilities	430,240	438,928	376,018	390,844	280,000
Depreciation and amortization	16,499,152	16,745,007	18,067,479	18,507,796	19,126,000
Payments To Metro Wastewater Reclamation District	44,859,512	44,200,243	48,872,825	49,197,801	54,710,000
TOTAL OPERATING EXPENSES	104,064,242	101,801,603	111,330,996	113,147,311	120,618,000
Operating Income	11,807,434	19,004,192	14,929,051	20,228,002	29,504,000
NONOPERATING REVENUE (EXPENSES)					
Intergovernmental revenue	888,094	700,028	826,628	764,287	763,000
Investment income (loss)	(555,067)	894,994	705,812	822,223	2,013,000
Interest expense	(1,479,624)	(843,425)	(668,582)	(1,149,896)	(3,431,000)
Bond issuance costs	0	0		(496,431)	0
Gain (loss) on disposition of assets	59,797	81,677	194,853	157,199	(142,000)
NET NONOPERATING REVENUE (EXPENSES)	(1,086,800)	833,274	1,058,711	97,382	(797,000)
Income before capital contributions and transfers	10,720,634	19,837,466	15,987,762	20,325,384	28,707,000
Capital contributions	7,289,698	18,444,026	9,564,386	28,022,111	21,296,000
Transfers out	(25,000)	(25,000)	(25,000)	(29,500)	(757,000)
Change in net position	17,985,332	38,256,492	25,527,148	48,317,995	49,246,000
Net position, beginning of year (before restatement)	524,632,982	542,618,314	580,874,806	584,223,560	632,542,000
Change in accounting position – GASB 68[1]			(22,178,394)		
Net position, beginning of year (as restated)			558,696,412	584,223,560	
Net position, end of year	$542,618,314	$580,874,806	$584,223,560	$632,541,555	$681,788,000

1 In 2015, the City implemented GASB 68 relating to the accounting for pension obligations, which resulted in an adjustment of beginning net position as of January 1, 2015. For additional information on the impact of the implementation of GASB 68, refer to the 2015 CAFR.

(Source: Wastewater Management Enterprise Fund, Audited Financial Statements, 2013 –2017)

Historical Net Pledged Revenues. Based upon the revenues and expenditures of the Wastewater Management Division Enterprise Fund for the past five years and using the Debt Service Requirements of the Wastewater Revenue Bonds, the amounts which constituted Net Pledged Revenues available for debt service in each of the past five years covered the Debt Service Requirements of the Wastewater Revenue Bonds as follows.

HISTORIC DEBT SERVICE COVERAGE RATIOS

Years	Net Pledged Revenues	Combined Average Annual Debt Service Requirements	Debt Service Coverage Ratio
2013	$28,016,286	$3,164,383	8.85
2014	36,635,534	3,099,422	11.82
2015	33,362,784	3,027,084	11.02
2016	35,293,111	8,298,555	4.25
2017	46,666,000	7,930,000	5.88

(Source: Wastewater Enterprise Accounting Services)

Capital Improvement Plan

The Wastewater Enterprise continuously reviews its future capital needs to be identified in the master drainage plan and master sewage plan through staff observation and customer and community feedback. Recommended projects are incorporated into the Six-Year Capital Improvement Plan. The timing and priority for implementation of recommended projects within the Six-Year Capital Improvement Plan are based upon certain factors including the master plan, study findings, health and safety matters, legal and contractual obligations, completion of existing projects, coordination with other projects, mitigation of damages, cost and operational efficiency, public/private cooperation and regional benefits. The Wastewater Enterprise is continuously implementing the results of this process in its capital improvements plan. The capital improvement plan is formally adopted every six years but updated annually. The annual update assesses storm drainage and sanitary sewerage needs throughout the City and estimates the amount and timing of capital needed to meet the plan. The following schedule provides the Wastewater Enterprise's currently proposed capital improvements plan expenditures for the years 2016-2021, which includes the Platte to Park Hill: Stormwater Systems program. Public information about the Platte to Park Hill: Stormwater Systems program is available at: https://www.denvergov.org/content/denvergov/en/platte-to-park-hill.html; however, the material on this website is not deemed to be incorporated into this Disclosure Statement by this reference.

WASTEWATER ENTERPRISE PROPOSED CAPITAL IMPROVEMENT PLAN FOR 2016 THROUGH 2021[1]

Project Description:	**2018**	**2019**	**2020**	**2021**
Storm Drainage:	$145,450,415	$134,865,341	$41,342,254	$37,745,000
Sanitary Sewerage:	12,011,644	10,905,000	9,190,000	7,740,000
Total:	$157,462,059	$145,770,341	$50,532,254	$45,485,000

1 Figures represent current estimates of the remaining years of the adopted 2016-2021 capital improvement plan expenditures and are subject to re-evaluation.

(Source: Wastewater Enterprise)

THE AIRPORT SYSTEM

Description of the Airport

The Municipal Airport System ("Airport System") is organized as a department of the City, known as the Department of Aviation. The Airport System includes Denver International Airport ("DEN or the Airport") and former Stapleton International Airport ("Stapleton"). The Airport is headed by a Chief Executive Officer who reports directly to the Mayor. In addition, the senior management team further consists of five executive vice presidents.

Situated approximately 24 miles northeast of downtown Denver, the Airport is the primary air carrier airport serving the region. According to Airports Council International, in 2017, the Airport was the fifth busiest airport in the United States and the twentieth busiest in the world, serving 61.4 million passengers. The Airport is comprised of approximately 33,800 acres (53 square miles) of land, an area twice the size of the island of Manhattan and is the second largest physical airport in the world. The passenger terminal complex is reached via Pena Boulevard, a 12-mile dedicated access road which connects Interstate 70 and intersects with E-470 toll highway. The Airport has six runways – four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth runway is 16,000 feet long and 200 feet wide, providing unrestricted global access for airlines and the ability to accommodate fully loaded jumbo jets, including the Airbus A-380.

Airport System Aviation Activity

Located close to the geographic center of the United States mainland, Denver has long been a major air transportation hub. The Airport has direct airline service to more than 200 destinations. Denver's natural geographic advantage as a connecting hub location has been enhanced by the Airport's ability to accommodate aircraft landings and takeoffs in virtually all weather conditions. The Denver Metropolitan Area, with a population of more than 3.1 million, is the primary region served by the Airport.

There are 26 passenger airlines currently providing scheduled service at the Airport, including ten major/national passenger airlines, ten foreign flag passenger airlines and six regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines, including FedEx Corporation and United Parcel Service, provide service at the Airport.

With a few exceptions, the Airport has experienced continual growth in both passenger traffic and associated revenues since it opened in 1995. The Airport served approximately 30.7 million enplaned passengers (passengers embarking on airplanes) in 2017, a 5.4% increase compared to 2016. The Airport served 29.1 million enplaned passengers in 2016, a 7.9% increase compared to 2015. Approximately 64.0% of passengers were originating their travel at the Airport in 2017, compared to approximately 63.6% in 2016. Approximately 36.0% were passengers making connecting flights beyond Denver in 2017, compared to approximately 36.4% in 2016.

The United Group

United Airlines, together with its United Express regional commuter affiliates ("United" or the "United Group") is the principal air carrier operating at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers (based on information provided by individual airports) and flight operations (according to data published by Official Airline Guides, Inc.). Under the United Use and Lease Agreement, which currently expires in 2035, United currently leases 54 full-service contact gates and 15 ground loading positions, accounting for 42.3% of passenger enplanements at the Airport in 2017.

Special Facilities Bonds

The City, for and on behalf of its Department of Aviation, has issued various series of Special Facilities Bonds to finance the acquisition and construction of certain facilities at the Airport. These bonds are payable solely from designated payments received under the lease agreements for the related Airport special facilities and are not payable from Gross Revenues.

United financed and subsequently refinanced its support facilities at the Airport (aircraft and ground support equipment, maintenance and air freight facilities, and a flight kitchen that is subleased to Dobbs International Services) largely through the issuance by the City, for and on behalf of the Department of Aviation, of its Special Facility Bonds. United currently leases all of the support facilities and certain tenant finishes and systems on Concourse B under a lease which terminates on October 1, 2023, unless extended as set forth in the lease or unless terminated earlier upon the occurrence of certain events as set forth in the lease. The lease payments under this lease constitute the sole source of payment for the $250,575,000 City and County of Denver, Colorado Special Facilities Airport Revenue Refunding Bonds (United Air Lines Project) Series 2017 which refunded bonds originally issued in 1992 and refunded in 2007. The repayment of these bonds is the sole responsibility of United.

Southwest Airlines

Southwest Airlines ("Southwest") had the second largest market share at the Airport in 2016 and 2017. Southwest commenced service at the Airport in January 2006 and since that time has experienced strong and continued growth in airline service at the Airport. Southwest initially served ten cities from the Airport, compared to the 62 cities to which it currently provides nonstop service from the Airport.

Southwest leases 25 gates at the Airport pursuant to a Use and Lease Agreement with the City which expires on December 31, 2018, with an option (available only to the City) to extend such term until December 31, 2020. Southwest accounted for 29.7% of passenger enplanements at the Airport in 2017.

The Frontier Group

Frontier Airlines and its affiliates ("Frontier" or the "Frontier Group") had the third largest market share at the Airport in 2016 and 2017. The Airport is Frontier's only hub and, in 2017, was the busiest airport in the Frontier system. Frontier was acquired by Indigo Partners LLC based in Phoenix, Arizona in November 2013 from Republic Holdings and transformed its business model from a low-cost carrier to an ultra-low-cost carrier in 2015. As a result, the carrier has cut back its connective traffic at the Airport, however, overall increases in passenger traffic has allowed the airline to continue to grow.

Frontier leases eight gates at the Airport pursuant to a Use and Lease Agreement with the City which expires on December 31, 2018, with an option (available only to the City) to extend such term until December 31, 2020. Frontier accounted for 11.4% of passenger enplanements at the Airport in 2017.

American Airlines

On December 9, 2013, American Airlines and US Airways announced the completion of a merger to form the American Airlines Group ("American"). The American Airlines Group received a single FAA operating certificate on April 8, 2015. With no connecting enplaned passenger traffic, American does not use the Airport as a major hub, accounting for 5.5% of passenger enplanements at the Airport in 2017.

Delta Airlines

Delta Airlines had the fifth largest market share at the Airport in 2017 and 2016. Delta does not use the Airport as a major hub, accounting for 5.4% of passenger enplanements at the Airport in 2017.

Other Passenger Airline Information

Other than the United Group, the Frontier Group, Southwest, American and Delta, no single airline currently accounts for more than 5% of any passenger enplanements at the Airport.

Availability of Information Concerning Individual Airlines

Certain airlines or their parent corporations, including United Continental Holdings, Frontier, Southwest, and American, are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended, and as such are required to file periodic reports, including financial and operational data, with the Securities and Exchange Commission ("SEC"). All such reports and statements may be inspected in the public reference facilities maintained by the SEC, which can be located by calling the SEC at 1-800-SEC-0330. Reports, proxy statements, and other information of registrants that file electronically with the SEC may be accessed and downloaded for free from the SEC's EDGAR website at https://www.sec.gov/edgar.shtml. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation ("DOT"). Information collected from these reports is available for inspection at the DOT's Bureau of Transportation Statistics, 1200 New Jersey Avenue, SE, Washington, D.C. 20590, and copies of such reports can be obtained from its website at https://www.bts.gov. The contents of this website are not incorporated into this disclosure statement. The City, including its Department of Aviation, does not take any responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT.

Information contained in Tables 25, 26, 27, 28, and 29 regarding passenger enplanements and related aviation activity at the Airport may vary from information published in the past due to changes in categorization or presentation by certain airlines.

TABLE 25

AIRPORT SYSTEM
HISTORY OF ENPLANED PASSENGERSAT THE AIRPORT
2013-2017

Year	Enplaned Passengers (millions)	Percent Change
2013	26.285	(1.2%)[1]
2014	26.737	1.7
2015	27.019	1.1
2016	29.140	7.9
2017	30.714	5.4

1 Compared to 26.597 million enplaned passengers in 2012.

(Source: Department of Aviation)

The following table shows annual levels of enplaned passengers for all airlines serving the Airport System for the most recent five-year period. The totals include activity data for major/national airlines, regional/commuter airlines and charter and other airlines.

TABLE 26

AIRPORT SYSTEM
HISTORICAL ENPLANED PASSENGERS
BY AIRLINE TYPE
2013-2017

	Major / International Airlines		Regional / Commuter Airlines		Charter / Miscellaneous Airlines		Total Airlines	
Year	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change
2013[1]	21,618,114	(1.7)%	4,436,819	2.6%	230,374	(20.3)%	26,285,307	(1.2)%
2014[2]	21,962,984	1.6	4,767,207	7.4	6,493	(97.2)	26,736,684	1.7
2015	22,713,090	3.4	4,296,830	(9.9)	9,009	38.7	27,018,929	1.1
2016	24,979,910	10.0	4,155,887	(3.3)	4,407	(51.1)	29,140,204	7.9
2017	26,758,785	7.1	3,953,656	(4.9)	1,570	(64.4)	30,714,011	5.4

1 Figures for 2013 have been revised from previous Disclosure Statements to reflect the final figures reported for 2013 enplaned passengers beginning with the Municipal Airport System 2014 Annual Financial Report.
2 In 2014, the airport adjusted the methodology of classifying the airlines between each category based on the type of operation. This primarily included adjusting United Express international operations from Miscellaneous to Regional.

(Source: Department of Aviation)

TABLE 27

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS
BY TRAFFIC TYPE
2013-2017

	2013	2014	2015	2016	2017
Domestic	96.3%	95.8%	95.9%	96.1%	95.8%
International	3.7	4.2	4.1	3.9	4.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(Source: Department of Aviation)

The following table shows comparative market share information based on enplaned passengers for the most recent five-year period.

TABLE 28

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS BY AIRLINE

Airline	2013	2014	2015	2016	2017
United	24.5 %	24.3 %	27.7 %	29.3 %	30.7 %
United Express	16.0	16.3	14.6	12.7	11.6
Total United Group	40.5	40.6	42.3	42.0	42.3
Southwest	25.6	26.4	29.3	29.4	29.7
Frontier[1]	19.1	18.4	12.4	12.2	11.4
American[2]	5.6	5.8	6.1	5.6	5.5
Delta	4.6	4.4	4.9	5.1	5.4
Other[3]	4.6	4.4	5.0	5.7	5.7
Total Other	59.5	59.4	57.7	58.0	57.7
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

1 Includes Frontier and Republic Holdings. Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona, in November 2013. Frontier no longer has regional flights offered by Republic Holdings. See also "Frontier Airlines" above.

2 American Airlines and US Airways merged in December 2013. See also "American Airlines" above.

3 Includes other airlines with scheduled flights at the Airport.

(Source: Department of Aviation)

The following table sets forth a summary of selected aviation activity at the Airport for the period of 2013 through 2017.

TABLE 29

SUMMARY OF AVIATION ACTIVITY - DENVER INTERNATIONAL AIRPORT
(In thousands – Totals may not add due to rounding)

	2013	2014	2015	2016	2017
Enplaned Passengers (millions):					
United	6.446	6.491	7.493	8.549	9.429
United Express	4.213	4.370	3.928	3.697	3.548
Total United Group	10.659	10.861	11.421	12.246	12.977
Southwest	6.721	7.065	7.929	8.565	9.137
Frontier	5.015	4.932	3.360	3.567	3.501
American	1.477	1.537	1.642	1.644	1.683
Delta	1.201	1.180	1.334	1.490	1.636
Other	1.212	1.162	1.333	1.627	1.780
Total	26.285	26.737	27.019	29.140	30.714
Percent Change from Prior Year	*(1.2%)*	*1.7%*	*1.1%*	*7.8%*	*5.4%*
Originating Passengers (millions):	15.328	16.214	17.353	18.527	19.656
Percent of Total Enplaned	58.3%	60.6%	64.2%	63.6%	64.0%
Connecting Passengers (millions):	10.957	10.523	9.666	10.613	11.058
Percent Connecting of Total Enplaned	41.7%	39.4%	35.8%	36.4%	36.0%
United Group Passengers:					
Percent Originating	41.1%	40.4%[2]	40.4%	40.9%	43.2%
Percent Connecting	58.9%	59.6%[2]	59.6%	59.1%	56.8%
Southwest Passengers:					
Percent Originating	69.0%	72.1%	75.6%	73.5%	72.2%
Percent Connecting	31.0%	27.9%	24.4%	26.5%	27.8%
Frontier Passengers:					
Percent Originating	55.0%	62.6%	78.9%	76.0%	74.7%
Percent Connecting	45.0%	37.4%	21.1%	24.0%	25.3%
American Airlines:					
Percent Originating	100.0%	100.0%	100.0%	100.0%	100.00%
Percent Connecting	0.0%	0.0%	0.0%	0.0%	0.0%
Delta Airlines:					
Percent Originating	95.7%	95.7%	95.8%	95.8%	95.7%
Percent Connecting	4.3%	4.3%	4.2%	4.2%	4.3%
Average Daily Departures:					
Passenger Airlines:					
United	125	124	146	167	177
United Express	246	252	219	202	194
Southwest	159	158	168	181	190
Frontier	105	100	66	64	60
American	33	33	33	34	31
Delta	27	26	30	35	38
Other	72	49	47	59	65
Total Passenger Airlines	767	742	709	742	755
All-Cargo Airlines	25	26	26	26	27
Total	792	768	735	768	782
Percent Change from Prior Year	*(4.6%)*	*(3.0%)*	*(4.3%)*	*4.5%*	*2.0%*
Landed Weight (billion pounds):					
Passenger Airlines:					
United	7.432	7.292	8.214	9.452	10.225
United Express	4.779	4.881	4.427	4.148	4.064
Frontier	5.182	5.018	3.339	3.306	9.153
Southwest	7.353	7.423	7.922	8.610	3.208
American Airlines	1.582	1.609	1.678	1.742	1.759
Delta	1.334	1.242	1.390	1.590	1.728
Other	1.683[3]	1.571	1.722	2.149	2.356
Total Passenger Airlines	29.343	29.036	28.692	30.996	32.492
All-Cargo Airlines	1.260	1.315	1.363	1.425	1.392
Total	30.603	30.351	30.055	32.421	33.884
Percent Change from Prior Year	*(4.0%)*	*(0.8%)*	*(1.0%)*	*7.9%*	*4.5%*
Enplaned Cargo (million pounds)[1]	222.771	229.458	238.664	229.410	238.848
Percent Change from Prior Year	*(2.2%)*	*3.0%*	*4.0%*	*(3.9%)*	*4.1%*
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	420,073	422,178	424,930	445,019	461,992
Commuter/Military/Taxi/General Aviation	166,787	152,983	122,718	127,501	120,494
Total	586,860	575,161	547,648	572,520	582,486
Percent Change from Prior Year	*(5.1%)*	*(2.0%)*	*(4.8%)*	*4.5%*	*1.7%*

[Footnotes on next page]

Footnotes for Table 29

1 The weight of enplaned cargo does not impact the Airport's Gross Revenues. Revenue is received from cargo carriers only from landing fees and space rentals, which historically have constituted less than 3% of Gross Revenues.

2 2014 United Group Passenger percentages were revised to 40.4% Originating (from the 39.0% in the 2017 Disclosure Statement) and 59.6% Connecting (from 61.0% in the 2017 Disclosure Statement).

3 2013 Landed Weight "Other" pounds were revised to 1.683 billion (from 2.432 billion in the 2017 Disclosure Statement).

(Source: Department of Aviation)

Current Litigation Relating to the Adams County IGA

The City and the County of Adams, Colorado, are involved in a civil litigation matter discussed under "THE CITY AND COUNTY OF DENVER – Litigation Update."

2018-2022 Capital Program

It is Airport management's practice to develop a capital program for the Airport System and reevaluate the capital needs of the Airport System on a regular basis to reflect changes in, among other things (i) the type of projects that it plans to undertake based on current and projected aviation demand and major maintenance needs of facilities and/or equipment, (ii) the scope and timing of individual projects, (iii) project costs, and (iv) the timing and amount of available funding sources. Airport management has adopted a new capital program for the Airport for the years 2018 through 2022 (the "2018-2022 Capital Program").

The Airport's current 2018-2022 Capital Program includes projects with a total cost of approximately $3.5 billion (adjusted for inflation using the Consumer Price Index ("CPI") through 2022) in the following areas of the Airport:

	in billions
Concourses A, B, and C	$1.8
Jeppesen Terminal	1.1
Airside	0.3
Landside	0.2
DEN Real Estate	0.1
TOTAL	$3.5

Source: Department of Aviation

The projects included in the 2018-2022 Capital Program are expected to be periodically evaluated by the Department with respect to timing, costs, availability of funding, cash position, any environmental issues that may arise and other factors that might affect the 2018-2022 Capital Program. Accordingly, projects currently included in the 2018-2022 Capital Program, their timing and costs are subject to change.

Major Projects in the 2018-2022 Capital Program

Concourses A, B, and C. Major projects include concourse gate expansion, as well as signage and wayfinding upgrades, remodeling of the public restrooms and the conveyance replacement program.

Gate Expansion Project. In May, 2018, the City commenced the expansion of the Airport's concourses as part of the 2018-2022 Capital Program. This project includes the design and construction of new gates and associated apron, airfield, and roadway improvements on Concourse A, B and C, as well as an increase in the amount of airline and concessions space, including outdoor space, on each concourse. Airport management expects that a majority of the additional gates and space will be revenue-producing in the near and longer term due to current and future airline demand.

On Concourse A, the project will add 12 new gates on the west side of the concourse, with a portion of these gates configured to accommodate both domestic and international operations. The Concourse B expansion will add four new gates on the west side of the concourse and a net of seven new narrow-body gates on the east side of the concourse, as it will replace certain ground loading and regional jet facility operations to increase capacity. The Concourse C expansion will add 16 new gates on the east side of the concourse. All 39 gates are anticipated to be operational by spring 2021, with Concourse B's four west-side gates operational by 2020.

Jeppesen Terminal. Major projects include the Great Hall project, development of two new Checked Bag Resolution Areas ("CBRAs") and other baggage system upgrades, additional AGTS train sets and the AGTS car replacement program.

Great Hall Project. As part of the 2018-2022 Capital Program, the City is undertaking renovations to Jeppesen Terminal including the Great Hall (an open area of approximately 1 million square feet located on Levels 5 and 6 of Jeppesen Terminal) designed to, among other things, enhance security of the passengers and the Airport, improve passenger flow and increase and improve concessions areas. The City granted to Denver Great Hall LLC, a Delaware limited liability company (the "Great Hall Developer") an exclusive right to design, construct, finance, operate and maintain certain specified areas within Jeppesen Terminal, including the renovation and reconfiguration of a portion of the Great Hall (the "Great Hall Project"), pursuant to the Development Agreement dated August 24, 2017 (the "Great Hall Agreement") between the City, for and on behalf of its Department of Aviation, and the Great Hall Developer. The Great Hall Developer is owned by Denver Great Hall Holdings LLC, which was formed by Ferrovial Airports International Ltd., Saunders Concessions, LLC, and JLC Infrastructure Fund I L.P.A.

Under the Great Hall Agreement, the Great Hall Developer is responsible for, among other things, the renovation and reconfiguration of a portion of the Great Hall and certain other specified areas of the Jeppesen Terminal, including construction of a new TSA screening area on Level 6, construction of commercial concessions in the Jeppesen Terminal and an additional 200,000 square feet of curbside space. Construction for the Great Hall Project commenced July 12, 2018 and is expected to be completed by November, 2021.

After completion of construction, the airline ticket counters, passenger screening checkpoints, baggage claim area and much of the associated public circulation space will be operated and maintained by the City, while the Great Hall Developer will operate and maintain substantially all of the concessions in Jeppesen Terminal (all of which are located on Levels 5 and 6). Revenues generated from concessions operated and maintained by the Great Hall Developer (substantially all of which are expected to be generated from food, beverage and retail concessions) will be split 20% to the Great Hall Developer and 80% to the City.

The Great Hall Agreement provides that during the construction period, the City is obligated to make progress payments to the Great Hall Developer up to a maximum total of approximately $479 million (the "Progress Payments"), payable monthly, in arrears as a percentage of design and construction costs incurred by the Great Hall Developer in a relevant month. Upon completion of construction of the Great Hall Project and until the termination of the Great Hall Agreement, the City is required to make monthly supplemental payments (the "Supplemental Payments") to the Great Hall Developer that includes an operations and maintenance component and a capital component. The Supplemental Payments constitute Junior Lien Obligations under the Junior Lien Bond Ordinance and are estimated to range between approximately $22.9 million (adjusted for inflation using CPI) annually in 2022 (the first full year after the anticipated completion of the Great Hall Project) to approximately $57.4 million (adjusted for inflation using CPI) annually in 2051 (the last full year of the Great Hall Agreement being in effect).

The total design and construction costs of the Great Hall Project are estimated to be $650 million, with the Great Hall Developer responsible for approximately $171 million and the City responsible for approximately $479 million, constituting Progress Payments. Progress Payments are expected to be funded from a portion of the proceeds of the Series 2018A-B Subordinate Bonds and balances available in the Airport's Capital Fund and/or additional Airport revenue bonds, which may be issued on parity with, senior to, or junior to the Series 2018A-B Subordinate Bonds. Under the Great Hall Agreement, the City also has agreed to fund an additional approximately $120 million in contingency costs, to the extent required.

Baggage System Improvements. Major projects in connection with the baggage handling system improvements consist of the development of two new Checked Bag Resolution Areas that will replace nine existing locations; installation of new conventional baggage conveyors and individual carrier system to move bags identified for additional screening between the screening areas to the new Checked Bag Resolution Areas; modifications to the run out belts and equipment in the airline use area of level 6 and associated rights of way to accommodate upgrades; and replacement and update of baggage handling system controls, automatic tag readers, and baggage handling reporting systems to meet the latest TSA requirements.

Airside. Major projects include rehabilitation of certain runways, taxiways, and apron areas as part of the Airport's pavement management system; improvements to airfield drainage, safety areas, and airfield service roads; rehabilitation and installation of lighting; certain safety area upgrades and airfield planning studies.

Landside. Major projects include the East Bound Peña Boulevard reconstruction, realignment, and widening of various sections of Peña Boulevard and associated roadways as well as the replacement of deteriorating concrete. In addition, this includes the replacement of the parking revenue control system and installation of the parking lot entrance and exit canopies, which are designed to improve parking services.

DEN Real Estate. The Department has developed the DEN Strategic Development Plan, which provides guidance on opportunities available for commercial development of about 16,000 acres of non-aviation land. The plan focuses on development districts and infrastructure based on "Smart City" and strategic sustainability concepts. The Department is in the process of finalizing an infrastructure implementation phasing strategy, and planned projects include the funding to construct infrastructure for the initial 1,500 acres of commercial development along the Peña Boulevard corridor, pursuant to the IGA Amendment (as defined herein) with Adams County, to generate additional non-airline revenues to support passenger growth at the Airport.

Plan of Funding for the 2018-2022 Capital Program

Airport management currently expects that the 2018-2022 Capital Program will be funded with: (i) the Series 2018A-B Subordinate Bonds to fund approximately $2.5 billion in project costs (including approximately $203.6 million of costs funded by the Series 2017C refunded bonds), (ii) approximately $1.1 billion of additional Airport system revenue bonds to fund approximately $900 million in project costs, which additional Airport system revenue bonds are expected to consist of Senior Bonds, although all or a portion of such projects may be funded with Subordinate Bonds depending on certain factors existing at the time of issuance; (iii) amounts on deposit in the Capital Fund in the amount of approximately $161.3 million; (iv) interim financing sources consisting of Subordinate Contract Obligations; and (v) grants-in-aid from the FAA and/or the Transportation Security Administration ("TSA") in the amount of approximately $116.4 million.

Outstanding Bonds and Notes

Senior and Subordinate Bonds have been issued to fund capital construction and maintenance of the Airport. As of December 31, 2017, the total aggregate amount of all outstanding Bonds is as follows:

TABLE 30

AIRPORT SYSTEM – OUTSTANDING BONDS[1]
As of December 31, 2017

Issue	Amount
Series 1992C Bonds[1]	$40,080,000
Series 1992F Bonds[2,3,4]	19,100,000
Series 1992G Bonds[2,3]	15,800,000
Series 2002C Bonds[2,3,4]	26,200,000
Subseries 2007F1 Bonds[2,4,5]	37,625,000
Subseries 2007F2 Bonds[2,4,5]	37,925,000
Subseries 2007G1 Bonds[2,3,4]	65,300,000
Subseries 2007G2 Bonds[2,3,4]	65,300,000
Series 2008B Bonds[2,3,4]	55,200,000
Subseries 2008C1 Bonds[2,3,4]	92,600,000
Subseries 2008C2 Bonds[2,3,4]	100,000,000
Subseries 2008C3 Bonds[2,3,4]	100,000,000
Series 2009A Bonds	150,480,000
Series 2009B Bonds	65,290,000
Series 2009C Bonds[2,3,4]	104,655,000
Series 2010ABonds	160,690,000
Series 2011A Bonds	232,165,000
Series 2011B Bonds	15,070,000
Series 2012A Bonds	271,015,000
Series 2012B Bonds	498,115,000
Series 2012C Bonds	30,285,000
Series 2016A Bonds[4]	232,275,000
Series 2016B Bonds[4]	104,820,000
Series 2017A Bonds	254,225,000
Series 2017B Bonds	21,280,000
Total Senior Bonds	**$2,795,495,000**
Series 2013A Bonds	$313,580,000
Series 2013B Bonds	381,635,000
Series 2015A Bonds[3]	174,870,000
Series 2017C Bonds[6]	300,000,000
Total Subordinate Bonds	**$1,170,085,000**
Total Outstanding Bonds	**$3,965,580,000**

1 In 1999, the City used the proceeds from certain federal grants to establish an escrow to economically defease $40,080,000 of the Series 1992C Bonds. However, the defeasance did not satisfy all of the requirements of the General Bond Ordinance, and consequently such economically defeased Series 1992C Bonds are reflected as still being outstanding.

2 These Senior Bonds constitute variable interest rate obligations that currently constitute credit facility bonds owned by certain banks as described in footnote 3 below. The City's repayment obligations to the financial institutions issuing such Credit Facilities constitute Credit Facility Obligations under the Senior Bond Ordinance.

3 These credit facility Senior Bonds bear interest at a fixed spread indexed to one-month LIBOR pursuant to private placement transactions directly placed with certain banks.

4 A portion of these Senior Bonds are associated with certain swap agreements discussed below and in Note 12 to the audited financial statements of the Airport System for Fiscal Year 2017, effectively converting the floating rates of the variable rate bonds to fixed rates and converting the fixed rates of the fixed rate bonds to variable rates.

5 The Subseries 2007F1-F2 Bonds currently are in an auction rate mode.

6 Refunded with 2018A-B Subordinate Bonds. For more information, see "THE AIRPORT SYSTEM – Bond Issuances and Other Obligations."

(Source: Airport Financial Statements for 2017)

TABLE 31

SENIOR CREDIT FACILITY OBLIGATIONS

As of December 31, 2017

Senior Bonds	Outstanding Principal Amount	Current Interest Rate Mode	Final Maturity Date	Financial Institution	Last Day of the Initial Period[1]
Series 1992F	$19,100,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2020
Series 1992G	15,800,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2020
Series 2002C	26,200,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2020
Series 2007G1-G2	130,600,000	Daily Floating	11/15/2031	BMO Harris Investment Corp.	12/1/2023
Series 2008B	55,200,000	Indexed Floating Rate	11/15/2031	Wells Fargo Bank, National Association	12/11/2020
Series 2008C1	92,600,000	Indexed Floating Rate	11/15/2031	Wells Fargo Bank, National Association	12/11/2020
Series 2008C2-C3	200,000,000	Indexed Floating Rate	11/15/2031	Royal Bank of Canada and RBC Capital Markets	8/29/2019
Series 2009C	104,655,000	Indexed Floating Rate	11/15/2031	U.S. Bank National Association	4/28/2020

1 Indicates the end date of the initial period during which the applicable financial institution has agreed to own the related Series of Senior Bonds at the index rate set forth in the related reimbursement agreement. Prior to the end of the initial period, the City may request the applicable financial institution to repurchase the related Series of Senior Bonds or provide liquidity or credit enhancement necessary to facilitate the conversion of such Series to a new interest rate mode. If the financial institution does not respond or rejects the City's request in its sole discretion, the City will be required to repurchase or redeem such Series of Senior Bonds on the last day of the applicable initial period for a purchase price of 100% of the par amount plus accrued interest to such date.

(Source: Department of Aviation)

Bond Issuances and Other Obligations

Senior Revenue Bonds. On December 7, 2017, the Airport issued $254,225,000 of Airport System Revenue Bonds, Series 2017A (AMT) to current refund all of the Series 2007A and 2007D Senior Airport System Revenue Bonds and $21,280,000 of Series 2017B (Non-AMT) to refund all of the Series 2007C Bonds. Currently, there is approximately $2,795,495,000 aggregate principal amount of Senior Revenue Bonds outstanding.

Subordinate Revenue Bonds. In August 2018, the Airport issued $2,341,710,000 of Subordinate Airport System Revenue Bonds, Series 2018A (AMT) and $184,365,000 of Subordinate Airport System Revenue Bonds, Series 2018B (Non-AMT) to pay for and finance a portion of the costs of the Airport's 2018-2022 Capital Program, refund the Series 2017C Subordinate Bonds, fund a debt service reserve account for the Series 2018A-B Subordinate Bonds, pay capitalized interest on the Series 2018A-B Subordinate Bonds, and pay the costs of issuing the Series 2018A-B Subordinate Bonds. Upon the issuance of the Series 2018A-B Subordinate Bonds and the refunding of the Series 2017C Subordinate Bonds, there are approximately $3,396,160,000 aggregate principal amount of Subordinate Bonds Outstanding.

Commercial Paper Notes. Airport System Commercial Paper Notes may be issued for the purpose of funding the costs of acquiring, improving and equipping facilities for the Airport, refunding or paying certain Airport System obligations and other purposes. The Airport does not currently maintain a Commercial Paper facility and no commercial paper notes are currently outstanding.

Subordinate Contract Obligations. For purposes of interim financing of project costs related to the Airport's 2018-2022 Capital Program, in December 2017, the City, for and on behalf of the Department of Aviation, has incurred a Subordinate Contract Obligation in the form of a revolving loan in the maximum aggregate principal amount not to exceed $150 million pursuant to the Revolving Credit Agreement with U.S. Bank National Association. As of December 31, 2017, no amounts have been borrowed under the Revolving Credit Agreement.

Subordinate Hedge Facility Obligations. The City has entered into various interest rate swap agreements. Detailed information regarding these swap agreements outstanding as of December 31, 2017 is available in Note 12 of the audited financial statements of the Airport System for Fiscal Year 2017.

Junior Lien Obligations. On September 26, 2017, the City adopted the Airport System General Junior Bond Ordinance ("Junior Lien Bond Ordinance") permitting the issuance of Junior Lien Bonds having a lien on the Net Revenues subordinate only to the lien thereon of the Senior Bonds and Subordinate Bonds and incurrence of Junior Lien Obligations (consisting of Junior Lien Credit Facility Obligations, Junior Lien Contract Obligations, and Junior Lien Hedge Facility Obligations), having a lien on the Net Revenues subordinate only to the lien thereon of the Senior Obligations and Subordinate Obligations. The Junior Lien Bond Ordinance affirms the Hotel Junior Lien Obligation and states that it shall constitute a Junior Lien Obligation for purposes of the Junior Lien Bond Ordinance.

Pursuant to the Junior Lien Bond Ordinance, the City also adopted the Supplemental General Junior Lien Bond Ordinance, Ordinance No. 17-0973, Series of 2017 (the "Great Hall Ordinance"), which declared an obligation of the City, for and on behalf of the Department, to make monthly Supplemental Payments under the Great Hall Agreement a Junior Lien Contract Obligation (the "Great Hall Junior Lien Obligation"). The monthly Supplemental Payments are expected to range between approximately $27.5 million (adjusted for inflation using CPI) annually in 2022 (the first full year after the anticipated completion of the Great Hall Project) and approximately $53.2 million (adjusted for inflation using CPI) annually in 2050 (the last full year of the Great Hall Agreement being in effect). Such monthly Supplemental Payments and any flow of funds described in the Great Hall Agreement do not modify in any manner the flow of funds required under the Senior Bond Ordinance.

Installment Purchase Agreements. The City, for and on behalf of its Department of Aviation, entered into various Master Installment Purchase Agreements. As of December 31, 2017, the following agreements were outstanding:

Date Entered	Firm	Outstanding Amount	Interest Rate
1/10/2012	Santander Leasing, LLC	$8,683,623	1.9595%
1/9/2015	Banc of America Public Capital Corp	461,563	1,1656%
6/19/2015	Santander Bank NA	2,048,181	1.1900%
		$11,193,367	

As of December 31, 2017, $11.2 million of principal note payments were outstanding under these Agreements, compared to $14.7 million at December 31, 2016.

Summary Financial Information

TABLE 32

AIRPORT SYSTEM
CONDENSED STATEMENT OF REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED DECEMBER 31
($ in thousands)

	2013	2014	2015[1]	2016	2017
Operating Revenues	$661,637	$711,492	$687,536	$742,529	$768,925
Operating Expenses	431,935	413,563	436,803	469,810	453,532
Operating Income Before Depreciation	229,702	297,929	250,733	272,719	315,393
Depreciation and Amortization	184,721	183,560	163,714	179,692	183,351
Operating Income	44,981	114,369	87,019	93,027	132,042
Non-Operating Revenues (Expenses) net	(55,906)	(9,013)	9,106	12,108	1,611
Capital Contributions	31,413	20,533	20,483	3,553	55,879
Change In Net Assets	$20,488	$125,889	$116,608	$108,688	$189,532

1 The adoption of GASB 68, Accounting and Financial Accounting for Pensions, required a one-time adjustment to reduce net assets by $90.6 million as a result of the cumulative effect of the change in accounting principle, which has not been reflected in the total above. 2014 has not been restated for adoption of GASB 68.

(Source: Department of Aviation)

TABLE 33

HISTORICAL NET REVENUES AND DEBT SERVICE COVERAGE UNDER THE BOND ORDINANCE FOR THE FISCAL YEAR ENDED DECEMBER 31

($ in thousands)

	2013	2014	2015	2016	2017
Gross Revenues[1,2]	$743,101	$803,620	$808,614	$863,126	$892,160
Operation & Maintenance Expenses	349,987	355,769	377,199	417,140	425,006
Net Revenues	393,114	447,851	431,415	445,986	467,154
Other Available Funds[3]	50,409	54,833	50,320	51,574	47,090
Total amount available for Debt Service Requirements	$443,523	$502,684	$481,735	$497,560	514,244
Senior Bonds					
Debt Service Requirements[4]	$202,758	$219,334	$201,279	$206,295	188,360
Debt Service Coverage	219%	229%	239%	241%	275%
Senior and Subordinate Bonds[5]					
Debt Service Requirements[4]	$242,817	$268,422	$262,512	$294,914	$282,251
Debt Service Coverage	183%	187%	184%	169%	184%

1 Includes Designated Passenger Facility Charges which represent one-third of the Passenger Facility Charges ("PFC") revenues (the $1.50 portion of the $4.50 PFC, net of the PFC collection fees retained by airlines) received by the City that are included in Gross Revenues. Pursuant to an ordinance adopted by the City Council in August 2018, in Fiscal Year 2019 and thereafter, all PFC revenues received by the City (net of the PFC collection fees retained by airlines) will be included in Gross Revenues until such time as the Manager of the Department of Aviation gives written notice to the Chief Financial Officer of the City to stop including all or a portion of PFCs in Gross Revenues.

2 Includes $17,214,747, $18,597,856, $19,883,506, and $19,491,735 of rental car customer facility charges ("CFCs") in 2014, 2015, 2016, and 2017, respectively. CFCs were included in Gross Revenues for the first time in 2014 upon maturity of Special Facilities Revenue Bonds for car rental facilities at the Airport. The Department of Aviation may seek City Council approval to amend the ordinances relating to CFCs to exclude CFCs from Gross Revenues in 2018 and thereafter, consistent with the treatment of CFCs in years prior to 2014. CFCs may be pledged to the payment of Special Facilities Revenue Bonds in the future. For additional information on CFCs, refer to the 2017 Annual Financial Report for the Airport.

3 Other Available Funds is defined in the Senior Bond Ordinance as an amount determined by the Manager of Aviation to be transferred from the Capital Fund to the Revenue fund; but in no event is such amount to exceed 25% of aggregate Debt Service Requirements for the Fiscal Year.

4 Less Committed Passenger Facility Charges which represent two-thirds of the PFC revenues (the $3.00 portion of the $4.50 PFC, net of the PFC collection fees retained by airlines) received by the City that are irrevocably committed through 2018 to the payment of Debt Service Requirements on Senior Bonds. The City has determined not to extend such irrevocable commitment after December 31, 2018. From January 1, 2019, all PFC revenues received by the City will be Designated Passenger Facility Charges as described in footnote 1 above.

5 Subordinate Obligations include Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations

(Source: Department of Aviation)

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2017 Dollars

$10.69[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED GROUP (includes United Express)
2017 Dollars

$11.27[1]

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1 Numbers are net of revenue credit and fuel tax rebates.

(Source: Department of Aviation)

HISTORICAL PASSENGER FACILITY CHARGE REVENUES
($ in thousands)[1]

Year	Revenues	Percent Change
2013	$103,032	(2.3)%[2]
2014	103,959	0.9
2015	106,006	2.0
2016	114,230	7.8
2017	118,333	3.6

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1 These amounts constitute the revenues derived from the entire $4.50 PFC net of the collection fees retained by the airlines.
2 Compared to PFC revenues of $105,472,26 in 2012.

(Source: Department of Aviation)

CONTACTS FOR FURTHER INFORMATION

Compliance Officer for the City and County of Denver, Colorado 2017 Disclosure Statement:

Brendan J. Hanlon
CFO, Manager of Finance, *Ex-Officio* Treasurer
201 W. Colfax Avenue
Denver, Colorado 80202
(720) 913-1514 (Phone)
(720) 913-5599 (Fax)
debtmanagement@denvergov.org

Financial reports are available on the City's web site, **http://www.denvergov.org/**, and may be obtained by following the instructions given under the respective headings below. Copies of the financial reports may also be obtained from the following City and County of Denver, Colorado contacts:

Continuing Disclosure Annual Report and
Wastewater Management Enterprise Fund Financial Statements:
City and County of Denver
Department of Finance
Hannah Stewart
Senior Capital Funding Analyst
201 West Colfax Avenue, Dept. 1010
Denver, Colorado 80202
(720) 913-9301 (Phone)
(720) 913-9460 (Fax)
https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/financial-reports/disclosure-statements.html

Comprehensive Annual Financial Report (CAFR):
Beth Machann
Controller
201 West Colfax Avenue
Denver, Colorado 80202
(720) 913-5500 (Phone)
(720) 913-5247 (Fax)
https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/controllers-office.html

Financial Statements and Supplementary Information - Airport System:
Department of Aviation - Finance
Denver International Airport
8500 Peña Boulevard
Denver, Colorado 80249-6340
(303) 342-2000 or (800) 247-2336 (Phone)
http://www.flydenver.com/about/financials

Financial Statements - Board of Water Commissioners:
Denver Water Board
Usha Sharma
Treasurer
1600 West 12th Avenue
Denver, Colorado 80204
(303) 628-6410 (Phone)
(303) 628-6479 (Fax)
https://www.denverwater.org/about-us/investor-relations

Financial Statements – Denver Employees Retirement Plan:
Denver Employees Retirement Plan
Heather Darlington, CPA
Director of Finance and Operations
777 Pearl Street
Denver, Colorado 80203
(720) 723-2734 (Phone)
(303) 839-9525 (Fax)
www.derp.org/index.cfm/ID/9/Publications

The 2018 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2017 – available on the City's website or from the Controller's Office.

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APPENDIX A
AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA

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Introduction

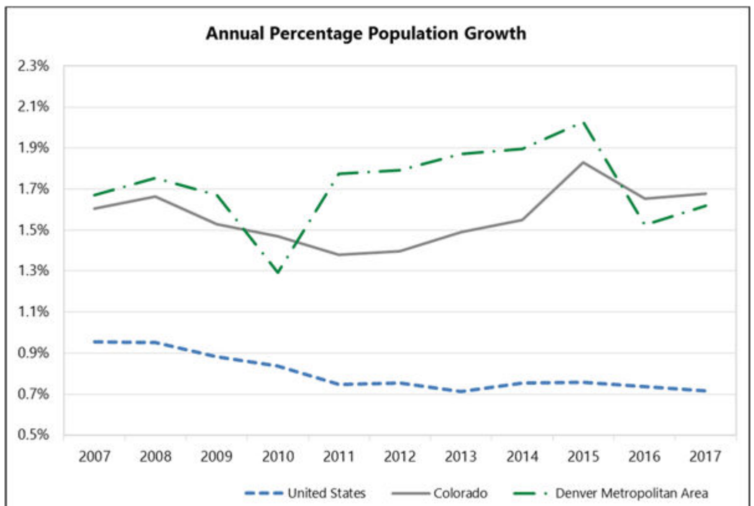
Colorado recorded the eighth-fastest employment growth of the 50 states during 2017, with a 2.2 percent increase in jobs. The Denver metropolitan statistical area ranked 24th among the country's 50 largest metropolitan areas for employment gains in 2017, rising 1.9 percent. Colorado's expanding employment base, high quality of life, and increasing presence in the global business community continue to attract individuals and businesses to the state.

The Denver metropolitan area is comprised of seven counties – Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson. The Denver metropolitan area economy strongly influences the economy statewide as the area accounts for about 62 percent of Colorado jobs and 56 percent of the state's total population. The Denver metropolitan area experienced job growth in each supersector in 2017, adding 31,300 jobs of the total 56,200 jobs added in the state. Four industry supersectors – professional and business services, leisure and hospitality, natural resources and construction, and government – accounted for about 62 percent of Denver metropolitan area jobs added between 2016 and 2017.

Population

Colorado

U.S. Census Bureau population data indicate Colorado was the eighth-fastest growing state between July 2016 and July 2017. According to the Colorado Demography Office, the state's population increased 1.7 percent to over 5.6 million, a rate more than two times faster than the rate of the nation due to a high birth rate, low death rate, and positive net migration.

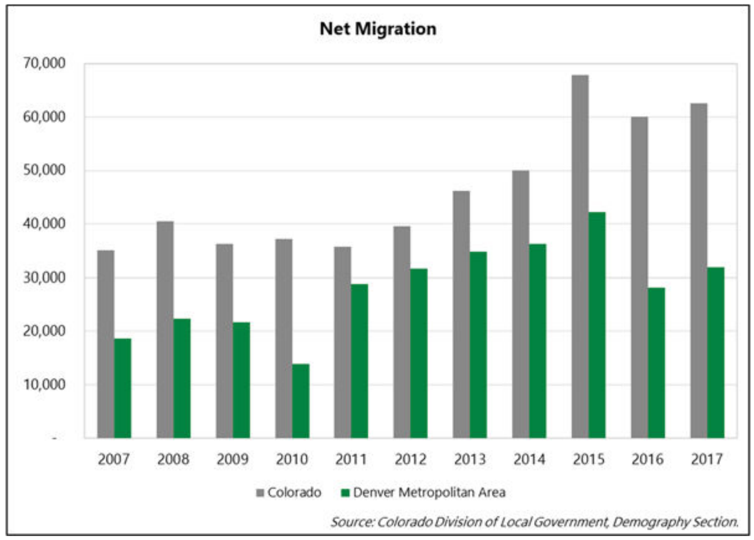


Source: U.S. Census Bureau; Colorado Division of Local Government, Demography Section.

Population growth depends on two components – natural increase and net migration. Natural increase is the difference between births and deaths, and typically changes only gradually as the population ages. Net migration reflects the number of in-migrants to the state minus the number leaving, and it tends to be more volatile as economic cycles, housing costs, and other less-predictable factors tend to influence population mobility. Natural increase accounted for 41 percent of Colorado's total population change between 2008 and 2017, and net migration accounted for 59 percent.

Demographers expect net migration will be the major contributing factor to Colorado's population growth throughout the remainder of the decade, representing about 66 percent of the state's population increase. Colorado is experiencing two major demographic shifts in the state's population. First, in 2015, the largest generational group residing in the state became the millennials (born 1981-1997), surpassing the baby boomers (born 1946-1964). Second, Colorado's share of the population 65 years and older is increasing rapidly. Among the 50 states, Colorado ranked as having the sixth lowest share of those 65+ (13.5 percent) in 2016. By 2027, this percentage will increase to more than 17 percent of the population. This means that the over 65 population will reach more than 1.1 million in 10 years.

Denver Metropolitan Area



The Denver metropolitan area is a magnet for new Colorado residents that are attracted by strong job opportunities. Net migration represented 59 percent of total Denver metropolitan area population growth between 2008 and 2017, and natural increase represented 41 percent of total growth. During the prior ten-year period (1998-2007), net migration represented 47 percent of the population change.

Even with slower net migration during recession periods, the Denver metropolitan area's average annual population growth over the past ten years (1.7 percent) was noticeably faster than the national average (0.8 percent). The region's population grew 1.6 percent between 2016 and 2017, and the Denver metropolitan area is now home to nearly 3.2 million residents.

From 2011 through 2014, net migration in the Denver metropolitan area accounted for 77 percent of total Colorado migration. While net migration to the Denver metropolitan area represented just 51 percent of the state's net migration in 2017, the area is a choice location for millennials. The millennials are the largest population group in the Denver metropolitan area, numbering about 818,100 in 2017. While generation X (689,000 population) and baby boomers (665,200 population) dominated the labor force previously, the millennials became the largest component of the national labor force in 2015.

The area's median age (37.1) is lower than the nationwide median (37.9) and the total share of the region's population age 65 and older (12.7 percent) is smaller than the national share (15.3 percent).

Denver Metropolitan Area Population by County

Area	2007	2012	2017	Avg. Annual Population Growth 2007-2012	2012-2017
Adams	415,915	460,064	509,473	2.0%	2.1%
Arapahoe	545,882	595,776	646,725	1.8%	1.7%
Boulder	288,757	305,016	325,607	1.1%	1.3%
Broomfield	53,328	58,715	68,552	1.9%	3.1%
Denver	570,437	634,471	703,462	2.2%	2.1%
Douglas	268,599	298,638	334,525	2.1%	2.3%
Jefferson	527,120	545,880	578,627	0.7%	1.2%
Denver Metropolitan Area	2,670,038	2,898,560	3,166,972	1.7%	1.8%
Colorado	4,821,784	5,191,086	5,630,987	1.5%	1.6%

Source: Colorado Division of Local Government, Demography Section.

Of the seven Denver metropolitan area counties, the City and County of Broomfield and Douglas County reported the fastest population growth over the past five years. Growth in five of the seven counties exceeded both the statewide and national average growth rates between 2012 and 2017.

City and County of Denver

The City and County of Denver represents 22.2 percent of the total Denver metropolitan area population, the largest portion of the seven counties in the region. The young adults (age 25-34) represent the largest portion of the City and County of Denver's working age population, representing 22.4 percent of the population, which is 6.2

percentage points higher than the portion in the Denver metropolitan area. The City and County of Denver has a median age of 35.1, two years younger than the surrounding population. Between 2007 and 2017, total population growth averaged 2.1 percent per year. Over this ten-year period, net migration represented more than 60 percent of the population growth, while less than 40 percent was attributed to natural increase.

Employment

The U.S. Bureau of Labor Statistics releases employment data based on two different surveys. The household survey – also called the Current Population Survey (CPS) – reflects employment characteristics by place of residence and is the data source for statistics on labor force, employment and self-employment, and unemployment by county. This data is discussed in the Labor Force & Unemployment section of this report.

The so-called "establishment" survey is the data source for the Current Employment Statistics (CES) series, which includes detailed information on employment, hours, and earnings by industry. Although the survey does not count the self-employed, the CES data are some of the most closely watched and widely used gauges of employment trends.

Industry employment data in the CES series are grouped according to North American Industry Classification System (NAICS) codes. This coding structure includes 20 detailed industry sectors that are combined to form 11 "supersectors."

Colorado

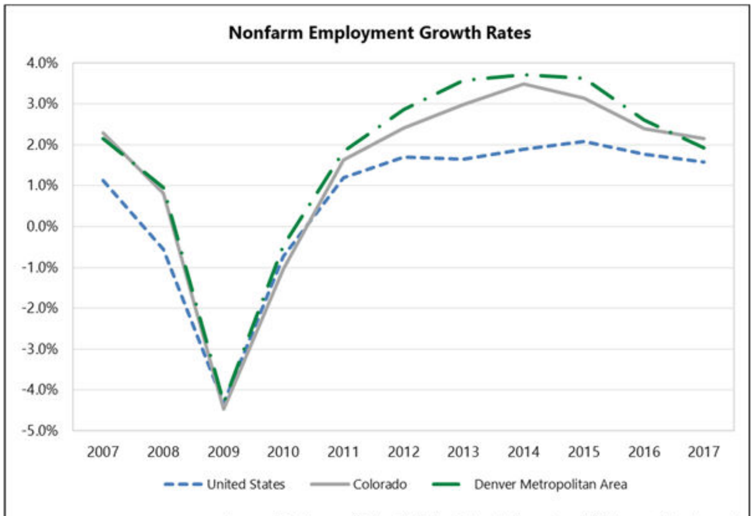
During the past ten years, Colorado employment grew at an annual average rate of 1.3 percent, double the national rate (0.6 percent). The most recent recession caused significant declines in employment growth in Colorado, as the state posted more negative growth rates during the last recession than the national average. While the Great Recession hit Colorado harder than the rest of the nation, the area recovered at a much faster pace and recorded higher employment growth than the nation for the last seven years.

The concentration of certain industries in the state has given it unique advantages during the recent period of economic growth. A large presence of high-tech and construction activity positioned Colorado to expand at a steady pace over the last few years. Colorado employment rose across 10 of the 11 supersectors from 2016 to 2017, with the fastest growth recorded in natural resources and construction (+5.8 percent). Employment also increased at a strong pace between 2016 and 2017 in the transportation, warehousing, and utilities supersector and the leisure and hospitality supersector, rising 3.1 percent and 3 percent respectively. The information supersector recorded the only decline between 2016 and 2017, decreasing 0.3 percent. Total employment in Colorado increased 2.2 percent during the period. Colorado's employment growth rate was 0.6 percentage points higher than the national growth rate of 1.6 percent.

Denver Metropolitan Area

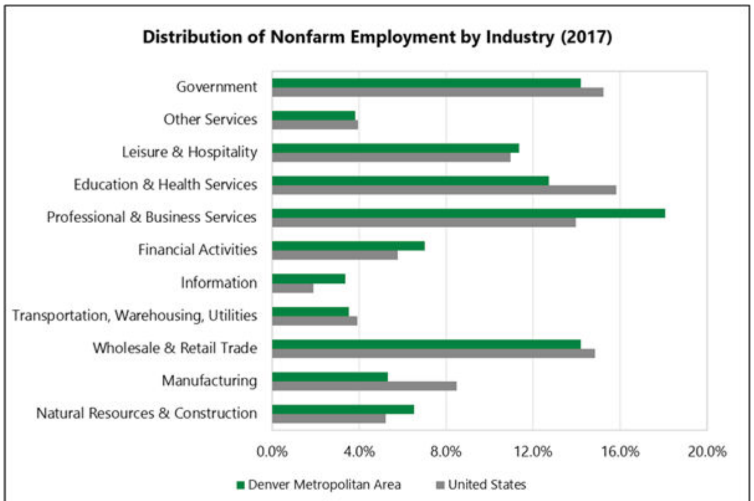
The U.S. Bureau of Labor Statistics also compiles CES data for a number of Metropolitan Statistical Areas (MSAs), including the Denver-Aurora-Lakewood MSA (Denver MSA) and the Boulder MSA. The Denver MSA consists of ten counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties. Because CES data are not available for the counties individually, data in this section of the report reflects the Denver MSA and Boulder MSA (Boulder County) combined.

This 11-county region has a nonfarm employment base of 1.65 million workers. Growth in the region has been slightly stronger than the state, with employment rising at an average annual growth rate of 1.6 percent from 2007 to 2017, higher than the state average (1.3 percent). However, growth between 2016 and 2017 was 1.9 percent, 0.3 percentage points lower than the state. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 31,300 jobs of the total 56,200 jobs added in the state during the last year. Both the state and the 11-county region began to report employment growth in 2011, and the Denver metropolitan area consistantly expanded at a faster pace than the state from 2011 to 2016.



Sources: U.S. Bureau of Labor Statistics, Colorado Department of Labor and Employment.

All industry supersectors increased in the Denver metropolitan area for the fifth consecutive year. Four industry supersectors –professional and business services, leisure and hospitality, natural resources and construction, and government – accounted for nearly 62 percent of Denver metropolitan area jobs added between 2016 and 2017. Part of these industries' large impact on overall job growth reflects their sheer size, as they are some of the region's largest sectors in terms of total jobs. The Denver metropolitan area's largest supersector, professional and business services, expanded by 2.2 percent and added 6,300 jobs between 2016 and 2017. The leisure and hospitality supersector is the region's fifth largest supersector and expanded by 2.9 percent, adding 5,300 jobs. While natural resources and construction comprised 6.5 percent of total employment in the Denver metropolitan area in 2017, fast growth in the sector resulted in an increase of 4,900 jobs from 2016 to 2017, the third most added in absolute terms.



Sources: U.S. Bureau of Labor Statistics, Colorado Department of Labor and Employment.

Employment growth in the Denver metropolitan area in 2017 was influenced by several key trends. First, information technology-software companies expanded at a rapid pace, especially in downtown Denver and Boulder County, drawn by the quality of the high technology workforce. Leisure and hospitality has recorded the second-fastest rate of growth since the Great Recession, increasing at an average annual rate of 3.9 percent from 2011 to 2017. The supersector has benefited from robust growth in food services and drinking places that account for the majority of jobs added in the supersector since 2011. The natural resources and construction supersector rebounded in 2017 after the pace of growth slowed in 2016. Employment in the supersector was bolstered by stabilized oil and gas prices and strong construction activity. On the downside, the wholesale and retail trade supersector recorded its slowest pace of growth since the Great Recession, slowing to 1 percent in 2017 after peaking at 2.9 percent in 2015.

City and County of Denver

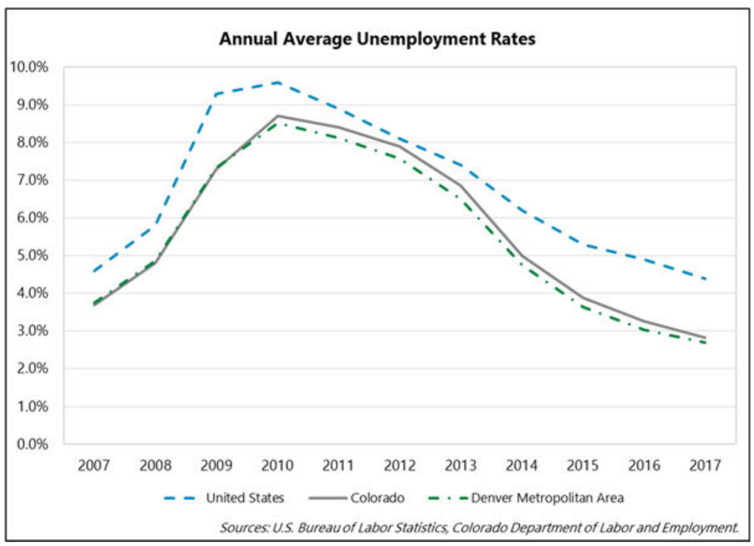
The City and County of Denver is the employment center for the Denver metropolitan area and accounted for an estimated 30.7 percent of the region's total jobs in 2017. Downtown Denver's central business district has one of the area's largest concentrations of office space and is home to telecommunications companies, large healthcare organizations, financial and legal firms, and a variety of other businesses. The City and County of Denver had the state's largest job base with employment increasing 2.3 percent between 2016 and 2017 to 506,020 workers.

The City and County of Denver's three largest industry supersectors by employment concentration are professional and business services (20.3 percent), government (13.8 percent), and leisure and hospitality (12.7 percent). Total employment rose in all 11 industry supersectors from 2016 to 2017. The fastest employment increases occurred in natural resources and construction (8.3 percent), transportation, warehousing, and utilities (5.7 percent), and leisure and hospitality (3 percent).

Labor Force & Unemployment

In 2017, the U.S. economic situation continued to strengthen, pushing the national unemployment rate down to the lowest levels since before the Great Recession. Companies continued to hire at a fast pace as consumers became more confident and companies were more optimistic about future economic conditions. Data shows the national unemployment rate declined to 4.4 percent in 2017, a decline of 0.5 percentage points from the 2016 rate (4.9 percent).

Colorado



Colorado's unemployment rate fell faster than the national average, reaching 2.8 percent in 2017, and the lowest level since 2000. Colorado's annual average unemployment rate peaked at 8.7 percent in 2010 and the rate fell at an increasing rate through 2014. While the rate of decrease in the unemployment rate has slowed, Colorado's unemployment rate has remained at or below the national level since 1990. Colorado's unemployment rate in 2017 was 1.6 percentage points below the national average. Colorado achieved a significant decline in the unemployment rate even as the labor force expanded at a faster pace than the nation. Colorado's labor force expanded by 3.4 percent in 2017 compared with the national increase of 0.7 percent.

Denver Metropolitan Area

The most recent recession pushed the Denver metropolitan area unemployment rate to a peak of 8.5 percent in 2010, but the rate has declined steadily since that point. The unemployment rate fell 0.3 percentage points between 2016 and 2017 to 2.7 percent, the lowest level since 2000. Similar to the state, the labor force in the Denver metropolitan area increased at a robust pace in 2017, increasing by 3.2 percent. The Denver metropolitan area tied for 19th for the lowest unemployment rate of all U.S. metropolitan areas based on the average annual unemployment rate for 2017. The lowest unemployment rate of 2 percent was found in Ames, Iowa.

City and County of Denver

As an urban center, the City and County of Denver typically records higher unemployment than the Denver metropolitan area, but the rate has generally matched the metropolitan area since 2013, posting a rate of 0.1 percentage points above the Denver metropolitan area rate for each of the past five years. While the City and County of Denver reported unemployment rates that were higher than the national average between 2002 and 2006, rates have remained below the national average since 2007. The average annual unemployment rate in the City and County of Denver peaked at 9.1 percent in 2010, but has steadily declined each year since. The unemployment rate fell to 2.8 percent in 2017, the lowest level since 2000.

Major Employers

Colorado's small businesses play a major role in the state's job creation and economic growth. Data from the U.S. Census Bureau show that, as of 2016, nearly 98 percent of businesses in the Denver metropolitan area employed fewer than 100 workers. Self-employment is another important economic driver in Colorado: according to the U.S. Bureau of Economic Analysis, Colorado had the nation's sixth-largest share of total jobs linked to sole proprietorship in 2016.

While small businesses and the self-employed are vitally important to the Denver metropolitan area economy, larger firms are key providers of jobs and income. Census Bureau data shows 75 firms with 1,000 or more employees were operating in the Denver metropolitan area in 2016 and a third of these large businesses were located in the City and County of Denver.

Ten companies headquartered in Colorado were included on the June 2018 *Fortune 500* list. Arrow Electronics was the highest ranked Colorado company at #113 with $26.8 billion in revenue. The remaining nine companies on the list were DaVita HealthCare Partners Inc. (#179), Dish Network (#203), Molson Coors Brewing (#275), Ball Corp. (#277), Qurate Retail (#288), DCP Midstream (#344), Liberty Media (#377), Newmont Mining Corp. (#385), and Western Union (#494).

Metro Denver Largest Private Sector Employers

Company	Product/Service	Employment
King Soopers Inc.	Grocery	14,380
Wal-Mart	General Merchandise	11,900
HealthONE Corporation	Healthcare	11,070
SCL Health System	Healthcare	8,750
Centura Health	Healthcare	8,640
UCHealth	Healthcare, Research	8,520
CenturyLink	Telecommunications	8,290
Lockheed Martin Corp.	Aerospace & Defense Related Systems	7,580
Comcast	Telecommunications	7,350
Kaiser Permanente	Healthcare	6,990
Children's Hospital Colorado	Healthcare	6,850
Safeway Inc.	Grocery	6,180
United Airlines	Airline	6,050
Target Corp.	General Merchandise	5,640
Amazon*	Warehousing & Distribution Services	5,280
United Parcel Service	Parcel Delivery	4,250
Charles Schwab	Financial Services	4,230
University of Denver	University	4,140
DISH Network	Satellite TV & Equipment	4,060
Southwest Airlines	Airline	3,990

Source: Development Research Partners, May 2018.
**Includes Amazon Robotics and Fulfillment Center planned opening in Thornton in August 2018.*

Private sector businesses account for the majority of employment in the Denver metropolitan area, but the public sector also represents a sizeable portion of the area's job base. As the capital of Colorado, the City and County of Denver has a large concentration of government employees. Specifically, public sector employment in Denver consists of 14,900 federal government employees, 15,100 state government employees, and 39,800 employees in local government entities including Denver Public Schools (13,000 employees) and the City and County of Denver (12,700 employees).

International Trade

The Denver metropolitan area is located just west of the nation's geographic center and at the exact midpoint between Tokyo and

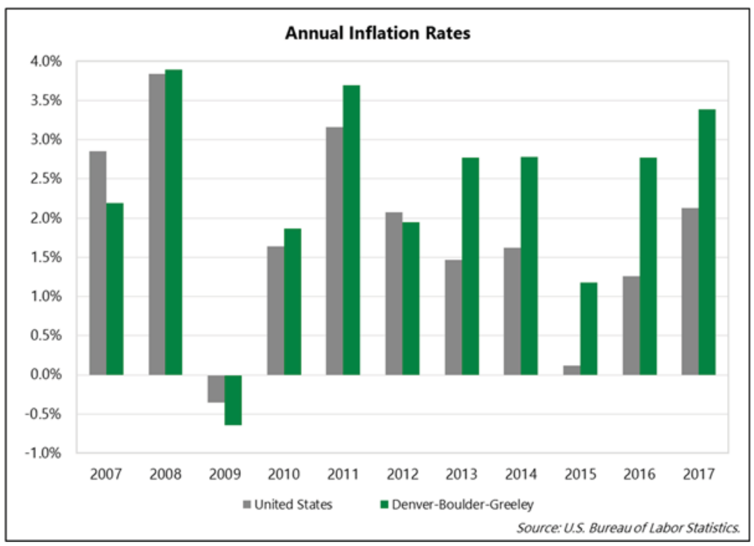
Frankfurt. As a result, it serves as an ideal hub for businesses focused on interstate and international commerce. Shipping businesses can access the Denver metropolitan area via all transportation modes except water, and the region's location midway between Canada and Mexico – U.S. partners under the North American Free Trade Agreement (NAFTA) – is another asset for trade-focused companies. Nearly 34 percent of the total dollar value of export shipments from Colorado went to Canada and Mexico in 2017; the state's other largest trading partners include China, Japan, Malaysia, and South Korea.

After three consecutive years of declining exports, Colorado's exports posted a 6.4 percent increase over-the-year from 2016 to 2017. However, exports in 2017 were 5.6 percent below the peak of $8.5 billion in 2013. Much of the decline was attributed to exports to Canada, which fell 20.2 percent between 2013 and 2014, 14.4 percent between 2014 and 2015, and 3.7 percent between 2015 and 2016. While exports to Canada grew 2.5 percent from 2016 to 2017, most of the increase in Colorado's exports was from Mexico. Exports to Mexico grew more than 23 percent, expanding from $1.1 billion in 2016 to more than $1.3 billion in 2017. The rapid rise since mid-2014 in the value of the dollar against the currencies of major U.S. trading partners has made it increasingly expensive for other countries to purchase goods and services from the U.S. Indeed, the trade weighted U.S. dollar index reached its highest point at the end of 2016 since April 2002. However, the dollar's value has fallen by 8 percent since peaking in 2016, which has supported export activity.

Nearly two-thirds of Colorado's $8.1 billion in exports consisted of four key products, which were computer and electronic products, food products, machinery, and chemicals. Computer and electronic products comprised nearly 24 percent of the state's export volume in 2017, while food products comprised more than 21 percent. Each of these categories grew over-the-year, but the largest growth was in food products that increased by nearly 17 percent from 2016 to 2017. Machinery also increased at a rapid pace in 2017, increasing by 6.5 percent.

Inflation

The U.S. Bureau of Labor Statistics measures inflation – or deflation – as a change in the Consumer Price Index (CPI). The CPI is a compilation of price measures for items in eight broad categories, the most heavily weighted of which are housing, transportation, and food and beverages. Housing carries the most weight of these three categories.



The weight placed on housing costs is one reason why the U.S. average and the Denver-Boulder-Greeley CPIs have varied over the past decade. Prices across the U.S. and the Denver-Boulder-Greeley region moved at a similar pace from 2006 to 2012. The rapid increase in home prices in the Denver metropolitan area from 2013 through 2017 meant that the inflation rate locally increased at roughly double the U.S. rate. Housing costs in the Denver-Boulder-Greeley area increased at an average annual rate of 4.9 percent between 2013 and 2017, while housing costs across the U.S. rose 2.5 percent during the same period.

The Denver-Boulder-Greeley area reported prices that increased at a faster pace than the U.S. in seven of the last eight years. The Denver-Boulder-Greeley CPI rose 3.4 percent in 2017, 1.3 percentage points higher than the U.S. CPI. During 2017, the U.S. index increased 2.1 percent. Of the individual components, five of the eight increased at a faster pace in 2017 in the Denver-Boulder-Greeley area than the U.S. average, consisting of food and beverages, housing, medical care, recreation, and transportation. The housing component increased the most over-the-year, growing 4.8 percent in the Denver-Boulder-Greeley area, while the U.S. increased 3 percent. Food and beverages recorded the smallest increase (+2.6 percent) in the local area, while the U.S. increased 0.9 percent in the same component. Three categories recorded declines in the Denver-Boulder-Greeley area, which were apparel (-1.8 percent), education and communication (-3.1 percent), and other goods and services (-1.3 percent). The U.S. also recorded declines in apparel (-0.3 percent) and education and communication (-1.9 percent), but recorded an increase in other goods and services (+2.2 percent).

Income

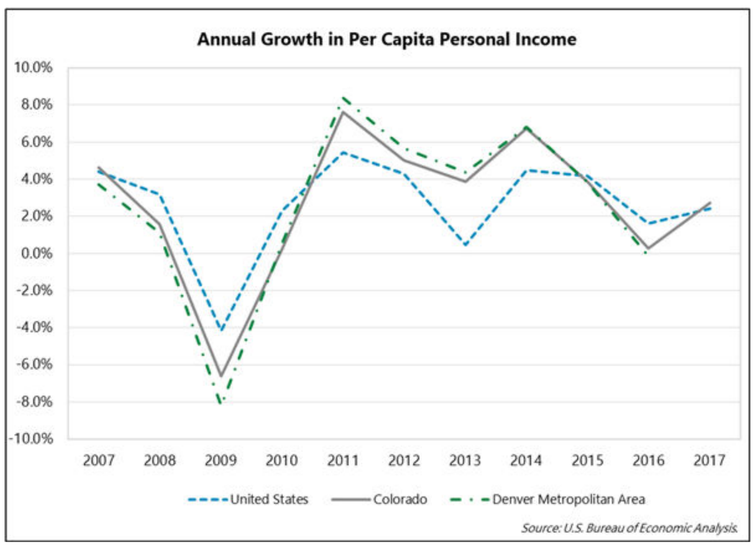
Colorado

The largest component of personal income is earnings from work, meaning a difficult labor market and slow wage growth can affect overall personal income trends. The 2008 housing crisis pushed total personal income growth downward, leading to a decline of 5 percent in 2009. Growth began to recover in 2010 (1.8 percent) and continued in 2011 (9.1 percent). In mid-2013, the Colorado economy was one of only about a dozen states to recover all jobs lost during the 2008 recession, starting the state on a path of economic expansion. With the rest of the country still in recovery mode, total personal income in Colorado rose at a faster pace than the national average from 2013 to 2015. While state personal income growth fell below the national rate (+2.3 percent) to 1.9 percent in 2016, due in part to a contraction in oil and gas markets, the state's personal income rose 4.1 percent in 2017.

Growth in per capita personal income – or total personal income divided by population – slowed in Colorado in 2016. However, Colorado's per capita personal income increased 2.7 percent in 2017, posting a growth rate higher than the nation for the first time since 2014. In Colorado, per capita personal income was $53,504 in 2017, or 106 percent of the national average, representing the 13th-highest level of the states.

Denver Metropolitan Area

Personal income trends in the Denver metropolitan area have roughly followed the statewide trend over the past decade. The decline in the Denver metropolitan area total personal income between 2008 and 2009 (-6.6 percent) was double what was reported nationwide (-3.3 percent), but the area's personal income grew faster than the national average from 2011 to 2015. In 2016, the Denver metropolitan area's personal income growth slowed to 1.4 percent, compared with the national growth rate of 2.3 percent.



The Denver metropolitan area per capita personal income in 2016 ($57,773) was 117 percent of the U.S. average. Comparatively high wage rates tend to keep per capita personal income in the Denver metropolitan area above the national average. Even though per capita personal income increased faster over-the-year in 2016 at the national level compared to the Denver metropolitan area, per capita income has increased 22.2 percent in the Denver metropolitan area since 2011 while the nation increased 15.9 percent during the same time period.

City and County of Denver

Per capita personal income in the City and County of Denver is generally higher than the U.S., averaging 134 percent of the national number between 2010 and 2016. The income differential peaked in 2014, when per capita personal income ($67,981) reached 146 percent of the national average. The City and County of Denver per capita personal income fell sharply (-16.2 percent) between 2008 and 2009, but increased in 2010 through 2015. Per capita personal income declined 4.1 percent between 2014 and 2015 due to rapid population growth and the oil and gas contraction. Per capita personal income in the City and County of Denver reached $67,256 in 2016.

The City and County of Denver boasts a higher than average per capita personal income compared with the Denver metropolitan area, averaging 117 percent of the metro-wide number from 2010 to 2016. The difference can be attributed to the relatively high wage rates in the county. The average annual wage in the City and County of Denver was $65,270 in 2016, which was $4,457 higher than the Denver metropolitan area average annual wage.

Retail Trade

Retail sales account for a large part of the nation's total economic output and are a useful indicator of overall consumer health. The recession pushed national retail sales down in 2008 and 2009, when sales declined 1.3 percent and 7.2 percent, respectively. Retail sales grew quickly from 2010 to 2014, increasing at an average annual rate of 5 percent each year. Retail sales slowed from 2015 to 2016, increasing just 2.6 percent and 2.9 percent, respectively. However, the pace of retail sales increased in 2017, rising 4.6 percent and reporting growth in 11 of 12 retail trade categories.

Sales of motor vehicles and auto parts is the largest retail trade category in the United States by volume. Sales of motor vehicles and auto parts, a good indicator of healthy spending, rose 4.7 percent in 2017. The fastest growing category from 2016 to 2017 was for non-store retailers, which rose 10.6 percent and includes businesses engaged in mail-order or electronic shopping, door-to-door sales, and in-home demonstrations, among other things. Non-store retailers was followed by service stations (9.2 percent) and building materials and nurseries (8.2 percent). The only retail trade category to contract in 2017 was the sporting goods, hobby, book, and music stores category, which fell 3.4 percent.

U.S. Retail Trade Sales ($millions)

Industry	2016	2017	Percent Change
Retail Trade:			
Motor Vehicle / Auto Parts	$1,135,616	$1,189,245	4.7
Furniture and Furnishings	$110,106	$115,702	5.1
Electronics and Appliances	$97,382	$97,397	0.0
Building Materials / Nurseries	$349,921	$378,780	8.2
Food/Beverage Stores	$699,411	$719,036	2.8
Health and Personal Care	$328,312	$331,629	1.0
Service Stations	$417,621	$456,166	9.2
Clothing and Accessories	$256,903	$260,554	1.4
Sporting/Hobby/Books/ Music	$88,594	$85,559	-3.4
General Merchandise/ Warehouse	$673,056	$691,264	2.7
Misc. Store Retailers	$125,612	$130,490	3.9
Non-Store Retailers	$564,152	$623,757	10.6
Total Retail Trade	$4,846,686	$5,079,579	4.8
Food / Drinking Services	$658,087	$679,163	3.2
TOTAL	$5,504,773	$5,758,742	4.6

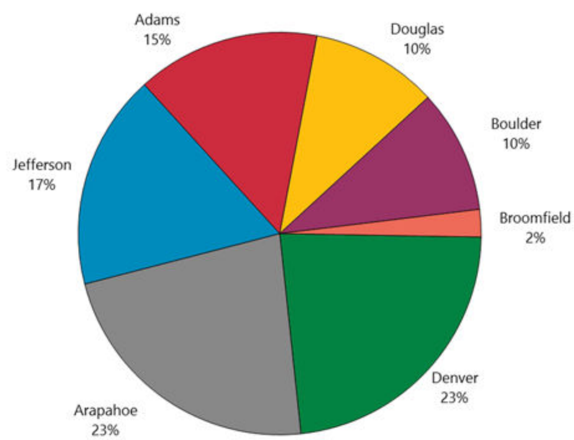
Note: Data are not adjusted for inflation. Sales by industry may not add to totals due to rounding and data suppression. Source: U.S. Census Bureau.

Colorado

Reflecting the recessions that began in 2001 and 2007, retail trade sales in Colorado fell in 2002 and 2003 and again in 2008 and 2009. However, as the labor market recovered, retail trade sales increased with consumers' recovering incomes and spending abilities. After a decline from 2007 to 2009, retail trade sales increased 5.5 percent in 2010, followed by 8.1 percent in 2011. Since the Great Recession, retail sales growth has outpaced the nation, with sales increasing at an average annual rate of 6.3 percent from 2010 to 2015. Sales growth slowed slightly in 2016 to 4.1 percent, possibly reflecting the slower growth in personal income and the oil and gas slowdown. However, retail trade sales increased 5.4 percent in 2017, reflecting strong consumer confidence and strong economic conditions.

Denver Metropolitan Area

Distribution of Retail Trade Sales by County, 2015



Source: Colorado Department of Revenue.

Like sales in Colorado, retail trade sales in the Denver metropolitan area grew rapidly in 2006 and 2007. A strong housing market allowed households more asset-based wealth, and solid job and income growth also supported retail activity. When the most recent recession dramatically lessened household wealth and drove unemployment higher, Denver metropolitan area retail trade sales fell 0.8 percent in 2008 and 11.3 percent in 2009.

Consumer confidence data suggest many households are becoming more optimistic about the economic situation, and consumers have noticeably increased their spending since the recession. Denver metropolitan area retail trade sales rose 8 percent in 2014 and 5.5 percent in 2015. Retail sales data at the county and city level is currently available only through 2015 from the Colorado Department of Revenue due to data publication issues. The City and County of Denver has the largest share of retail trade activity in the Denver metropolitan area, comprising 23 percent of the region's retail sales. Denver was followed by Arapahoe County (22.6 percent) and Jefferson County (17.3 percent).

Another indicator of consumer activity is Colorado state sales tax collections in the Denver metropolitan area. After state sales tax collections in the Denver metropolitan area slowed from a 5.8 percent increase in 2015 to a 3.5 percent increase in 2016, state sales tax collections rose 5 percent in 2017. While state sales tax collections in 2017 were 1 percentage point below the annual rate of growth over the past five years (6 percent from 2012 to 2017), growth in collections indicates retail spending remains robust. It should be noted that state sales tax collections may vary by year based on changes in the tax base as policy-makers enact exemptions, expand the number of taxable products, or issue rulings and guidance on collections and reporting.

Residential Real Estate

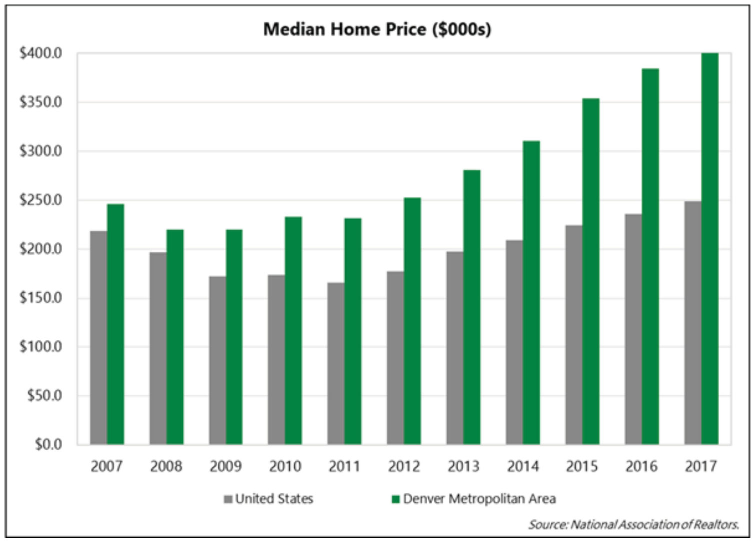
Combined, all aspects of the housing market – from new home construction to money spent on mortgage and rental payments, furnishings, and home improvements – contribute significantly to the nation's economy.

With strong population growth throughout the state, the housing market makeup has changed to adjust to the preferences of the growing millennial population and the aging baby boomers. Census data show the U.S. homeownership rate fell from 68.4 percent in the first quarter of 2007 to 64.2 percent in the first quarter of 2018.

The shift in homeownership for individual states has been even more profound: Colorado's homeownership rate fell from 69.7 percent in the first quarter of 2007 to 59.8 percent in the first quarter of 2018.

The decline in the Colorado homeownership rate is likely due to several factors, including rapidly rising prices that are keeping some households out of the ownership market, the limited supply of homes available for sale, and changing housing preferences due to demographic shifts. Combined with interest rates that are at record lows nationally, the disconnect between the high demand for homes and the low supply has pushed home prices to record high levels. Concurrently, demand for housing is urging new construction activity, resulting in increasing new residential building permits for single-family detached and multi-family homes.

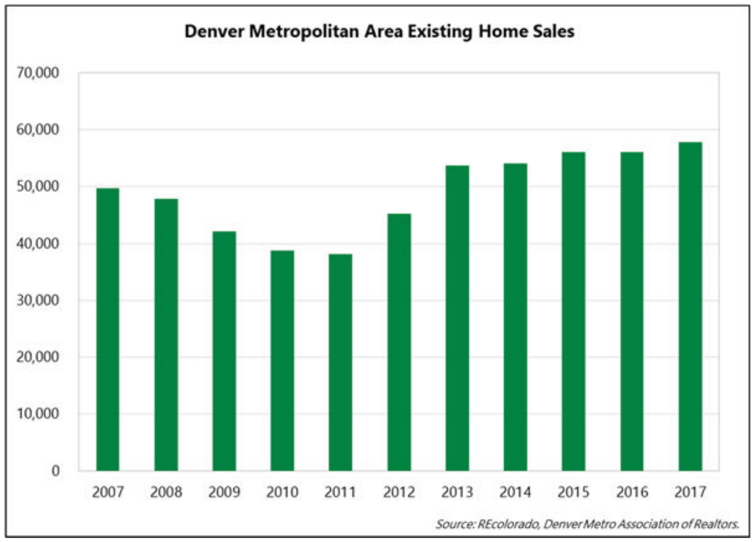
Residential Home Prices



The limited supply of homes for sale and the high demand from new homebuyers drove up the median home price in the Denver metropolitan area through 2017. The median home price rose 7.9 percent to $414,700 from 2016 to 2017. Of the past nine years, 2011 was the only year to record a decline in the median home price, falling 0.4 percent over-the-year. Since 2011, median home prices have risen at a rapid pace in the Denver metropolitan area. The median home price increased at double-digit rates from 2013 to 2015. While the pace of growth slowed in 2016 and 2017, the Denver metropolitan area median home price is now 66 percent higher than the 2006 peak, whereas the 2017 national median home price is 12 percent higher than the 2006 peak. The national median price reached $248,800 in 2017, a 5.6 increase from 2016. While home prices in the Denver metropolitan area tend to be higher than the nation, the price differential between the two areas has increased from $22,700 in 2008 to $165,900 in 2017.

The S&P/Case-Shiller Home Price Index shows that the Denver home price index continued to record new highs in 2017. Indeed, Denver was one of only eight cities tracked in the 20-city index that had surpassed their pre-recession peaks as of December 2017. The December 2017 data shows the Denver index was 45.4 percent above its prerecession peak that was reached in August 2006. The 20-city composite index was 1 percent below its peak that was reached in July 2006. Another housing price index, the Federal Housing Finance Agency's Home Price Index shows the Denver-Aurora MSA as having the 23rd highest (+10.35 percent) over-the-year increase of 100 metropolitan areas for the period ending December 31, 2017. While increasing home prices are a positive sign for the economy, the rate at which prices are rising suggests a significant disconnect in the supply and demand for homes.

Residential Home Sales



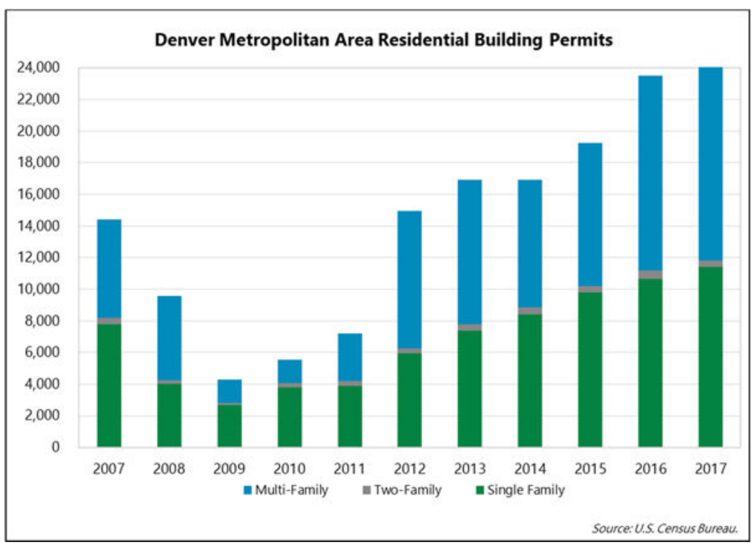
Denver metropolitan area existing home sales reached a pre-recession peak (53,482) in 2004. Subsequently, sales declined for seven straight years, declining by nearly 29 percent and reaching a low of 38,106 sales in 2011. After increasing nearly 19 percent in both 2012 and 2013 and surpassing the pre-recession peak, home sales growth has slowed over the past few years. Nonetheless, sales remained at a reasonable level, driven by strong in-migration, a healthy labor market, and a positive economic environment.

Existing home sales increased for the sixth consecutive year in 2017, rising 2.9 percent from 2016 to 2017 to 57,788. While sales rebounded somewhat after increasing just 0.1 percent in 2016, historically low inventory levels continue to restrict the market from expanding at a more rapid pace. In addition, rapidly rising home prices have kept some potential buyers out of the market.

Foreclosures

Foreclosure filings fell 7.2 percent in 2017 to 2,981 in the Denver metropolitan area, following an 8.3 percent decline in 2016. Six of the seven counties in the Denver metropolitan area recorded foreclosure declines in 2017, ranging from a 14.5 percent decline in Douglas County to a 2.3 percent decline in Boulder County. Broomfield was the only county that recorded an increase in foreclosure filings in 2017, rising 14.7 percent over-the-year to 39 foreclosure filings.

Residential Building Permits



The Denver metropolitan area is a top destination for relocation with above-average employment growth and a high quality of life. The Denver metropolitan area's growing job market, strong population growth, strong consumer confidence, and wage growth has contributed to strong demand for homes. High demand and low inventory have constrained the residential real estate market, and the pace of new development has been challenged to keep up with the increase in new households. Despite net migration declining by 24 percent in the Denver metropolitan area after a peak in 2015, home price growth remains robust and builders continue to respond to the market.

Construction permits rose 2.2 percent in 2017 with 24,021 residential construction permits issued, the highest recorded permit count since 2001. Residential construction permits in the Denver metropolitan area have increased for the eighth consecutive year since falling to a low of 4,288 permits in 2009. In 2017, single-family detached permits rose 7.1 percent and comprised about 48 percent of total permits issued. Single-family attached permits declined by nearly 28 percent from 2016 to 2017 but comprised just 1.6 percent of permits. Multi-family permits also declined, falling by 0.7 percent to 12,218 permits. Despite the drop in multi-family permits, multi-family permit activity remained at historic highs. It is important to note that multi-family construction, which has historically represented about one-third of permits issued over the past 20 years, comprised nearly 51 percent of the total in 2017. Multi-family permits have represented roughly one-half or more of all permits issued in the Denver metropolitan area from 2012 to 2017.

The dynamics of the residential real estate market are shifting along with economic conditions and demographic changes. Home price growth continues to be supported with low interest rates and the millennial generation is increasingly entering the home-ownership market. Transit-oriented development continues to expand in the Denver metropolitan area with new light rail stations and expanded FasTracks projects. With aging baby boomers, there has been a shift in the type of housing demanded, as reflected by increased demand for senior living facilities, ranging from independent senior living to assisted living facilities.

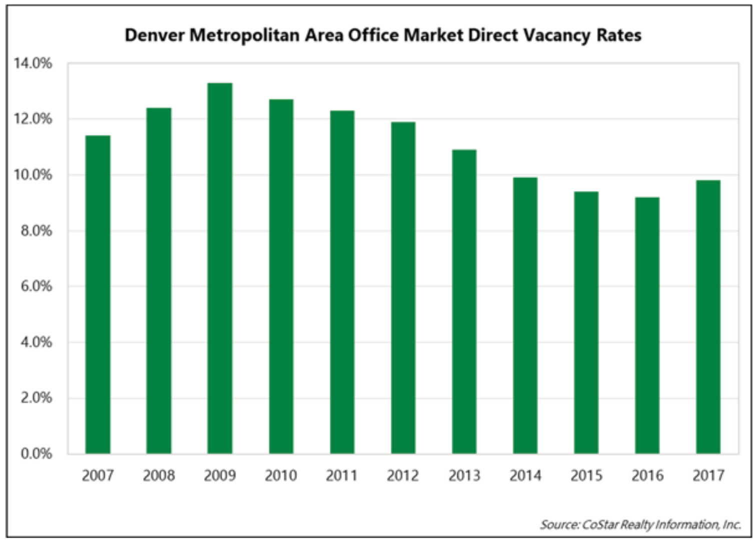
Apartment Market

Apartment vacancy data indicates that demand for apartments remained high through 2017 in the Denver metropolitan area, although growth in average lease rates slowed despite the average vacancy rate declining slightly. The vacancy rate averaged 5.6 percent during 2017, a decrease of 0.1 percentage points from 2016. The *Denver Metro Apartment Vacancy and Rent Survey* indicates average annual vacancy rates decreased from 2016 to 2017 in three of the six county-level markets reported, including Adams County, Arapahoe County, and the Boulder/Broomfield markets. The vacancy rate decreases ranged from 0.9 percentage points in Arapahoe County to 0.2 percentage points in Adams County. The vacancy rate increased in three markets including Denver, Douglas, and Jefferson counties. Increases ranged from 0.8 percentage points in Jefferson County to 0.2 percentage points in the City and County of Denver. Douglas County reported the highest average annual vacancy rate of the six submarkets in 2017, reaching 6.6 percent. The City and County of Denver reported a vacancy rate of 6.5 percent in 2017, the second-highest rate of the six submarkets.

Despite rising vacancy rates since 2014 when the average vacancy rate in the Denver metropolitan area reached a post-recession low, average lease rates continued to increase in 2017. However, the pace of growth slowed to its lowest level since 2011. Average rent in the Denver metropolitan area increased 3.9 percent between 2016 and 2017 to $1,403 per month. Growth peaked in 2015 at 12.2 percent before slowing to 6.9 percent in 2016. Every county reported over-the-year increases in the average rental rate. Arapahoe County recorded the largest increase in the average rental rate, reporting a 4.4 percent increase between 2016 and 2017. Douglas County reported the smallest increase in the average rental rate, rising 1.9 percent over-the-year. The average monthly rental rate reached $1,435 in the City and County of Denver, a 4.3 percent increase from 2016. Average monthly rental rates ranged from $1,309 in Adams County to $1,562 in the Boulder/Broomfield submarket.

Commercial Real Estate

Office Activity



Data from CoStar Realty Information, Inc. show the direct office market vacancy rate in the Denver metropolitan area was consistently below historic averages in 2015 and 2016. The vacancy rate fell to 9.2 percent at the end of 2016, the lowest fourth quarter rate since 2000. While the rate increased to 9.8 percent by the fourth quarter of 2017, the rate remained near levels not posted since the early 2000s. The fourth quarter 2017 vacancy rate was 0.6 percentage points above the prior year and remained unchanged from the prior quarter. The office vacancy rate had declined year-over-year for 26 consecutive quarters before increasing starting in the first quarter of 2017. Office lease rates have steadily increased since the second quarter of 2011 and are now at record levels. The average lease rate for direct space in the fourth quarter of 2017 ($26.24 per square foot) was 2.7 percent higher than the year-ago level.

Newly completed office construction in the Denver metropolitan area reached 3 million square feet in 2017. Some of the year's most notable completed construction projects included the 318,000-square-foot One Belleview Station building at 7001 E. Belleview Avenue in Denver, the 300,000-square-foot Denver Health administration building in Denver, the 299,700-square-foot Granite Place at Village Center building in Greenwood Village, and the 227,000-square-foot Arrow office building in Centennial. Further, there was about 5.1 million square feet of office space under construction during the fourth quarter of 2017. Of this space, more than 70 percent, or nearly 3.6 million square feet, was under construction in the City and County of Denver.

Industrial and Flex Activity

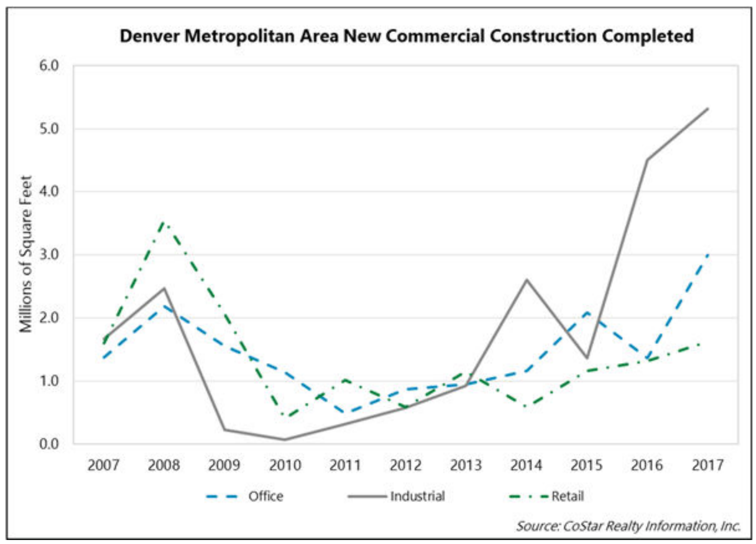
CoStar Realty Information shows that the industrial direct vacancy rate for the Denver metropolitan area was 3.9 percent during the fourth quarter of 2017, up 0.8 percentage points from 2016. As new product has come onto the market and the vacancy rate has increased, growth of lease rates slowed in 2017. The average lease rate in the fourth quarter of 2017 increased 1.9 percent to $7.61 per square foot from the fourth quarter of 2016. Growth in the average lease rate in 2017 was lower than the 10.1 percent average annual increase recorded since the fourth quarter of 2012.

Strong industrial demand over the past several years has led to record levels of construction activity, notably for warehousing and distribution space for online merchandisers. In 2017, there was about 5.32 million square feet completed and another 5.83 million square feet under construction in the fourth quarter of 2017. Notable industrial projects completed included a 1 million-square-foot Amazon fulfillment center in Aurora and 647,000 square feet completed at the Enterprise Business Center in Denver. Of the new industrial space completed in 2017, 77 percent was located in Adams County.

Flex market vacancy rates continued to fall through the fourth quarter of 2017 and the average lease rate continued to increase. Direct flex market vacancy in the fourth quarter (5.7 percent) was 1.8 percentage points below the fourth quarter 2016 level of 7.5 percent and was the lowest recorded vacancy rate based on records going back to 1999. The Denver metropolitan area direct flex market lease rate was $12.27 per square foot, 6.8 percent above the fourth quarter 2016 average. The lease rate has increased at an annual rate of 7.2 percent since the fourth quarter of 2012. There was about 555,600 square feet of flex space completed in the Denver metropolitan area in 2017, up from about 241,500 square feet completed in 2016. As of the fourth quarter of 2017, there was about 180,000 square feet of flex space under construction.

Retail Activity

Consumer confidence in the Mountain Region, which includes Colorado, rose to the highest levels since before the Great Recession and consumers in the region were more optimistic than the national average. Retail sales in the state continued to improve at a moderate pace in response to increased consumer demand in 2017. The retail real estate market in the Denver metropolitan area has been positive over the past few years with falling vacancy rates and higher average lease rates. The fourth quarter 2017 direct retail vacancy rate fell 0.1 percentage points to 4.3 percent compared with the previous year. The quarterly vacancy rates posted in 2017 remained near their lowest levels since 2003. The average lease rate was up 7.6 percent over-the-year to $17.95 per square foot following a 9.2 percent over-the-year increase reported in the third quarter. The increases were the largest recorded since the first quarter of 2007.



According to analysts, development in the Denver metropolitan area retail market is strongly tied to the growth of the area's housing market; as residential supply increases in suburban markets, retailers are drawn to the strengthening ancillary submarkets. About 1.6 million square feet of new space was completed in 2017, up from 1.3 million square feet recorded in 2016. An additional 1.5 million square feet of retail space was under construction at the end of 2017. Some of the major projects completed in 2016 included the 136,400-square-foot Sam's Club in Castle Rock, a 135,000-square-foot Walmart in Arvada, a 100,000-square-foot retail strip center in Westminster, and a 71,900-square-foot Mercedes Benz dealership in Denver.

Medical Facilities

The Denver metropolitan area is a leading healthcare and wellness hub and has experienced a rapid increase in demand for healthcare services due to changes in healthcare policy and the aging population.

The healthcare industry is anchored by the 578-acre Fitzsimons campus, which includes the Anschutz Medical Campus and the Fitzsimons Innovation Campus. The $5.2 billion project encompasses more than six million square feet of space and will eventually support more than 43,000 bioscience and healthcare professionals. Included in the campus is the 1.2-million-square-foot U.S. Department of Veterans Affairs (VA) medical facility that is scheduled for a 2018 completion. When completed, the VA will employ about 2,100 people and will serve thousands of veterans.

There were a number of notable project announcements from key healthcare providers in 2017. UCHealth opened the new 210,000-square-foot Longs Peak Hospital in Longmont that includes a level III trauma center, operating rooms, a birth center, and intensive care unit. Boulder Community Health announced plans for a 58,000-square-foot rehabilitation hospital in Lafayette to be completed in early 2019 and UCHealth is building an 89,000-square-foot facility in Cherry Creek. Health systems continue to invest in urgent care facilities with construction beginning on Boulder Community Health's 40,000-square-foot facility in Erie, the opening of HCA-HealthONE's fifth Denver area urgent-care clinic in Stapleton, and the opening of UCHealth's new facility in Thornton.

Transportation

Highways

Colorado's transportation network includes almost 1,000 miles of Interstate highway, more than 350 miles of other freeways and expressways, and almost 87,400 miles of arterials, collectors, and local roads. The Texas Transportation Institute reported that the Denver-Aurora area had nearly 1.3 million auto commuters who logged 21.7 million vehicle-miles of freeway travel and 21 million arterial street daily vehicle-miles in 2014. Commuters in the Denver-Aurora area also observe 49 hours of traffic congestion annually per commuter, ranking Denver with the 19th highest level of traffic congestion of the 101 tracked metropolitan areas.

There were several major highway projects underway or proposed throughout the Denver metropolitan area, with the goal of making travel easier on the commuter and enhancing the performance of the highway system. Construction continued on the $247 million C-470 Express Lanes project, which will provide 12.5 miles of increased mobility between I-25 and Wadsworth Boulevard. The project will include both two-lane and one-lane expansions for the Eastbound and Westbound directions. The project also includes on- and off-ramp improvements, widening of existing bridges, and replacing the bridges over the South Platte River. The project is expected to be completed by 2019. The Central 70 project proposes to reconstruct a 10-mile stretch of I-70 east of downtown, add one new Express Lane in each direction, remove the 54-year old viaduct, lower the interstate between Brighton and Colorado Boulevards, and place a 4-acre cover park over a portion of the lowered interstate. Construction of the $1.2 billion project is expected to begin in the summer of 2018.

Mass Transit

The Regional Transportation District (RTD), funded by a 1 percent sales tax, oversees the Denver metropolitan area's mass transit system. RTD operates 1,023 buses on 159 fixed routes, 172 light rail vehicles on 58.5 miles of track, and 66 commuter rail vehicles on 29 miles of track. The District operates 84 Park-n-Rides, 54 active light rail stations on ten rail lines (A, B, C, D, E, F, L, H, R, and W), and 10,053 bus stops. In January 2018, RTD opened its latest rail line, converting the northernmost section of the D Line into a downtown loop. The L Line operates between the 18th and Stout Station and the 30th and Downing station, providing more efficiency and better service in the downtown area. Despite the increase in available rail line routes, annual boardings have decreased for the last three years. Between December 2016 and November 2017, annual boardings totaled 100.9 million, a 2.4 percent decrease from the December 2014 to November 2015 period.

RTD works continually to expand capacity and services for public transportation in order to meet increasing demand. The FasTracks program is a $7.4 billion buildout of a comprehensive, multi-modal metro transit system. Future projects of the FasTracks program include the G Line, which will travel 11 miles between Union Station and Wheat Ridge. Testing on the G Line began in January 2018. Other lines under construction include the N Line, a 13-mile rail line that will provide service from Union Station through Denver, Commerce City, Thornton, Northglenn, and eventually north Adams County; the C and D lines will be extended 2.5 miles into Highlands Ranch and provide 1,000 parking spaces; the E, F, and R lines will be extended 2.3 miles, offering service into Lone Tree and provide an additional 1,300 parking spaces; and the L Line extension will connect the existing downtown rail service to the University of Colorado A Line.

Air

Denver International Airport (DEN) is a state-of-the-art facility owned and operated by the City and County of Denver and celebrated 23 years of operation in 2018. Occupying 53 square miles and located approximately 24 miles northeast of downtown Denver, DEN is the primary airport serving the Denver metropolitan area and the state of Colorado. DEN is also one of the few major U.S. airports with room to expand its current facilities to accommodate future growth. DEN has approximately 35,000 badged employees who work at the airport and approximately 2,000 City and County of Denver employees.

DEN accommodated 61.4 million passengers in 2017, the highest recorded passenger count in the airport's history and a 5.3 percent increase from 2016. In May 2017, DEN celebrated its billionth passenger. DEN has six runways, three concourses, 111 gates, and 42 regional aircraft positions. Den was ranked the sixth-busiest airport in the country and 18th-busiest in the world, based on 2016 passenger counts. DEN serves the ever-expanding international travel market via the sixth runway, the longest in North America and certified to handle Airbus 380 operations. DEN has 23 commercial carriers offering scheduled service from Denver to 187 destinations nonstop and 25 international destinations in 11 countries, with eight international flights added in 2017 alone. DEN has major hubs for United, Southwest, and Frontier Airlines. International traffic at DEN increased 12.5 percent in 2017 to an all-time high of 2.59 million travelers.

DEN is home to several world-class cargo companies and support facilities, including FedEx, DHL, World Port Cargo Support, United Airlines cargo, and UPS. With 24-hour operations, the airfield and a 39-acre cargo ramp make freight handling efficient, with no curfews. In 2017, 10 cargo airlines and 10 major and national carriers handled roughly 585 million pounds of shipments – including 525 million pounds of freight and express and 60 million pounds of airmail. The total amount of cargo shipped through DEN increased 6 percent between 2016 and 2017. The U.S. Postal Service facility is also located nearby, providing a wide array of competitive shipping and receiving options.

Over the last several years, DEN has invested significantly in its technology infrastructure and services. DEN deploys the state-of-the-art Saab Sensis Aerobahn Surface Management System that provides airport operations managers with real-time information regarding aircraft deicing operations. Since 2010, DEN has worked closely with the Federal Aviation Administration (FAA), Jeppesen, the major airlines, and Rocky Mountain and Centennial Airports to implement NextGen and Unmanned Aircraft Systems (UAS) programs. DEN is at the forefront of developing, testing, and implementing NextGen flight procedures and was the first commercial airport to design a truly comprehensive plan of Area Navigation (RNAV) that allows aircraft to fly more predictable and smoother approaches into Denver that reduce fuel consumption and noise. In 2017, DEN surpassed 50,000 aircraft approaches using NextGen technology. DEN continues to work with airport stakeholders toward even more advanced procedures that are expected to save equipped aircraft up to 30 nautical miles per approach during inclement weather, resulting in even greater cost savings to the airlines due to reduced fuel consumption.

Three reliever airports complement DEN's expanding role in the Denver metropolitan area economy. Centennial Airport serves the southeast metropolitan area; Front Range Airport is located six miles southeast of DEN and serves the northeast Denver metropolitan area; and Rocky Mountain Metropolitan Airport serves Jefferson, Broomfield, and Boulder Counties in the northwest area. Three general aviation airports – Boulder Municipal Airport, Erie Municipal Airport, and Vance Brand Municipal Airport in Longmont – also serve the Denver metropolitan area.

Rail

Rail lines are a critical component of the nation's transportation system and are vital to the Denver metropolitan area's economic health and global competitiveness. Colorado is home to 10 freight railroads operating on more than 2,450 miles of track, and the Denver metropolitan area serves as a major hub for the Burlington Northern

Santa Fe and Union Pacific railroads. In 2015, coal accounted for 34.8 percent of rail shipments originating in Colorado and more than 29.7 percent of shipments ending in the state. Crude oil was the second largest originating commodity (10.4 percent), while nonmetallic minerals (8.7 percent) was the second largest commodity ending in the state. According to the Association of American Railroads, it would have taken approximately 8.6 million additional trucks to handle the 154.3 million tons of freight that originated, terminated, or moved through Colorado in 2014.

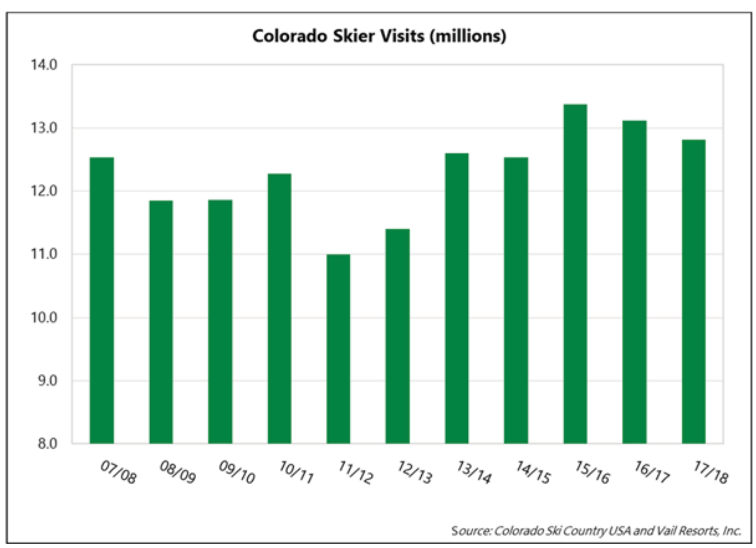
Passenger rail adds to the variety of travel options available in the Denver metropolitan area. Amtrak's California Zephyr route offers area residents transportation through the Rocky Mountains west of Denver and connects Chicago to San Francisco. The Southwest Chief route passes through Lamar, La Junta, and Trinidad, providing transportation between Kansas City, Kan. and Albuquerque, N.M. Nearly 280,000 travelers passed through Colorado Amtrak stations in fiscal year 2017, and 55 percent of those travelers either boarded or alighted from trains in the Denver metropolitan area. There were 11.5 percent more riders in fiscal year 2017 than there were during the 2016 fiscal year.

Tourism

The Denver metropolitan area is an international hub of tourism, drawing visitors in through outdoor recreation, arts and cultural events, and music and sports entertainment. The area is home to seven professional sports teams with four sports arenas, more than 100 golf courses, and 850 miles of bike paths with 89 bike sharing stations. The City and County of Denver maintains more than 200 city and mountain parks within, or in close proximity to, the Denver metropolitan area. The area also offers major attractions including a zoo, an aquarium, two waterparks, two amusement parks, over 40 museums, and 13 historical sites. In 2015, attendance at cultural events exceeded 13.9 million people in the Denver metropolitan area and generated $1.8 billion of economic activity.

According to the most recent study by Longwoods International, Denver tourism activity increased to a record 17.4 million overnight visitors spending $5.6 billion in 2017, representing a 1 percent increase in visitors and a 6 percent increase in spending over 2016. Top Denver attractions included the 16th Street Mall, the Cherry Creek Shopping District, and the Lower Downtown area, as well as numerous cultural facilities such as the Denver Zoo, the Denver Art Museum, and the Denver Botanic Gardens.

Denver metropolitan area residents and visitors have access to numerous opportunities for skiing, hiking, backpacking, camping, biking, rafting, boating, mountain climbing, and hunting. The state is home to 28 ski and snowboard resorts offering 325 ski lifts and 43,400 skiable acres. Colorado is one of the nation's most-favored destinations for skiing: 12 of the 30 top resorts in the West in *Ski* magazine's "2018 Resort Rankings" are located in the Colorado Rocky Mountains, with 10 resorts in the top 20.

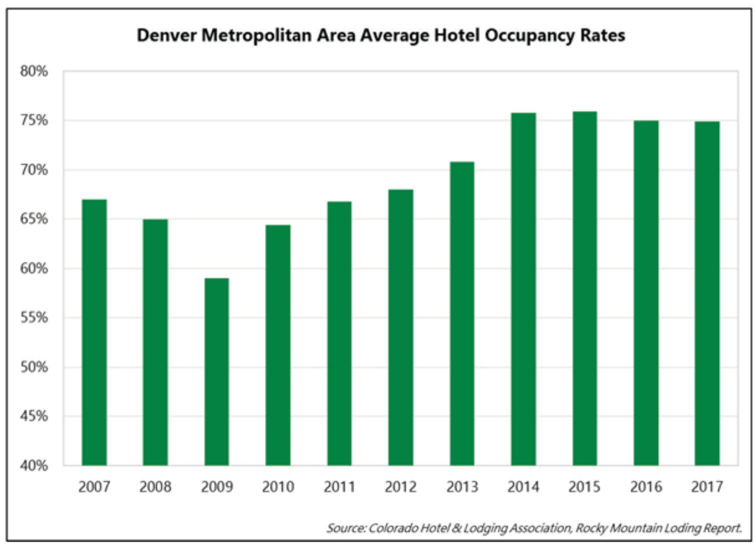


Twelve Colorado ski resorts – including several in the top resorts ranking – are located within two hours of the Denver metropolitan area. Estimates from Colorado Ski Country USA and Vail Resorts, Inc. indicate that the number of skier visits during the 2017-18 ski season declined by about 2.4 percent compared with the prior season, falling to about 12.8 million skier visits. Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – peaked during the 2015-16 season at 13.4 million visits. However, the 2017-18 season was the third-highest on record.

While Colorado and the Denver metropolitan area are known to draw recreational visitors and outdoor enthusiasts, business, professional, and leisure travel has become increasingly popular in recent years. Visit Denver reported that activity at the Colorado Convention Center in downtown Denver resulted in $543 million in economic activity, including hotel stays and visitor spending.

Hotels, restaurants, and other attractions and events in the Denver metropolitan area were awarded numerous accolades in 2017. Among the awards were four Colorado hotels making the top 100 best hotels in the U.S. from *U.S. News & World Report*, and Denver made the *New York Times'* "52 Places to Go in 2018" list, ranking No. 30 on the travel bucket list. Events such as the National Western Stock Show, the Cinco de Mayo Festival, Denver Comic Con, and the Great American Beer Festival contribute positive economic impacts and attract thousands of tourists to the area each year.

Rising interest for business and leisure travel has led to elevated demand for hotel development throughout the Denver metropolitan area. There were several new hotels that opened in 2017 or are in the pipeline for 2018, including the dual-branded 272-room Le Meridien and 223-room AC Hotel by Marriott, the 170-room Moxy Denver Cherry Creek by Marriott, the 172-room The Maven Denver, and the 200-room Hotel Born in Denver. Additionally, the largest hotel in Colorado once completed is currently under construction. The 1,500-room Gaylord Rockies hotel is expected to open late 2018 and has already attracted groups and businesses that had never booked in Colorado before.



Between the increased demand for hotel rooms by travelers and the addition of new hotels to the market, the average occupancy rate for 2017 (74.9 percent) was slightly below the 2016 rate (75 percent). Data from the *Rocky Mountain Lodging Report* shows the region's average nightly room rate for 2017 ($143.68) was 2.3 percent higher than the 2016 average, and was the highest rate recorded based on data going back to 2002.

Summary

The Denver metropolitan area has a nonfarm employment base of more than 1.65 million workers. Growth in the region fell below the state in 2017, with employment rising 1.9 percent compared with 2.2 percent in Colorado. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 31,300 jobs of the total 56,200 jobs added in the state during the last year. The unemployment rate in the Denver metropolitan area averaged 2.7 percent in 2017, representing the third consecutive year of tight labor market conditions.

The residential real estate market continued at a strong pace in 2017. Denver metropolitan area home sales increased 2.9 percent in 2017 from 2016 home sales, and posted a new record high. In addition, the median home price continued to rise through 2017 as low inventory and population growth drove up prices. With limited supply in the residential real estate market and above average population growth, construction activity continued at a quick pace. There were about 24,000 residential construction permits issued in the Denver metropolitan area in 2017, an increase of 2.2 percent compared with 2016. Multi-family construction represented 51 percent of the new units built in 2017, higher than the 20-year average of multi-family units representing roughly one-third of construction.

The commercial real estate markets in the Denver metropolitan area remained strong in 2017. Despite the direct vacancy rates rising in the office and industrial markets, rates remained near historic lows. Over the same period, the retail and flex markets posted declining vacancy rates and all markets recorded higher average lease rates. The conditions in the commercial real estate markets have triggered significant construction activity with levels of activity in the office and industrial markets exceeding their pre-recession peaks. Construction in the retail market continued at a healthy pace, posting levels near the long-term average since 2006. Hotel development was also robust in the Denver metropolitan area. The Denver metropolitan area is an international hub of tourism, attracting visitors with outdoor recreation opportunities, arts and cultural events, and music and sports entertainment. Continuing buildout of the FasTracks system, along with various other infrastructure improvements throughout the region, means that the Denver metropolitan area continues to invest to ensure that the region provides diverse employment opportunities and an excellent quality of life for its 3.2 million residents.

Prepared By:
Development Research Partners
10184 West Belleview Avenue, Suite 100
Littleton, Colorado 80127
Phone: 303-991-0073

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
POPULATION (July 1)												
United States (thousands)	298,380	301,231	304,094	306,772	309,338	311,644	313,993	316,235	318,623	321,040	323,406	325,719
Colorado	4,745,660	4,821,784	4,901,938	4,976,853	5,049,935	5,119,538	5,191,086	5,268,413	5,350,118	5,448,055	5,538,180	5,630,987
Denver Metropolitan Area	2,626,197	2,670,038	2,716,819	2,762,164	2,797,867	2,847,521	2,898,560	2,952,768	3,008,726	3,069,690	3,116,501	3,166,972
City and County of Denver	562,862	570,437	581,903	595,573	604,875	620,684	634,471	648,162	662,855	680,658	693,292	703,462
POPULATION GROWTH RATE												
United States	1.0%	1.0%	1.0%	0.9%	0.8%	0.7%	0.8%	0.7%	0.8%	0.8%	0.7%	0.7%
Colorado	1.8%	1.6%	1.7%	1.5%	1.5%	1.4%	1.4%	1.5%	1.6%	1.8%	1.7%	1.7%
Denver Metropolitan Area	1.7%	1.7%	1.8%	1.7%	1.3%	1.8%	1.8%	1.9%	1.9%	2.0%	1.5%	1.6%
City and County of Denver	0.6%	1.3%	2.0%	2.3%	1.6%	2.6%	2.2%	2.2%	2.3%	2.7%	1.9%	1.5%
NET MIGRATION												
Colorado	42,896	35,000	40,469	36,267	37,172	35,697	39,578	46,216	49,998	67,811	60,068	62,503
Denver Metropolitan Area	18,864	18,704	22,326	21,639	13,863	28,834	31,645	34,850	36,214	42,179	28,186	31,925
City and County of Denver	(2,537)	1,625	5,480	7,620	3,815	10,371	8,779	8,646	9,597	12,754	7,618	5,806
NONAGRICULTURAL EMPLOYMENT												
United States (millions)	136.5	138.0	137.2	131.3	130.4	131.9	134.2	136.4	139.0	141.8	144.4	146.6
Colorado (thousands)	2,278.6	2,330.7	2,349.7	2,244.9	2,221.5	2,257.8	2,312.2	2,381.1	2,464.2	2,541.7	2,602.4	2,658.6
Denver Metropolitan Area (thousands)	1,377.6	1,407.2	1,420.7	1,359.5	1,353.1	1,378.0	1,417.6	1,468.2	1,522.7	1,578.1	1,619.2	1,650.5
City and County of Denver	432,416	442,750	449,257	423,329	420,592	422,764	434,086	441,388	460,691	478,370	494,836	506,023
NONAGRICULTURAL EMPLOYMENT GROWTH RATE												
United States	1.8%	1.1%	-0.5%	-4.3%	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%	1.8%	1.6%
Colorado	2.4%	2.3%	0.8%	-4.5%	-1.0%	1.6%	2.4%	3.0%	3.5%	3.1%	2.4%	2.2%
Denver Metropolitan Area	2.0%	2.1%	1.0%	-4.3%	-0.5%	1.8%	2.9%	3.6%	3.7%	3.6%	2.6%	1.9%
City and County of Denver	1.8%	2.4%	1.5%	-5.8%	-0.6%	0.5%	2.7%	1.7%	4.4%	3.8%	3.4%	2.3%

2017 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area	City & County of Denver
Natural Resources & Construction	5.2%	7.1%	6.5%	5.9%
Manufacturing	8.5%	5.4%	5.3%	4.2%
Wholesale & Retail Trade	14.8%	14.2%	14.2%	11.5%
Transportation, Warehousing, Utilities	3.9%	3.1%	3.5%	5.8%
Information	1.9%	2.7%	3.3%	2.5%
Financial Activities	5.8%	6.3%	7.0%	7.6%
Professional & Business Services	14.0%	15.5%	18.1%	20.3%
Education & Health Services	15.8%	12.5%	12.7%	12.4%
Leisure & Hospitality	10.9%	12.5%	11.4%	12.7%
Other Services	3.9%	4.1%	3.8%	3.4%
Government	15.2%	16.4%	14.2%	13.8%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
UNEMPLOYMENT RATE												
United States	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%
Colorado	4.3%	3.7%	4.8%	7.3%	8.7%	8.4%	7.9%	6.9%	5.0%	3.9%	3.3%	2.8%
Denver Metropolitan Area	4.3%	3.8%	4.9%	7.3%	8.5%	8.1%	7.6%	6.5%	4.7%	3.6%	3.0%	2.7%
City and County of Denver	4.8%	4.1%	5.4%	8.1%	9.1%	8.6%	7.9%	6.6%	4.8%	3.7%	3.1%	2.8%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)												
United States	201.6	207.3	215.3	214.5	218.1	224.9	229.6	233.0	236.7	237.0	240.0	245.1
Denver-Boulder-Greeley	197.7	202.0	209.9	208.5	212.4	220.3	224.6	230.8	237.2	240.0	246.6	255.0
INFLATION RATE												
United States	3.2%	2.8%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.3%	2.1%
Denver-Boulder-Greeley	3.6%	2.2%	3.9%	-0.6%	1.9%	3.7%	1.9%	2.8%	2.8%	1.2%	2.8%	3.4%

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
TOTAL PERSONAL INCOME (millions, except as noted)												
United States (billions)	$11,381	$11,995	$12,493	$12,079	$12,460	$13,233	$13,904	$14,069	$14,811	$15,548	$15,913	$16,414
Colorado	$189,493	$201,743	$208,608	$198,082	$201,570	$219,861	$234,006	$246,648	$267,225	$282,665	$288,103	$300,006
Denver Metropolitan Area	$117,466	$124,037	$127,726	$119,311	$122,042	$134,686	$144,936	$154,196	$167,714	$177,688	$180,110	N/A
City and County of Denver	$28,573	$29,907	$31,995	$27,447	$28,830	$32,837	$36,288	$40,409	$45,033	$47,707	$46,612	N/A
TOTAL PERSONAL INCOME GROWTH RATE												
United States	7.3%	5.4%	4.1%	-3.3%	3.1%	6.2%	5.1%	1.2%	5.3%	5.0%	2.3%	3.1%
Colorado	7.6%	6.5%	3.4%	-5.0%	1.8%	9.1%	6.4%	5.4%	8.3%	5.8%	1.9%	4.1%
Denver Metropolitan Area	8.0%	5.6%	3.0%	-6.6%	2.3%	10.4%	7.6%	6.4%	8.8%	5.9%	1.4%	N/A
City and County of Denver	11.4%	4.7%	7.0%	-14.2%	5.0%	13.9%	10.5%	11.4%	11.4%	5.9%	-2.3%	N/A
PER CAPITA PERSONAL INCOME												
United States	$38,144	$39,821	$41,082	$39,376	$40,278	$42,463	$44,283	$44,489	$46,486	$48,429	$49,204	$50,392
Colorado	$40,143	$41,996	$42,663	$39,838	$39,930	$42,972	$45,120	$46,869	$50,021	$51,956	$52,097	$53,504
Denver Metropolitan Area	$45,078	$46,750	$47,277	$43,398	$43,640	$47,293	$49,977	$52,157	$55,715	$57,858	$57,773	N/A
City and County of Denver	$51,309	$52,990	$55,575	$46,598	$47,784	$53,024	$57,276	$62,414	$67,981	$70,154	$67,256	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE												
United States	6.2%	4.4%	3.2%	-4.2%	2.3%	5.4%	4.3%	0.5%	4.5%	4.2%	1.6%	2.4%
Colorado	5.6%	4.6%	1.6%	-6.6%	0.2%	7.6%	5.0%	3.9%	6.7%	3.9%	0.3%	2.7%
Denver Metropolitan Area	6.1%	3.7%	1.1%	-8.2%	0.6%	8.4%	5.7%	4.4%	6.8%	3.8%	-0.1%	N/A
City and County of Denver	10.3%	3.3%	4.9%	-16.2%	2.5%	11.0%	8.0%	9.0%	8.9%	3.2%	-4.1%	N/A
RETAIL TRADE SALES (millions, except as noted)												
United States (billions)	$4,300	$4,443	$4,383	$4,065	$4,283	$4,598	$4,820	$5,002	$5,211	$5,347	$5,505	$5,759
Colorado[1]	$70,437	$75,375	$74,911	$66,454	$70,105	$75,804	$80,248	$84,240	$90,507	$94,936	$98,812	$104,148
Denver Metropolitan Area	$41,491	$44,177	$43,829	$38,882	$40,894	$43,658	$46,861	$49,299	$53,245	$56,192	N/A	N/A
City and County of Denver	$9,480	$10,162	$10,252	$8,517	$8,925	$9,454	$10,388	$10,992	$12,409	$12,946	N/A	N/A

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
RETAIL TRADE SALES GROWTH RATE												
United States	5.3%	3.3%	-1.3%	-7.2%	5.4%	7.3%	4.8%	3.8%	4.2%	2.6%	2.9%	4.6%
Colorado	7.6%	7.0%	-0.6%	-11.3%	5.5%	8.1%	5.9%	5.0%	7.4%	4.9%	4.1%	5.4%
Denver Metropolitan Area	7.5%	6.5%	-0.8%	-11.3%	5.2%	6.8%	7.3%	5.2%	8.0%	5.5%	N/A	N/A
City and County of Denver[2]	19.1%	7.2%	0.9%	-16.9%	4.8%	5.9%	9.9%	5.8%	12.9%	4.3%	N/A	N/A
MEDIAN HOME PRICE (thousands)												
United States	$221.9	$217.9	$196.6	$172.1	$173.1	$166.2	$177.2	$197.4	$208.9	$223.9	$235.5	$248.8
Denver Metropolitan Area	$249.5	$245.4	$219.3	$219.9	$232.4	$231.4	$252.4	$280.6	$310.2	$353.6	$384.3	$414.7
EXISTING HOME SALES												
Denver Metropolitan Area	50,244	49,789	47,837	42,070	38,818	38,106	45,210	53,711	54,110	56,110	56,142	57,788
NEW RESIDENTIAL UNITS												
DENVER METROPOLITAN AREA												
Single Family	12,938	7,799	4,037	2,690	3,791	3,885	5,947	7,396	8,396	9,786	10,663	11,419
Two-Family	428	398	224	133	285	309	299	399	440	422	532	384
Multi-Family	4,769	6,195	5,296	1,465	1,478	3,005	8,679	9,145	8,074	9,061	12,301	12,218
Total Units	18,135	14,392	9,557	4,288	5,554	7,199	14,925	16,940	16,910	19,269	23,496	24,021
OFFICE VACANCY RATE												
Denver Metropolitan Area	12.4%	11.4%	12.4%	13.3%	12.7%	12.3%	11.9%	10.9%	9.9%	9.4%	9.2%	9.8%
HOTEL OCCUPANCY RATE												
Denver Metropolitan Area	66.4%	67.0%	65.0%	59.0%	64.4%	66.8%	68.0%	70.8%	75.8%	75.9%	75.0%	74.9%
SKIER VISITS	**06/07**	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**	**12/13**	**13/14**	**14/15**	**15/16**	**16/17**	**17/18**
Colorado (millions)	12.6	12.5	11.9	11.9	12.3	11.0	11.4	12.6	12.5	13.4	13.1	12.8

N/A: Not Available

1: 2016 and 2017 data forecasted by the Colorado Legislative Council.

2: The large increase in retail trade sales in the City and County of Denver in 2006 was due to geographic revisions in the data series and may not accurately reflect actual activity.

Sources: U.S. Department of Commerce, Bureau of the Census; Colorado Division of Local Government, Demography Section; U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment, Labor Market Information; U.S. Department of Commerce, Bureau of Economic Analysis; U.S. Department of Commerce, Bureau of the Census; Colorado Department of Revenue; Colorado Legislative Council; National Association of REALTORS; REcolorado; Denver Metro Association of REALTORS; U.S. Department of Commerce, Bureau of the Census; CoStar Realty Information, Inc.; Rocky Mountain Lodging Report; Vail Resorts, Inc. and Colorado Ski Country USA.

APPENDIX B
EXECUTIVE ORDER NO. 114

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EXECUTIVE ORDER NO. 114

TO: **All Departments and Agencies Under the Mayor**

FROM: **Mayor**

DATE: **May 4, 2012**

SUBJECT: **Securities Disclosure Policies and Practices of the City and County of Denver**

PURPOSE: This Executive Order establishes the policy of the City and County of Denver for the preparation and dissemination of information that must be disclosed in connection with the issuance of certain bonds, notes, certificates of participation and other municipal securities of the City and its Enterprises. The City is required to prepare and disseminate certain disclosure information in order to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, including a requirement for continuing disclosure of annual financial information and notices of certain material events in a timely fashion. These reporting and disclosure practices require close coordination on the part of the City in order to assure compliance with contractual Undertakings, promote uniformity in disclosures and reduce liability on the part of the City to holders of securities.

This Order is designed to centralize the information dissemination process, to establish appropriate controls on Disclosure Statements made by the City's Department of Finance, and to enable the City and its Enterprises to comply with Rule 15c2-12, in order to assure the City's access to the capital markets as a source of funds for necessary and useful public undertakings of the City.

This Order is not designed to limit any person's access to public records or information, nor to infringe upon the political process, in particular the right of any elected official of the City to review, discuss, release, comment upon or criticize any information.

Executive Order No. 114, dated October 29, 1996, is hereby canceled and superseded by this Executive Order No. 114.

1. **Applicable Authority**. The applicable authority relevant to the provisions and requirements of this Executive Order No. 114 are Sections 2.5.1 and 2.5.3 (E) of the Charter of the City; and Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, including a requirement for continuing disclosure of annual financial information and notices of certain material events in a timely fashion.

2. **Definitions.** As used in this Order, the terms "annual financial information," "issuer," "municipal securities," "obligated person," and "official statement" shall have the meanings ascribed to these terms under Rule 15c2-12. The following terms shall have the following meanings.

   2.1. "1934 Act" means the Securities Exchange Act of 1934, as the same may be amended, modified and integrated at the time in question, together with any similar federal statute applicable to brokers, dealers or municipal securities dealers purchasing, selling or trading in securities issued by the City.

   2.2. "Compliance Officer" means the Manager of the Department of Finance of the City.

   2.3. "Disclosure Statement" means any written or oral communication relating generally to the creditworthiness of the City or its Enterprises or specifically to the financial viability of particular projects being financed with municipal securities whose payment is supported by the City or one of its Enterprises. The term includes annual financial information, information concerning the occurrence of events, and notices, conferences, reports, speeches and published material of any other sort made in a manner and under circumstances where it is —reasonable to expect that such statement may reach and be relied upon by investors in the securities issued by the City or its

Enterprises. The term does not include any statement made or information provided by an elected official of the City unless the statement has been coordinated with and approved by the Compliance Officer for release to the public.

2.4. "Enterprise" means the Department of Aviation, the Wastewater Management Division of the Department of Public Works, and any other section, division, agency or department of the City designated as an "Enterprise" pursuant to the Charter or by ordinance.

2.5. "Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the 1934 Act, as the same may be amended, modified and interpreted at the time in question, together with any similar rule or regulation promulgated by a federal agency and applicable to the City and its securities.

2.6. "SEC" means the United States Securities and Exchange Commission and any success or federal agency having jurisdiction over the purchase, sale and offering by broker-dealers of securities such as those issued by the City.

2.7. "Undertaking" means a contract designed to comply with the continuing disclosure requirements of Rule 15c2-12, entered into by the City and obligating the City to provide annual financial information and notices of the occurrence of certain events, if material.

3. **Statement of Policy:** In order to assure compliance by the City with the disclosure requirements of Rule 15c2-12, it is the policy of the City that:

3.1. No official statement relating to any municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public until and unless approved by the Manager of the Department of Finance.

3.2. No Disclosure Statement concerning municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be issued or released to the public by any employee, agent or official of the City in a way reasonably expected to be received and relied upon by investors in such securities until and unless such Statement and its release shall be approved by the Manager of the Department of Finance.

3.3. No Undertaking relating to municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 shall be binding upon the City without the approval of the Manager of the Department of Finance.

3.4. Unless required by law to do otherwise, prior to releasing to the public any Disclosure Statement intended to be made public, all non-elected employees, agents and officials of the City shall report to and file with the Manager of the Department of Finance any such Disclosure Statement, together with such additional information requested by the Manager of the Department of Finance, and each such employee, agent and official of the City shall consult with the Manager of the Department of Finance concerning such proposed Disclosure Statement.

3.5. No Disclosure Statement, official statement or Undertaking in respect of any municipal securities as to which the City or any of its Enterprises is the issuer or an obligated person for purposes of Rule 15c2-12 that is issued or released to the public by any employee, agent or official of the City without the approval of the Manager of the Department of Finance required by this Order shall be deemed to be a statement or undertaking by or on behalf of the City or such Enterprise.

3.6. Filings with the Municipal Securities Rulemaking Board (MSRB) shall be made through the electronic platform Electronic Municipal Market Access (EMMA).

4. **Rules and Regulations:** The Manager of the Department of Finance shall promulgate and revise from time to time such rules and regulations as the Manager of the Department of Finance shall deem necessary to implement this Order, such rules and regulations to be binding upon all non-elected officials, employees and agents of the City.

Approved for Legality:

Douglas J. Friednash
City Attorney for the City and County
Of Denver

Approve:

Michael B. Hancock
MAYOR

Kim Day
Manager of Aviation

Doug Linkhart
Manager of Environmental Health

Adrienne Benavidez
Manager of General Services

Lauri J. Dannemiller
Manager of Parks & Recreation

Jose Cornejo
Manager of Public Works

Cary Kennedy
Manager of Finance

Alex J. Martinez
Manager of Safety

Penny L. May
Manager of Human Services

Molly Urbina
Manager of Community Planning and Development

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APPENDIX C
2017 ABSTRACT OF ASSESSMENT

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Summary of Levies and Taxes

	Mill Levy		Tax Revenue
City & County of Denver			
General Fund	9.944	$	174,500,766
Bond Principal	7.000		122,838,431
Bond Interest	1.433		25,146,782
Social Services	3.380		59,313,414
Developmentally Disabled	1.010		17,723,831
Fire Pension	1.185		20,794,792
Police Pension	1.413		24,795,815
Capital Maintenance	2.526		44,327,125
Affordable Housing	0.442		7,756,370
Total	**28.333**	**$**	**497,197,326**
School District #1			
General Fund	38.594	$	677,260,917
Bond Redemption	9.650		169,341,552
Total	**48.244**	**$**	**846,602,469**
Urban Drainage & Flood Control District	**0.557**	**$**	**9,774,429**
Total General Taxes	**77.134**	**$**	**1,353,574,224**
Total Special District Taxes			**80,069,048**
Grand Total of All Taxes		**$**	**1,433,643,272**
Taxes Distributed to DURA Denver Urban Renewal Authority		**$**	**55,677,967**
Tax Distributed to DDA Denver Downtown Development Authority		**$**	**17,652,005**

2018 Assessment Calendar

January 1—All taxable property is listed and valued based on its status.
By April 16—All assessable business personal property (equipment, fixtures, and furnishings) must be listed on a Declaration Schedule and returned to the Assessor to avoid penalties.
By May 1—Real property valuations are mailed to taxpayers.
May 1 to June 1—Assessor hears protests to real property valuations.
July 15 to July 30—Assessor hears protests to business personal property valuations.
By August 25—Initial Certification of Value is sent to each taxing entity in the county.
By December 15—Taxing entities certify mill levies to Assessor.

General Information

The Assessment Division is responsible for the accurate valuation and uniform assessment of property within the City & County of Denver. All real and personal property, except that specifically exempted by law, is subject to taxation. It is the joint responsibility of the Assessor and the owner to ensure that property is correctly listed on assessment rolls.

Please Note

- The Assessor does **not** set tax rates (mill levies).
- City & County taxes are established each year under constitutional guidelines and are approved by the Mayor and City Council.
- School taxes are levied by Denver Public Schools under authority of the School Board.
- Special district taxes are approved by boards of directors for their individual districts.

Tax bill calculations are based on four components: Actual Value, Exempt Amount, Assessment Rate and Mill Levy. The **Assessor** determines Actual Value and amount(s) under law to be exempted from taxation; the **State** of Colorado sets the Assessment Rate for various classes of property and **Taxing Jurisdictions** (City & County, School and Special Districts) establish Mill Levies (tax rates).

In 2017, the State approved the following assessment rates:

Residential Property……………………………..7.20%
Natural Resources.……….……………………….87.50%
Non-residential………..………………………….29.00%

Each charge or line on a Tax Bill is calculated as follows:

(Actual Value — Exemption) x Asmt Rate x Millage = Property Tax

Denver property taxes issued in January may be paid in one or two installments. To avoid interest charges, the first half of taxes due in 2018 must be paid by February 28th and the second half must be paid by June 15th. If paid in one installment, the entire amount must be received (or postmarked) no later than April 30th.

Denver staff are available from 7:30 AM to 4:30 PM Monday through Friday to answer questions and provide information by dialing 3-1-1 (720-913-1311). For 24x7 assistance visit the Assessor's Office online at:

www.denvergov.org/assessor

Abstract of Assessment And Summary of Levies

DENVER®
THE MILE HIGH CITY

2017

Total
Assessed Valuation
$17,548,347,337

Michael B. Hancock
Mayor

Keith A. Erffmeyer
Assessor

2017 Abstract of Assessment

	Total Assessed Value	Total Actual Value
Vacant Land		
Residential	$ 60,061,440	$ 261,996,500
Commercial	132,804,400	459,128,753
Industrial	16,236,850	55,988,600
Agricultural	92,060	316,400
All Others	50,292,580	173,403,000
Possessory Interest	125,290	432,000
Total	**$ 259,612,620**	**$ 951,265,253**
Residential		
Single Family	$ 4,830,497,410	$ 67,055,922,165
Condominiums	892,774,700	12,399,284,896
Duplexes/Triplexes	124,899,000	1,734,659,600
Multi Unit (4 to 8)	58,845,800	817,294,000
Multi Unit (9 & up)	1,301,148,000	15,438,491,331
Manufactured Homes	645,040	8,956,700
Partial Exempt	2,779,360	151,652,300
Total	**$ 7,211,589,310**	**$ 97,606,260,992**
Commercial		
Merchandising	$ 1,171,078,810	$ 6,664,187,730
Lodging	632,181,800	2,179,936,875
Offices	3,637,100,720	11,087,955,799
Recreation	112,927,590	400,653,000
Commercial Condos	199,899,110	689,303,970
Possessory Interest	57,150,380	197,069,800
Special Purpose	877,111,810	3,024,758,380
Warehouses	1,366,896,660	4,713,746,382
Partial Exempt	30,249,100	358,423,700
Total	**$ 8,084,595,980**	**$ 29,316,035,636**
Industrial		
Manufacturing	$ 179,325,260	$ 618,361,900
Total	**$ 179,325,260**	**$ 618,361,900**
Personal Property		
Residential	$ 15,713,497	$ 54,184,472
Commercial	761,555,786	2,626,054,434
Industrial	108,116,730	372,816,310
Prod. Oil & Gas	2,335,254	8,052,600
Total	**$ 887,721,267**	**$ 3,061,107,816**
Natural Resources		
Prod. Oil & Gas	$ 0	$ 0
Total	**$ 0**	**$ 0**
State Assessed	**$ 925,502,900**	**$ 3,191,387,900**
Grand Total	**$ 17,548,347,337**	**$ 134,744,419,497**
Exempt Properties	**Total Assessed**	**Total Actual**
Federal Government	$ 203,660,150	$ 702,276,400
State Government	366,523,210	1,276,208,700
County Government	1,965,027,950	7,822,487,400
Political Subdivision	1,354,970,510	4,675,650,600
Religious Entities	261,612,480	980,443,300
Private Schools	289,275,780	1,051,200,600
Charitable Entities	366,502,550	1,720,159,400
All Others	262,616,490	1,197,703,200
Total	**$ 5,070,189,120**	**$ 19,426,129,600**

Special Taxing Districts

	Assessed	Mill	Tax
9th Ave Metro No 2	6,907,660	30.000	207,230
9th Ave Metro No 3	5,787,430	10.000	57,874
Adams County/North Washington Fire	7,303,680	16.733	122,212
Aviation Station Metro No 2	2,1115,350	53.000	112,114
Aviation Station Metro No 3	380	53.000	20
Aviation Station Metro No 5	30	10.000	0
Belleview Station Metro No 2	39,586,130	50.554	2,001,237
Bluebird BID	10,655,170	10.000	106,552
BMP Metro No 2	906,460	15.200	13,778
BMP Metro No 2 (debt)	26,564,240	15.200	403,776
BMP Metro No 3	4,505,830	16.583	74,720
Bowles Metro	30,918,520	42.000	1,298,578
CCP Metro No 3	698,410	41.000	28,635
Central Platte Valley Metro (4)	208,341,430	28.250	5,885,645
Central Platte Valley Metro (debt)	75,445,350	10.250	773,315
Cherry Creek North BID	294,065,090	15.642	4,599,766
Cherry Creek Subarea BID (3)	88,192,770	0.170	14,993
Clear Creek Valley Water/Sanitation	640,230	2.314	1,481
Colfax BID	66,268,150	9.171	607,745
Colo. Int. Center Metro No 13	60	82.917	5
Colo. Int. Center Metro No 14	16,245,200	75.000	1,218,390
Denargo Market Metro No 2	15,393,180	40.000	615,727
Denver Connection West Metro	3,158,300	50.000	157,915
Denver Gateway Center Metro	6,238,090	50.000	311,905
Denver Gateway Meadows Metro	24,390	50.000	1,220
Denver High Point at DIA Metro	5,627,380	15.000	84,411
Denver Intl. Business Center Metro No 1	30,425,070	44.175	1,344,027
DUS Metro No 2 (5)	88,645,360	25.000	2,216,134
DUS Metro No 3 (6)	8,406,400	27.639	232,344
DUS Metro No 4 (7)	5,455,250	15.000	81,829
Ebert Metro	103,418,220	90.861	9,396,683
Ebert Metro (debt)	3,146,150	61.911	194,781
Fairlake Metro	28,783,140	8.060	231,992
Federal Boulevard BID	6,749,080	10.000	67,491
First Creek Village Metro	51,730	72.278	3,739
Five Points BID (13)	16,617,320	10.000	166,173
Gateway Regional Metro	73,452,570	16.000	1,175,241
Gateway Village GID	27,885,190	20.000	557,704
Goldsmith Metro	331,180,160	10.000	3,311,802
Greenwood Metro	2,986,620	6.500	19,413
GVR Metro	108,103,300	20.094	2,172,228
Holly Hills Water /Sanitation	29,293,020	2.716	79,560
Midtown Metro District	5,711,310	30.000	171,339
Mile High Business Center Metro	26,970,550	30.000	809,117
North Washington Street Water/Sanitation	7,303,680	0.860	6,281
Old South Gaylord BID	11,334,400	4.762	53,974
RiNo BID (8 & 10)	241,495,790	4.000	965,983
RiNo GID (9 & 11)	128,693,280	4.000	514,773
Sand Creek Metro	37,129,250	27.500	1,021,054
Sand Creek Metro (debt)	14,317,540	16.000	229,081
SBC Metro (1)	90,927,420	35.000	3,182,460
Section 14 Metro	9,583,720	23.669	226,837
Section 14 Metro (debt -Raccoon Creek)	3,762,240	13.812	51,964
Section 14 Metro (debt-Fairmark)	4,806,530	4.976	23,917
Sheridan Sanitation No. 2	628,410	0.459	288
South Sloan's Lake Metro No 2 (12)	16,586,040	37.529	622,457
Southeast Public Improvement Metro	332,073,140	2.000	664,146
Town Center Metro	330,460	90.861	30,026
Town Center Metro Subdistrict No 1	6,332,950	55.278	350,073
Town Center Metro Subdistrict No 2	5,360,830	55.278	296,336
Valley Sanitation	13,584,410	2.054	27,902
Westerly Creek Metro (2)	512,131,970	60.217	30,839,051
Total			**$ 80,069,048**

(1) $1,180,198 of the tax for SBC Metro is distributed to Stapleton TIF
(2) $28,591,248 of the tax for Westerly Creek Metro is distributed to Stapleton TIF
(3) $11,189 of the tax for Cherry Creek Subarea BID is distributed to Denver Union Station DDA
(4) $3,985,236 of the tax for Central Platte Valley is distributed to Denver Union Station DDA
(5) $1,063,525 of the tax for DUS Metro No 2 is distributed to Denver Union Station DDA
(6) $111,500 of the tax for DUS Metro No 3 is distributed to Denver Union Station DDA
(7) $65,449 of the tax for DUS Metro No 4 is distributed to Denver Union Station DDA
(8) $3,424 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase I)
(9) $3,424 of the tax for RiNo GID is distributed to Ironworks Foundry TIF (Phase I)
(10) $7,354 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase II)
(11) $3,424 of the tax for RiNo GID is distributed to Ironworks Foundry TIF (Phase II)
(12) $585,765 of the tax for Sloan's Lake Metro District 2 is distributed to Saint Anthony TIF
(13) $1,895 of the tax for Five Points BID is distributed to 2560 Welton St. TIF

Tax Increment Finance Districts

District	Base	Increment
Broadway & I-25	5,600,820	0
Colorado National Bank	1,241,045	12,939,445
Denver Union Station DDA	57,349,717	229,163,693
Emily Griffith	0	4,442,410
Executive Tower Hotel	3,840,308	21,991,412
Globeville Commercial	698,470	0
Highland's Garden	2,835,973	14,074,197
Ironworks Foundry Phase I	516,851	856,119
Ironworks Foundry Phase II	525,828	1,838,662
Marycrest	0	1,600,710
Mercantile Square	6,167,737	2,414,533
Northeast Park Hill	6,266,570	5,296,080
Point Urban	0	1,438,100
Saint Anthony	978,145	15,615,535
Stapleton	48,305,499	614,428,841
York Street	0	8,573,790
9th Avenue	0	12,700,450
9th & Colorado	0	6,684,340
414 14th Street	0	2,330,930
2300 Welton	738,970	3,274,250
2460 Welton	89,283	2,154,337
2560 Welton	135,840	530,030
2801 Welton	120,760	0
Total	**$ 135,411,816**	**$ 962,347,864**

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CITY AND COUNTY OF DENVER, COLORADO 2018 DISCLOSURE STATEMENT

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