



DENVER

THE MILE HIGH CITY

CITY AND COUNTY OF DENVER, COLORADO 2017 DISCLOSURE STATEMENT

For the year ended December 31, 2016

ISSUED TO FULFILL AGREEMENTS CONTAINED IN CONTINUING DISCLOSURE
UNDERTAKINGS EXECUTED IN CONNECTION WITH MUNICIPAL BONDS AND
OTHER OBLIGATIONS PURSUANT TO THE
SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12

2017 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

August 31, 2017

Dear Reader:

Material contained in this Disclosure Statement has been prepared to comply with Rule 15c2-12 as amended through the date hereof of the U.S. Securities and Exchange Commission and the Denver Mayor's Executive Order 114, first enacted in 1996, which further commits the City to providing ongoing information about the City's 2016 financial condition. It also contains certain post 2016 unaudited and prospective information as noted. The Disclosure Statement for the Year Ended December 31, 2016 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 satisfying all Continuing Disclosure Undertakings. The Disclosure Statement includes all other information the City has contracted to provide on an ongoing basis.

In April 2016, the City issued \$397,310,000 of Series 2016A-B Dedicated Tax Revenue Refunding and Improvement Bonds for the purpose of refunding all of the City's outstanding Excise Tax Revenue Refunding Bonds, Series 2005A and 2009A, and providing initial financing for the National Western Center project and Colorado Convention Center improvements.

In November 2016, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued \$115,000,000 Series 2016 Revenue Bonds for the purpose of financing improvements to Storm Drainage Facilities, including the Platte to Park Hill: Stormwater Systems Project.

In December 2016, the City, for and on behalf of its Department of Aviation, issued \$256,810,000 of Series 2016A Airport System Revenue Bonds (ASRBs) for the purpose of refunding the outstanding Series 2006A, 2007B, and 2007E ASRBs, and issued \$108,735,000 of and 2016B ASRBs for the purpose of refunding the outstanding 2014A ASRBs.

The information contained in this Disclosure Statement is current as of December 31, 2016, or as otherwise indicated. Certain information in this Disclosure Statement 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.

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 2016 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 for the Year Ended December 31, 2016, or if you have any comments regarding future disclosures.

Sincerely,



Brendan J. Hanlon
Manager of Finance, Chief Financial Officer
City and County of Denver

**CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2016**

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

Donald J. Mares	Deputy Mayor, Executive Director of the Department of Human Services
Brendan J. Hanlon	Chief Financial Officer, as the Manager of Finance/ <i>Ex-Officio</i> Treasurer
Kristin M. Bronson	City Attorney
Brad Buchanan	Executive Director of Community Planning and Development
Jose Cornejo	Executive Director of the Department of Public Works
Kim Day	Chief Executive Officer of the Department of Aviation
Allegra "Happy" Haynes	Executive Director of the Department of Parks and Recreation
Penny May	Executive Director of the Department of General Services
Robert M. McDonald	Executive Director of the Department of Environmental Health
Stephanie O'Malley	Executive Director of the Department of Safety

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THE CITY AND COUNTY OF DENVER, COLORADO

General Information

The City and County of Denver 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 approximately 697,000 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 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 from districts, all for four-year terms with a three consecutive-term limit. Seven members constitute a 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 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, 2016, the appointed members of the Mayor’s cabinet, by their common title, were the following individuals:

Donald J. Mares	Deputy Mayor, Executive Director of the Department of Human Services
Brendan J. Hanlon	Chief Financial Officer, as the Manager of Finance/ <i>Ex-Officio</i> Treasurer
Kristin M. Bronson	City Attorney
Brad Buchanan	Executive Director of Community Planning and Development
Jose Cornejo	Executive Director of the Department of Public Works
Kim Day	Chief Executive Officer of the Department of Aviation
Allegra “Happy” Haynes	Executive Director of the Department of Parks and Recreation
Penny May	Executive Director of the Department of General Services
Robert M. McDonald	Executive Director of the Department of Environmental Health
Stephanie O’Malley	Executive Director of the Department of Safety

In addition to the members of the cabinet as of December 31, 2016, other advisers include Chief of Staff Alan Salazar and Deputy Chiefs of Staff Evan Dreyer and Penny May. As of the date of this Disclosure Statement, Don Mares has been replaced by Allegra “Happy” Haynes as Deputy Mayor, and Jose Cornejo has been replaced by George Delaney as Executive Director of the Department of Public Works. Councilman Albus Brooks was elected president of the Denver City Council by the Council Members on July 18, 2016, and was re-elected on July 17, 2017.

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 can 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 (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 utilizes multi-year planning and forecasting methods for General Fund budgeting and for capital projects planning.

Ratings

The City and County of Denver currently has the highest possible General Obligation bond ratings with a “Stable” outlook from all 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 2016 and 2017, 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, 2016, 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, 2016, 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 Revenue bonds of the City. See “DEBT STRUCTURE OF THE CITY – Excise 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 under the General Fund include: General Government; Public Safety; Public Works; Health; and Parks and Recreation and Cultural Facilities. The largest portion of the 2016 revised expenditure budget (38.9%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's departments' services. For the 2017 adopted Budget, Public Safety represents 39.1% of the General Fund.

Management Discussion of 2017 Budget

The 2017 Budget, adopted in November 2016, projected total General Fund revenue of \$1.273 billion in 2017, an increase of 3.4% over the 2016 revised budget due primarily to growth in sales tax and property tax revenue and General Government collections, partially offset by a decrease in transfer revenue. Core sales and use taxes are collected in ordinary course under Denver Revised Municipal Code Section 53. Additionally, the City collects taxes that were not previously collected through routine audits ("audit revenues"). Core sales and use tax revenues (minus audit revenues) are projected to increase 4.3% in 2017. General Fund expenditures are projected to grow to \$1.324 billion in 2017, up by 4.5% over the revised 2016 appropriations, driven by increased services for individuals experiencing mental health emergencies, increases in personnel to provide additional child welfare and adult and family services, accelerated police and fire hiring, continuing the implementation of mobility capital infrastructure projects, increases in community development services, and finalizing the transition to standardized trash carts, with four additional trash routes and three recycling routes. Reserves are projected to continue to increase and the undesignated fund balance is anticipated to be 15.1% of projected expenditures, or \$200.2 million, by the end of 2017. For the Mayor's complete 2017 Budget, visit www.denvergov.org/budget.

Litigation Update

The City is party to numerous pending lawsuits, under 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 2016, the City Attorney's office received an appropriation of approximately \$4.2 million, for payment of claims and judgments for items not covered by existing insurance.

For Fiscal Year 2017, the City Attorney's office has received an appropriation of approximately \$2.0 million in addition to any unspent amounts which rolled over from the 2016 appropriation, for payment of claims and judgments for items not covered 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 has appropriated \$3,350,000 to fund necessary improvements that have been identified as of December 31, 2015. The City anticipates that additional necessary improvements will be identified by a consultant under contract in 2016, and the City expects to request funds necessary for such improvements after a final report is received through the budgeting process.

In a complaint styled MacFarlane v. City and County of Denver, et al., Plaintiff seeks 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 2016 Project (as defined by the Wastewater Enterprise Revenue Bonds, Series 2016), while continuing to provide recreational opportunities. Trial began on August 21, 2017, and concluded on August 24, 2017. The court has not entered into a decision as of the date of this publication. The City will continue to defend this matter until it is resolved; however, even if the relief sought by the Plaintiff in the complaint were to be granted in full, the City believes that such relief does not limit or prohibit issuance of the Wastewater Enterprise Revenue Bonds, Series 2016, use of bond proceeds for wastewater and flood control purposes, nor collection of Wastewater Management Enterprise Fund's fees used to make bond payments.

Additionally, an attorney representing a group of Denver residents has sent the City 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, including claims that the Division has violated TABOR and the Colorado Organized Crime Control Act. No complaint has been filed in this matter so it is uncertain as to what potential relief might be requested. The City anticipates it will fully defend this matter if, in fact, a complaint is filed.

In respect of the Dedicated Tax Revenue Refunding and Improvement Bonds, Series 2016A-B, issued for the purpose of financing tourism related projects for the National Western Center and for improvements to the Colorado Convention Center, the City is pursuing condemnation actions with property owners unwilling to sell for the project in the ordinary course. One condemnee is contesting the authority of the City to condemn the condemnee's property. The City will continue to pursue the condemnation until it is resolved; however, even if the relief sought by the condemnee were to be granted in full, the City believes that such relief does not limit or prohibit use of bond proceeds for National Western Center purposes, nor collection of amounts used to make bond payments.

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 in any single occurrence, the sum of \$350,000; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000; except in such instance, no person may recover in excess of \$350,000. These maximums are to be adjusted by the Colorado Secretary of State every four years beginning January 1, 2018, based upon the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index. 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. In addition, the City may be enjoined from engaging in anti-competitive practices which violate federal and State antitrust laws. 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
2016 ACTUAL RESULTS, 2016 BUDGET AND 2017 BUDGET
Prepared in Budgetary Format
(\$ in thousands)

	2016	2016	2017
	<u>Actual</u>¹	<u>Revised</u>	<u>Adopted</u>
		<u>Budget</u>	<u>Budget</u>
REVENUES			
Taxes			
Property	\$116,009	\$117,416	\$118,783
Sales and Use	613,617	612,702	638,511
Other	104,291	102,735	106,213
Intergovernmental Revenues	34,414	34,204	35,764
Licenses and Permits	59,593	47,737	48,066
Fines and Forfeitures	48,893	55,773	56,286
Charges for Services	193,659	199,706	207,938
Investment Income	8,308	8,006	9,300
Transfers In	51,333	41,817	40,819
Other Revenues and Financing Sources	<u>11,230</u>	<u>11,631</u>	<u>11,353</u>
TOTAL FINANCIAL SOURCES	<u>\$1,241,347</u>	<u>\$1,231,726</u>	<u>\$1,273,032</u>
EXPENDITURES			
General Government	\$289,981	\$364,746	\$376,538
Public Safety	539,428	492,855	517,665
Public Works	135,073	117,645	125,487
Health	53,051	49,774	47,124
Parks and Recreation	64,534	64,020	68,996
Cultural Activities	45,416	43,324	46,549
Debt Service	5,904		
Transfers Out	104,737	120,121	127,899
General Fund Contingency	-	25,356	25,965
Estimated Unspent Appropriations	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
TOTAL EXPENDITURES BUDGET	<u>\$1,238,124</u>	<u>\$1,265,841</u>	<u>\$1,324,223</u>
FUND BALANCES²			
Net Change in Fund Balance	3,223	(34,114)	(51,191)
Fund Balance January 1	<u>394,200</u>		
Fund Balance December 31	397,423		
Undesignated Fund Balance January 1	293,476	285,552	251,438
Undesignated Fund Balance December 31	271,130	251,438	200,247
Total Fund Balance December 31	<u>\$271,130</u>	<u>\$251,438</u>	<u>\$200,247</u>

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

2 The CAFR lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds in accordance with GASB 54. The Budget and Management Office does not use this methodology for the Budget, therefore, Fund balances should only be compared within the Budget columns in the table set forth above.

(Sources: 2016 CAFR, Denver 2017 Budget)

TABLE 2
GENERAL FUND BUDGET SUMMARY
2016 ACTUAL RESULTS, 2016 BUDGET AND 2017 BUDGET
(by percentage)

	<u>2016</u>	<u>2016</u>	<u>2017</u>
	<u>Actual¹</u>	<u>Revised</u>	<u>Adopted</u>
		<u>Budget</u>	<u>Budget</u>
REVENUES			
Taxes			
Property	9.3%	9.5%	9.3%
Sales and Use	49.4	49.7	50.2
Other	8.4	8.3	8.3
Intergovernmental Revenues	2.8	2.8	2.8
Licenses and Permits	4.8	3.9	3.8
Fines and Forfeitures	3.9	4.5	4.4
Charges for Services	15.6	16.2	16.3
Investment Income	0.7	0.7	0.7
Transfers In	4.1	3.4	3.2
Other Revenues and Financing Sources	<u>0.9</u>	<u>0.9</u>	<u>0.9</u>
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government	23.4%	28.8%	28.4%
Public Safety	43.6	38.9	39.1
Public Works	10.9	9.3	9.5
Health	4.3	3.9	3.6
Parks and Recreation	5.2	5.1	5.2
Cultural Activities	3.7	3.4	3.5
Debt Service	0.5	-	-
Transfers Out	8.5	9.5	9.7
General Fund Contingency	-	2.0	2.0
Estimated Unspent Appropriations	<u>-</u>	<u>(0.9)</u>	<u>(0.9)</u>
TOTAL EXPENDITURES BUDGET	100.0%	100.0%	100.0%

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

(Sources: 2016 CAFR, Denver 2017 Budget)

Management Discussion of Recent Financial Results

2012. 2012 General Fund revenue collections of sales tax were 7.4% higher than 2011 due primarily to strong economic performance in retail sales. Total 2012 revenues performed 3.5% over 2011. With respect to expenditures, City departments saved \$8 million from the original 2012 budget. This in-year savings was achieved by holding positions vacant, five employee furlough days, and temporary savings such as deferring equipment and supply costs wherever possible. Total General Fund expenditures, including transfers out, grew 6.3% from 2011.

2013. 2013 General Fund core revenue collections of sales and use tax, which do not include 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. 2014 core revenue collections of sales and use tax, which do not include 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 from the revised 2014 budget due to achieving expected unspent appropriations, due in large part to compensation savings. Total General Fund expenditures, including transfers out, increased by 9.8% from 2013, primarily driven by personnel cost increases.

2015. 2015 core revenue collections of sales and use tax, which do not include 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 budget basis expenditures, City departments saved \$54.6 million from the revised 2015 budget due to achieving expected unspent appropriations and return of contingency funds in 2015. Total General Fund expenditures, including transfers out, increased by 10.3% from 2014, primarily driven by personnel cost increases and transfers between City funds.

2016. 2016 core revenue collections of sales and use tax, which do not include audit revenues, were 6.5% higher than 2015 core revenue collections of sales and use tax. Audit revenues decreased year-over-year in 2016. For the General Fund, total sales and use tax revenue collections including audit revenues were 5.4% higher than 2015 total sales and use tax revenue collections including audit revenues. Total 2016 revenues performed 2.8% over 2015. With respect to budget basis expenditures, City departments saved \$72.7 million from the revised 2016 budget due to achieving expected unspent appropriations and return of contingency funds in 2016. Total General Fund expenditures, including transfers out, increased by 10.3% from 2015, 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 2012 through 2016.

TABLE 3

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

ASSETS	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Cash and cash equivalents	\$146,392	\$195,214	\$270,048	\$273,039	\$274,060
Cash on hand	70	143	140	117	1,156
Receivables (net of allowances for uncollectibles):					
Taxes	163,031	170,018	180,913	185,474	189,709
Notes	480	2,804	2,785	430	2,589
Accounts	21,140	20,109	19,541	21,999	24,642
Accrued interest	1,030	1,440	1,876	1,973	1,902
Interfund receivable	9,204	12,528	9,077	12,436	11,608
Prepaid items and other assets	159	268	425	2,890	7,215
Restricted assets:					
Cash and cash equivalents	45,283	48,203	51,218	68,115	68,115
Assets held for disposition	<u>11,436</u>	<u>11,436</u>	<u>11,436</u>	-	-
TOTAL ASSETS	<u>\$398,225</u>	<u>\$462,163</u>	<u>\$547,459</u>	<u>\$563,641</u>	<u>\$580,996</u>
LIABILITIES					
Vouchers payable	\$16,719	\$17,037	\$19,921	\$19,240	\$27,539
Accrued liabilities	30,200	32,423	35,582	15,882	19,620
Due to other funds	111	274	266	556	528
Interfund Payable	3,199	2,122	3,548	36	24
Deferred revenue	121,104	122,972	124,126	133,702	134,787
Compensated Absences	26	-	-	-	-
Advances	<u>18</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>1,075</u>
TOTAL LIABILITIES	<u>\$171,377</u>	<u>\$174,828</u>	<u>\$183,443</u>	<u>\$169,441</u>	<u>\$183,573</u>
FUND BALANCE					
Nonspendable	159	268	425	2,890	7,215
Restricted	56,566	62,443	65,439	65,713	68,114
Committed	15,084	23,594	30,388	32,121	50,964
Unassigned	<u>155,039</u>	<u>201,030</u>	<u>267,764</u>	<u>293,476</u>	<u>271,130</u>
TOTAL FUND BALANCE	<u>226,848</u>	<u>287,335</u>	<u>364,016</u>	<u>394,200</u>	<u>397,423</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$398,225</u>	<u>\$462,163</u>	<u>\$547,459</u>	<u>\$563,641</u>	<u>\$580,996</u>

(Source: City and County of Denver's CAFR, 2012 - 2016)

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	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Taxes:					
Property	\$79,199	\$108,522	\$112,120	\$107,198	\$116,009
Sales and Use	451,352	493,002	555,428	581,922	613,617
Other	81,579	85,816	94,124	100,704	104,291
Licenses and Permits	33,906	42,916	48,425	59,909	59,593
Intergovernmental Revenues	25,913	27,669	31,647	33,240	34,414
Charges for Services	162,086	167,864	169,047	189,573	193,659
Investment Income	4,606	1,890	7,499	7,388	8,308
Fines and Forfeitures	53,227	54,818	51,954	52,989	48,893
Other Revenues	<u>7,414</u>	<u>10,314</u>	<u>8,233</u>	<u>16,443</u>	<u>10,666</u>
TOTAL REVENUES	<u>\$899,282</u>	<u>\$992,811</u>	<u>\$1,078,477</u>	<u>\$1,149,366</u>	<u>\$1,189,450</u>
EXPENDITURES					
Current:					
General Government	\$174,272	\$181,635	\$211,460	\$230,258	\$259,959
Public Safety	469,039	475,654	500,627	518,800	539,428
Public Works	90,007	98,178	129,111	121,516	135,073
Health	43,765	44,636	48,957	49,301	53,051
Parks and Recreation	53,188	55,279	57,476	57,914	64,534
Culture and Entertainment	34,736	39,192	41,064	44,213	45,416
Community Development	15,687	15,998	18,152	21,515	29,464
Economic Opportunity	205	574	527	601	558
Obligation Retirement	<u>4,602</u>	<u>4,785</u>	<u>7,506</u>	<u>5,995</u>	<u>5,904</u>
TOTAL EXPENDITURES	<u>\$885,501</u>	<u>\$915,931</u>	<u>\$1,014,880</u>	<u>\$1,050,113</u>	<u>\$1,133,387</u>
Excess of Revenues Over Expenditures	13,781	76,880	63,597	99,253	56,063
OTHER FINANCING SOURCES (USES)					
Other	1,379	305	19,039 ¹	772	564
Operating Transfers In	36,073	38,589	46,045	56,366	51,333
Operating Transfers Out	<u>(38,695)</u>	<u>(55,287)</u>	<u>(52,000)</u>	<u>(126,207)</u>	<u>(104,737)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,243)</u>	<u>(16,393)</u>	<u>13,084</u>	<u>(69,069)</u>	<u>(52,840)</u>
Net Change in Fund Balance	12,538	60,487	76,681	30,184	3,223
Fund Balance – January 1, as originally reported	155,039	226,848	287,335	364,016	394,200
Change in accounting principle – GASB 54	<u>44,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1, as restated	<u>214,310</u>	<u>226,848</u>	<u>287,335</u>	<u>364,016</u>	<u>394,200</u>
Fund Balance - December 31	<u>\$226,848</u>	<u>\$287,335</u>	<u>\$364,016</u>	<u>\$394,200</u>	<u>\$397,423</u>

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, 2012 - 2016)

Collection of Taxes

The City Charter provides that the Chief Financial Officer 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. As of December 31, 2016, a fixed-rate general sales tax of 3.65% was imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax was also a fixed-rate of 3.65%, 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 0.12% portion authorized by voters in November 2006 to fund increased access to and quality of preschool programs for City residents for the years 2007 through 2014. In November 2014, Denver voters approved a single ballot measure extending the 0.12% preschool sales and use tax through December 31, 2026, and increasing the rate by 0.03% to 0.15% effective January 1, 2015. The revenue from this portion of the sales and use tax is only available for the described purpose, and cannot be used for General Fund purposes.

The general sales and use tax and the preschool tax are charged on all medical marijuana sales and, effective January 1, 2014, retail recreational marijuana sales are charged an additional 3.5% special tax which is to be used 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 2016

<u>Taxation of Certain Goods or Services</u>	<u>City Tax Rate</u>
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%
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%

- 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 and use tax is only available for such purpose, and cannot be included in General Fund revenue. Collection of this dedicated sales and use tax increase started January 1, 2007 at 0.12%, and by voter approval in November 2014, was increased to 0.15% effective January 1, 2015.
- 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.

The above General Fund Sales and Use Tax Rates effective for 2016 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 Revenue bonds and recorded in other Funds.

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

TABLE 5
GENERAL FUND SALES AND USE TAX REVENUES
2007 – 2016
(\$ in thousands)

<u>Year</u>	<u>Revenues¹</u>	<u>Percent Change</u>
2007	\$418,177	5.29%
2008	430,928	3.05
2009	387,838	(10.00)
2010	409,817	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

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 2007 through 2016.

TABLE 6

STATE PROPERTY APPRAISAL METHOD

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2008	2007	June 30, 2006	January 1, 2005 to June 30, 2006
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

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. On June 5, 2017, the Colorado General Assembly revised the residential real property assessed valuation ratio to 7.2% of its statutory actual value for the 2017 assessment year. 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 attributed to the City. 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, to fund early childhood education, or taxes levied pursuant to a voter authorized 2.5 mill levy increase 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.

In 2007, Denver voters approved a 2.5 mill levy designated for capital maintenance projects in the City. This earmarked tax is exempt from TABOR revenue limits. In 2016, this capital maintenance levy was 2.528 due to prior year refunds and abatements, generating approximately \$37.1 million¹.

¹ This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to the Denver Urban Renewal Authority ("DURA") or Denver Downtown Development Authority ("DDDA") and are not retained by the City. DDDA is a statutory authority which enables tax increment revenues to be generated in support of redevelopment activities in the Central Business District. See "DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities."

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.

TABLE 7
CITY AND COUNTY OF DENVER
CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS¹
(by year assessed)

<u>Taxing Entity</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
City and County of Denver:					
General Fund	10.610	10.458	10.436	8.989	8.943
Bond Principal Fund	4.170	4.330	4.100	5.433	7.433
Bond Interest Fund	3.780	4.103	4.333	3.000	1.000
Social Services	4.520	4.480	4.470	3.849	3.835
Developmentally Disabled	1.033	1.021	1.016	1.012	1.010
Fire Pension	1.587	1.572	1.568	1.350	1.345
Police Pension	1.893	1.875	1.870	1.610	1.604
Capital Maintenance ²	2.581	2.553	2.542	2.534	2.528
Capital Improvement	2.752	2.727	2.720	2.342	2.333
Affordable Housing ³	-	-	-	-	<u>0.500</u>
TOTAL DENVER MILL LEVY	<u>32.926</u>	<u>33.119</u>	<u>33.055</u>	<u>30.119</u>	<u>30.531</u>
School District No. 1	50.488	49.299	49.299	47.397	50.396
Urban Drainage and Flood Control District	<u>0.657</u>	<u>0.672</u>	<u>0.700</u>	<u>0.611</u>	<u>0.620</u>
TOTAL MILL LEVY:	<u>84.071</u>	<u>83.090</u>	<u>83.054</u>	<u>78.127</u>	<u>81.547</u>

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

- 1 The column 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 18.
- 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, and sunseting on December 31, 2026.

(Source: Department of Finance)

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.

TABLE 8
PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS
LAST FIVE YEARS
(\$ in millions)

ACTUAL AND ASSESSED VALUATION:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Statutory Actual Valuation (est.) ¹	<u>\$76,697</u>	<u>\$79,581</u>	<u>\$80,891</u>	<u>\$100,204</u>	<u>\$105,773</u>
Assessed Valuation:					
Real Property – Land	\$3,358	\$3,252	\$3,218	\$4,514	\$4,506
Real Property – Improvement	5,868	6,441	6,564	8,220	8,406
Personal Property	723	742	765	826	827
Public Utilities	<u>808</u>	<u>829</u>	<u>838</u>	<u>824</u>	<u>921</u>
Total Assessed Valuations ²	<u>\$10,757</u>	<u>\$11,264</u>	<u>\$11,385</u>	<u>\$14,385</u>	<u>\$14,659</u>
Total Assessed Valuation Percentage Change ³	(1.65%)	4.71%	1.07%	26.35%	1.91%
LEVIES AND COLLECTIONS:^{4,5}					
Taxes Levied:	<u>\$295,438</u>	<u>\$310,922</u>	<u>\$312,314</u>	<u>\$360,103</u>	<u>\$372,011</u>
Total Collections	<u>\$293,970</u>	<u>\$306,893</u>	<u>\$308,808</u>	<u>\$348,477</u>	N/A
Total Collections at Year End (as Percentage of Original Levy)	99.50%	98.70%	98.88%	96.77%	N/A

-
- 1 State 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 that generates tax increment revenues, a portion of which are paid to the DURA or DDDA and are not retained by the City. 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 column 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 2016 are collected in 2017.
 - 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 top ten property taxpayers based on assessed valuations for the 2016 assessment year.

TABLE 9
CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2016
(FOR COLLECTION IN 2017)
(\$ in thousands)

<u>Name</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>Percentage of City's Total Assessed Valuation¹</u>
Public Service Co.	Utility	\$252,378	1.75%
Brookfield Office Properties	Real Estate	192,537	1.34
CenturyLink	Utility	141,253	0.98
Beacon Capital Partners	Real Estate	130,493	0.91
Invesco Realty Advisers Inc.	Real Estate	126,558	0.88
Franklin Street Properties	Real Estate	118,949	0.83
Taubman Centers Inc.	Real Estate	105,713	0.73
Kroenke Sports Enterprises	Entertainment	100,042	0.70
Columbia-Healthone	Health Care	99,519	0.69
<u>UBS Realty Investors</u>	<u>Real Estate</u>	<u>99,189</u>	<u>0.69</u>
TOTAL:		<u>\$1,366,631</u>	<u>9.50%</u>

1 Based on a December 31, 2016 certified assessed valuation of \$14,659,085,700. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or 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 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.

The following schedule sets forth the computation of the General Obligation debt margin of the City as of December 31, 2016.

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

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2016	<u>\$105,772,919</u>
Maximum general obligation debt, limited to 3% of actual valuation	3,173,188
Less outstanding bonds chargeable to limit ^{1,2}	<u>761,406</u>
LEGAL DEBT MARGIN – December 31, 2016	<u>\$2,411,782</u>

-
- 1 This figure represents outstanding gross principal of the City's General Obligation Bonds. Debt Margin calculation in the City's CAFR is outstanding principal net of the Debt Service fund balance as of December 31, 2016 allocated to Bond Principal in the amount of approximately \$29.4 million. Amounts in the Debt Service fund may be applied to both principal and interest of General Obligation Bonds.
 - 2 On March 6, 2017, the General Obligation Better Denver Bonds, Series 2010D and 2011A, were legally defeased, thereby reducing the outstanding bonds chargeable to limit by \$45.6 million.

As of December 31, 2016, the City had outstanding general obligation bonds in the aggregate principal amount of \$761,406,000, which does not include accrued interest of \$6,465,098 on compound interest bonds. See Table 10 below.

No electoral authorization remains for additional City general obligation bonds. City Council has approved a November 2017 ballot measure for voter authorization of approximately \$937.5 million in general obligation bonds.

Outstanding General Obligation Debt

The following table lists the City’s outstanding general obligation bonded debt as of December 31, 2016.

**TABLE 10
OUTSTANDING GENERAL OBLIGATION DEBT
(\$ in thousands)**

<u>Issue</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
General Obligation Justice System Facilities Bonds, Series 2006 ¹	\$125,000	-
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007 ²	8,861	\$8,861
General Obligation Justice System Facilities Bonds, Series 2008	174,135	109,530
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	69,980
General Obligation Better Denver Bonds, Series 2010A ³	37,910	-
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	312,055
General Obligation Better Denver Bonds, Series 2010D ⁴	44,650	29,150
General Obligation Better Denver Bonds, Series 2011A ⁴	16,455	16,455
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	73,215
General Obligation Refunding Bonds, Series 2013B1-B2 ^{1,5}	137,435	130,160
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A ⁶	<u>12,000</u>	<u>12,000</u>
TOTAL:	<u>\$1,093,926</u>	<u>\$761,406</u>

-
- 1 The Series 2013B1-B2 bonds refunded portions of the Series 2006 bonds. The non-refunded portions of the Series 2006 bonds matured and were paid on August 1, 2016
 - 2 Amount excludes \$5,103,008 of compound interest on the Series 2007 Capital Appreciation Bonds.
 - 3 The Series 2010A bonds matured and were paid on August 1, 2016.
 - 4 On March 6, 2017, the Series 2010D and 2011A bonds were legally defeased, thereby reducing the amounts outstanding to zero.
 - 5 Direct bank placement; no official statement prepared.
 - 6 Amount excludes \$1,362,090 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, 2016.

<u>Year Ending December 31</u>	<u>Debt Service¹ (\$ in thousands)</u>
2017	\$90,969
2018	91,605
2019	77,011
2020	76,922
2021	76,831
2022 through 2030, totaling	641,807

-
- 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, 2016.

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

Total Direct General Obligation Bonded Debt	\$761,406
Overlapping General Obligation Bonded Debt ^{1,2}	<u>1,321,607</u>
Total Direct and Overlapping General Obligation Bonded Debt	<u>\$2,083,013</u>
Actual Valuation	\$105,772,919
Assessed Valuation ³	\$14,659,086

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- 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 In November 2016, Denver voters approved \$572 million of general obligation bond funding for School District No. 1 (Denver Public Schools) to build and improve schools. Subsequently, School District No. 1 issued \$467 million of general obligation bonds in January 2017. This amount has not been included in the table above.
 - 3 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities."

DEBT RATIOS

	<u>Actual Valuation</u>	<u>Assessed Valuation</u>	<u>Per Capita¹</u>
Total Direct G.O. Bonded Debt	0.72%	5.19%	\$1,092
Total Direct and Overlapping G.O. Bonded Debt	1.97%	14.21%	\$2,987

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- 1 Based upon a 2016 population projection from the State Demography Office of 697,363. The 2016 CAFR uses a population estimate from the U.S. Census Bureau of 693,060.

Excise Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds 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 Excise Tax Revenue debt 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 rentals paid on the purchase price of short-term automobile rentals, is 7.25%. Of that percentage, 3.5% is 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 amount of \$397,310,000. 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 the 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 as credit enhancement. No new excise taxes or increases to existing excise taxes were imposed in conjunction with the issuance of the 2016A-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 2012 through 2016.

TABLE 11

**HISTORY OF PLEDGED REVENUES AND
DEBT SERVICE COVERAGE ON
DEDICATED TAX REVENUE BONDS¹
2012-2016
(\$ in thousands)**

<u>Fiscal Year</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Excise Tax Increases					
Lodger's Tax Increase (1.75%)	\$9,434	\$10,340	\$12,303	\$13,410	\$14,468
Auto Tax Increase (1.75%)	7,521	8,247	9,532	10,163	10,910
Total Excise Tax Increases	16,955	18,587	21,835	23,573	25,378
Base Excise Taxes					
Base Lodger's Taxes (6.25%)	32,072	35,328	42,153	46,061	49,771
Base Auto Taxes (5.50%)	23,636	25,919	29,958	31,940	34,132
Base Food and Beverage Taxes (0.50%)	12,840	13,564	15,202	16,350	17,164
Total Base Excise Taxes	68,547	74,811	87,313	94,351	101,067
Total Pledged Excise Taxes	\$85,502	\$93,398	\$109,148	\$117,924	\$126,445
Combined Maximum Annual Debt Service Requirements on the Series 2016 Bonds²					
	\$37,628	\$37,628	\$37,628	\$37,628	\$37,628
Pro-Forma Coverage	2.27x	2.48x	2.9x	3.13x	3.36x

1 The above coverage for the years 2012 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 2012 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 2016 Bonds (\$37,627,880 in 2017).

(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, 2016, a principal amount of \$2,430,000 of the 2005 Golf 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, 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, which includes a temporary closure of this golf course, currently planned to occur after the 2017 season. 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 July 15, 2011, the Golf Enterprise entered into a second non-certificated capital lease financing transaction to acquire golf carts for a principal amount of \$129,942. The full amount was expensed in 2011 as a non-cash charge in accordance with the Office of the Controller’s capitalization policy and this amount was correctly reported in previous disclosures. This lease was fully paid off in 2014.

On May 30, 2014, the Golf Enterprise entered into a third 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 Office of the Controller’s capitalization policy and this amount was correctly reported in previous disclosures.

Table 12 below shows the calculation of the debt service coverage ratio from 2012 through 2016 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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Operating Revenues	\$9,761,412	\$9,521,319	\$10,881,173	\$10,542,563	\$11,058,264
Rate Maintenance Account	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>
Golf Enterprise Fund Gross Revenue	10,001,815	9,761,722	11,121,576	10,782,966	11,298,667
Operation and Maintenance Expenses	<u>7,766,043</u>	<u>9,231,856</u>	<u>10,935,965</u>	<u>9,450,590</u>	<u>9,852,543</u>
Net Pledged Revenue	2,235,772	529,866	185,611	1,332,376	1,446,124
Maximum Annual Debt Service	\$686,865	\$686,865	\$686,865	\$686,865	\$686,865
Coverage	3.26	0.77	0.27	1.94	2.11

(Source: Denver Parks and Recreation)

Table 13 shows the City’s calculation of the debt service coverage ratio from 2012 through 2016 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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Operating Revenues	\$9,761,412	\$9,521,319	\$10,304,073 ²	\$10,542,563	\$11,058,264
Rate Maintenance Account	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>	<u>240,403</u>
Golf Enterprise Fund Gross Revenue	10,001,815	9,761,722	10,544,476	10,782,966	11,298,667
Operation and Maintenance Expenses	<u>7,766,043</u>	<u>8,614,532</u> ¹	<u>9,040,757</u> ²	<u>9,450,590</u>	<u>9,852,543</u>
Net Pledged Revenue	2,235,772	1,147,190	1,503,719	1,332,376	1,446,124
Maximum Annual Debt Service	\$686,865	\$686,865	\$686,865	\$686,865	\$686,865
Coverage	3.26	1.67	2.19	1.94	2.11

- 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 2012 through 2016.

TABLE 14

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Operating Revenues					
Golf Charges	\$9,717,333	\$9,521,319	\$10,289,915	\$10,538,700	\$11,028,217
Other Revenue	<u>44,079</u>	<u>-</u>	<u>591,258³</u>	<u>3,863</u>	<u>30,047</u>
Total Operating Revenues	<u>\$9,761,412</u>	<u>\$9,521,319</u>	<u>\$10,881,173</u>	<u>\$10,542,563</u>	<u>11,058,264</u>
Operating Expenses					
Personnel Services	\$4,234,326	\$4,606,117	\$5,132,359	\$5,354,362	\$5,933,998
Contractual Services	348,153	350,022	614,338	1,009,942	822,742
Supplies and Materials	815,861	1,607,081 ²	3,050,851 ⁴	1,108,606	974,784
Depreciation Expense	929,107	1,002,716	1,120,810	1,132,992	1,163,438
Other Operating Expenses ¹	<u>2,367,703</u>	<u>2,668,636</u>	<u>2,138,417</u>	<u>1,977,680</u>	<u>2,121,018</u>
Total Operating Expenses	<u>\$8,695,150</u>	<u>\$10,234,572</u>	<u>\$12,056,775</u>	<u>\$10,583,582</u>	<u>\$11,015,980</u>
Operating Income (Loss)	1,066,262	(713,253)	(1,175,602)	(41,019)	42,284
Non-Operating Revenue (Expenses)					
Investment and Interest Income	34,519	(39,740)	50,380	28,050	309,660
Interest Expenses	<u>(242,795)</u>	<u>(224,277)</u>	<u>(195,125)</u>	<u>(185,119)</u>	<u>(156,148)</u>
Income(Loss)	857,986	(977,270)	(1,320,347)	(198,088)	195,796
Change in accounting position – GASB 68 ⁵	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,944,000)</u>	<u>-</u>
Net Assets – January 1	<u>14,467,848</u>	<u>15,325,834</u>	<u>14,253,564</u>	<u>12,933,217</u>	<u>9,791,129</u>
Net Assets – December 31	\$15,325,834	\$14,253,564	\$12,933,217	\$9,791,129	\$9,986,925

-
- 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, 2016.

TABLE 15

Total Rounds Played

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Aqua Golf ¹	14,617	13,935	13,363	16,171	17,080
City Park	48,978	46,148	50,751	51,836	48,492
Evergreen	23,858	19,053	19,331	21,678	24,988
Harvard Gulch	31,038	28,275	27,671	31,924	30,583
Kennedy ²	96,949	89,579	85,408	85,333	85,212
Overland	49,490	42,118	45,277	45,130	45,149
Wellshire	52,410	49,016	52,274	52,105	54,184
Willis Case	<u>53,774</u>	<u>48,153</u>	<u>50,079</u>	<u>49,636</u>	<u>51,360</u>
Total	371,114	336,277	344,154	353,813	357,048

1 This facility offers two separate 18 hole miniature golf courses and has a signature aquatic driving range.

2 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 Fees¹ in effect on December 31, 2016 – Denver Golf Courses

<u>Category of Play</u>	<u>City Park</u>	<u>Evergreen</u>	<u>Harvard Gulch²</u>	<u>Kennedy</u>	<u>Overland</u>	<u>Wellshire</u>	<u>Willis Case</u>
18-Hole - Weekday	\$27.00	\$19.00	N/A	\$27.00	\$27.00	\$27.00	\$27.00
18-Hole - Weekend/Holiday	39.00	29.00	N/A	39.00	39.00	39.00	39.00
18-Hole - Senior (Weekday Only)	20.00	17.00	N/A	20.00	20.00	20.00	20.00
18-Hole - Junior (Weekday Only)	13.00	12.00	N/A	13.00	13.00	13.00	13.00
9-Hole - Weekday	17.00	14.00	\$9.00	17.00	17.00	17.00	17.00
9-Hole - Weekend/Holiday	20.00	18.00	9.00	20.00	20.00	20.00	20.00
9-Hole - Senior (Weekday Only)	11.00	9.00	7.00	11.00	11.00	11.00	11.00
9-Hole - Junior (Weekday Only)	8.00	8.00	7.00	8.00	8.00	8.00	8.00

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 June 1, 2017, the School District had \$1,718,072,000 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, 2016, the aggregate principal amount of such certificates outstanding was \$1,018,260,000. In 2017, through June 30, the School District issued \$46 million of certificates of participation. As of June 30, 2017, the aggregate principal amount of such certificates outstanding was 1,064,435,000. 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.

Metro Wastewater Reclamation District. Metro Wastewater Reclamation District (the “Sewage District”), 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 Sewage District in order to construct and operate a sewage disposal system in the Denver metropolitan area. Under service contracts with the Sewage District, each municipal unit is obligated to pay the Sewage District for the costs of services rendered (including debt service) based on usage of the Sewage District’s facilities. Each municipal unit imposes taxes or charges sufficient to fund its share of Sewage District costs.

The City is meeting its obligation to the Sewage District from a sewer service charge collected from the System’s users. The Sewage District assessed the City charges of \$49,197,801 for 2016. The Sewage District had outstanding \$585,010,000 aggregate principal amount of bonds as of December 31, 2016.

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, 2016, approximately \$2.687 billion of FasTracks debt was outstanding. Year-to-date in 2017, RTD issued two additional series of bonds in the aggregate amount of \$202,360,000 using the FasTracks voter authorization. As of June 30, 2017, approximately \$2.628 billion of principal of FasTracks debt is currently outstanding. RTD also has \$120,525,000 of principal outstanding on non-FasTracks debt and \$1,199,275,000 of principal outstanding on certificates of participation related to various lease purchase and installment sales arrangements under which RTD is the lessee or purchaser.

RTD is in the process of expanding commuter and light rail service throughout the greater Denver metropolitan area, the “RTD FasTracks Program.” RTD awarded a design-build-operate-maintain contract for the “East Corridor” of the program, to consist of a commuter rail line connecting Denver Union Station, located in downtown Denver, with Denver International Airport (the “Airport”). The East Corridor rail service opened for revenue service in April 2016 and was funded largely by Denver Transit Partners, a concessionaire selected by RTD to design, construct, operate and maintain the line. Neither the City nor the Department of Aviation has any obligation

in respect of the design, construction, operation or maintenance of the rail line, nor will they receive any revenue from the use of the commuter rail service. In March 2010, the City, for and on behalf of the Department of Aviation and RTD entered into the Intergovernmental Agreement for the FasTracks East Corridor Project (the “FasTracks East Corridor IGA”), and while the City does not have responsibility for the commuter rail line or service, the City does have certain duties under the FasTracks East Corridor IGA. Under the FasTracks East Corridor IGA, pursuant to which RTD agreed to lease property at the Airport and construct the rail lines and supporting infrastructure for the East Corridor project, and the Department of Aviation, among other things, is required to finance and build a “terminal-to-station” interface at the Airport. On December 31, 2013, the Department of Aviation met its obligation under the FasTracks East Corridor IGA to have the Airport Terminal Station substantially completed by January 1, 2014, allowing RTD complete and uninterrupted access in order that RTD may complete the installation and begin operation testing of the commuter rail line. The Department of Aviation will be responsible for operating and maintaining only certain portions of the Airport Rail Station. The term of the FasTracks East Corridor IGA extends through 2056, unless earlier terminated in writing by mutual consent of the parties, or by court order. The FasTracks East Corridor IGA provides that the Department of Aviation will grant a lease of certain property at the Airport to RTD with an initial term of 50 years, and up to three renewal periods of 15 years each, with each renewal being subject to FAA approval.

The FasTracks East Corridor IGA was amended in 2012 to provide for various double track improvements and the City funded its obligations under the amendment through a 2012C1-C3 Lease Purchase Agreement dated May 17, 2012 with Denver Properties Leasing Trust, as lessor, which executed and delivered Certificates of Participation in a principal amount of \$45,000,000 (see Table 19).

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 taxing entities whose boundaries overlap the City or portions thereof and have general obligation debt which is paid from property taxes levied upon property of land owners within the City. Assessed valuation and mill levy information for these taxing districts is provided in the following table.

TABLE 17
CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2016

<u>Taxing District</u>	<u>Assessed Valuation Attributable to Denver</u>	<u>% of Total Denver Assessed Value</u>	<u>2016 Mill Levy⁴</u>
Adams County/ North Washington Fire ¹	\$6,795,670	0.05%	16.841
Aviation Station #2 ²	30	0.00	53.000
Aviation Station #5 ²	30	0.00	10.000
Bellevue Station Metro No 2 ²	15,333,280	0.10	50.000
BMP No 2 (debt) ^{2,3}	12,192,420	0.08	15.200
BMP No 3 ^{2,3}	4,245,560	0.03	15.000
Bowles Metropolitan ¹	29,680,280	0.20	42.000
Broadway Station Metro No 3 ^{2,3}	7,639,730	0.05	6.000
Central Platte Valley Metro ^{2,3}	159,525,050	1.09	31.750
Central Platte Valley Metro (debt) ²	74,896,050	0.51	10.000
Cherry Creek North B.I.D.	226,906,760	1.55	17.142
Colo. Int. Center Metro No 14 ²	10,961,600	0.07	60.000
Denargo Market Metro No 2 ²	8,578,320	0.06	40.000
Denver Gateway Center Metro	4,258,060	0.03	48.000
Denver High Point at DIA Metro ²	1,278,300	0.01	15.000
Denver Intl. Bus. Ctr Metro No 1	22,584,450	0.15	44.204
DUS Metro No 2 ^{2,3}	65,608,630	0.45	30.000
Ebert Metropolitan ²	81,863,920	0.56	84.000
Ebert Metropolitan (debt) ²	2,169,420	0.01	65.000
Gateway Regional Metro	48,567,280	0.33	16.000
Mile High Business Center Metro	23,979,200	0.16	35.000
RiNo GID ³	76,277,270	0.52	4.000
Sand Creek Metropolitan ^{1,2}	31,348,310	0.21	32.000
Sand Creek Metropolitan (debt) ^{1,2}	11,470,180	0.08	20.000
SBC Metro ³	76,257,260	0.52	35.000
Section 14 Metro ^{1,2}	8,443,000	0.06	23.669
Section 14 Metro (debt Raccoon) ^{1,2}	3,506,510	0.02	18.559
Section 14 Metro (debt Fairmark) ^{1,2}	4,150,630	0.03	6.687
South Sloan's Lake Metro No 2 ^{2,3}	8,566,540	0.06	38.288
Southeast Public Impr Metropolitan ¹	286,716,100	1.96	2.000
<u>Westerly Creek Metro²</u>	<u>430,075,100</u>	<u>2.93</u>	<u>56.899</u>
<u>Special District Total Assessed Value</u>	<u>\$1,743,874,940</u>	<u>11.90%</u>	
Denver Total Assessed Value ³	\$14,659,085,700		

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 or 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

Denver Urban Renewal Authority Contingent and Discretionary Payments. The Denver Urban Renewal Authority (“DURA”) issued its Stapleton Senior Subordinate Tax Increment Revenue Bonds, Series 2010B-1 (the “Series 2010B-1 DURA Bonds”) in the aggregate principal amount of \$100,740,000. The Series 2010B-1 DURA Bonds are secured by certain tax increment revenues (the “DURA Pledged Revenues”) and a debt service reserve fund (the “DURA Series 2010B-1 Reserve Fund”) in the initial amount of \$6 million. The Series 2010B-1 DURA Bonds are scheduled to be outstanding until December 1, 2025. In order to support the redevelopment activities funded by the Series 2010B-1 DURA Bonds, the City entered into a Services Agreement, dated April 1, 2010 (the “2010 Services Agreement”) with DURA in which the City’s Manager of Finance agreed to request that the City Council consider appropriating funds to replenish the DURA Series 2010B-1 Reserve Fund in an amount not to exceed \$12 million annually to the extent that DURA Pledged Revenues are not sufficient to pay the principal and interest on the Series 2010B-1 DURA Bonds and amounts are withdrawn from the DURA Series 2010B-1 Reserve Fund. The City’s Manager of Finance is not obligated to seek an appropriation which exceeds the maximum annual debt service payments due on the Series 2010B-1 DURA Bonds. The City Council’s decision to appropriate such funds is to be by ordinance without compulsion and solely in the City Council’s discretion. The City Council has never been requested to appropriate funds under the 2010 Services Agreement. DURA has agreed to repay amounts appropriated by the City for such purpose with interest, as a Junior Bond financial commitment.

DURA retained the option to purchase the Series 2010B-1 DURA Bonds from the bondholders thereof on any date on or after December 1, 2015 at a purchase price equal to the principal amount of the Series 2010B-1 DURA Bonds so purchased (with no tender premium), plus accrued interest to the purchase date. On December 23, 2015, DURA, pursuant to a Series 2010B-1 2015 Remarketing Supplemental Indenture, exercised this option and: (a) purchased all of the then-outstanding Series 2010B-1 DURA Bonds, in the aggregate principal amount of \$76,680,000; (b) remarketed and resold to new bondholders \$67,700,000 in principal amount of the Series 2010B-1 DURA Bonds at a resale price of \$77,536,205; and (c) used the \$9,836,205 premium included in such purchase price to (i) pay the accrued interest on the purchased Series 2010B-1 DURA Bonds, (ii) pay the costs incurred by DURA in connection with such remarketing and resale, including underwriters’ discount, and (iii) pay and cancel the remaining \$8,980,000 principal amount of the Series 2010B-1 DURA Bonds. The remarketed Series 2010B-1 DURA Bonds continue to be secured by the DURA Series 2010B-1 Reserve Fund and the City’s undertaking with respect thereto under the 2010 Services Agreement as described in the immediately preceding paragraph.

Denver Union Station Project Authority Contingent and Discretionary Payments. The City created the Denver Union Station Project Authority (“DUSPA”), 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 the Denver Union Station site (the “DUS Project”). In order to finance the transportation elements of the DUS Project, DUSPA incurred loans (collectively, the “DOT Loans”) made by the U.S. Department of Transportation. In consideration of the benefits to be derived by the City as a result of the completion of the DUS Project, the City entered into a Contingent Commitment and Services Agreement, dated February 9, 2010 (the “Contingent Commitment Agreement”), with DUSPA and the trustee under the DOT Indenture pursuant to which the City agreed, subject to annual appropriation, to replenish one of the DOT Reserve Funds up to an amount agreed upon within the DOT Indenture (but in no event greater than \$7.15 million) in the event of a draw on such fund. The City Council’s decision to appropriate such funds is by ordinance without compulsion and solely in the City Council’s discretion. The City Council has never been requested to appropriate funds under the Contingent Commitment Agreement.

In 2016, in order to take advantage of the low interest rate environment and the significant increase in property and sales and use tax revenues in the DUS area which generates such revenues, DUSPA issued a request for proposal to restructure the debt obligations of the DOT Loans. After a full review of responses, the Board voted unanimously to accept one of the proposals. Under the accepted proposal, the City, on behalf of the Denver Downtown Development Authority (“DDDA”), and RTD, would issue debt, independent of each other, in an amount sufficient, together with certain other available funds, to pay in full both of the DOT Loans.

On February 3, 2017, in order to refund a portion the DOT Loans, RTD issued bonds using the FasTracks voter authorization (see “Regional Transportation District” under “DEBT STRUCTURE OF THE CITY-Overlapping

Debt and Taxing Entities” for a description of the FasTracks program). Simultaneously with the issuance of the RTD bonds, the City, on behalf of the DDDA closed on a loan with BBVA Compass and U.S. Bank, National Association, to refund a portion of the DOT Loans. The two transactions, combined with all cash balances on hand with the trustee for the DOT Loans, produced enough capital to pay the DOT Loans in full. Additionally, the City’s Contingent Commitment Agreement was terminated as part of the foregoing transactions. Furthermore, DUSPA will no longer receive any tax funds from the DDDA nor any sales and tax funds from RTD because, following the repayment of the DOT Loans, DUSPA no longer has any outstanding debt obligations.

Denver Convention Center Hotel Authority. In the spring of 2003, the City created the Denver Convention Center Hotel Authority 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. In June 2003, the Authority issued its own special limited obligation revenue bonds in the amount of \$354 million to finance the hotel and contract independently with a developer and operator for the hotel. The hotel opened as scheduled on December 20, 2005. In April 2006, the Authority issued \$356 million in refunding bonds to fully refund the 2003 revenue bonds. In November 2016, the Authority issued \$272 million in refunding bonds to fully refund the 2006 revenue bonds. The refunding bonds are payable from hotel revenues, and the hotel is mortgaged by the Authority to the bond trustee to secure the bonds. The Authority has no taxing power. The City did not pledge its own credit to support the hotel project and did not create any multiple-fiscal year direct or indirect debt or other financial obligation of the City in connection with the financings. However, the City entered into an Economic Development Agreement with the Authority under which, in consideration of various agreements with the Authority regarding the hotel’s construction and operation in respect of the Convention Center and of the economic benefits to the City expected to be derived from the construction and operation of the hotel, the City makes payments subject to annual appropriation by the City Council. The City has made all payments under the Economic Development Agreement through December 31, 2016. The remaining Economic Development Payments due from the City are set forth in Table 18. The Economic Development Agreement is subject to termination on each December 31 according to its terms and expires no later than December 31 of the thirty-fifth calendar year after the opening of the Denver Convention Center Hotel.

TABLE 18

**DENVER CONVENTION CENTER HOTEL
ECONOMIC DEVELOPMENT PAYMENTS**

<u>On or Before the 14th Day Prior to the Following Date:</u>	<u>Amount</u>
June 1, 2017	\$5,375,000
December 1, 2017	5,375,000
Each June 1 and December 1 thereafter	5,500,000

PENSION PLANS

The majority of the City’s 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”). DERP’s pension plan and the FPPA Plans are described below and at Note G in the “Other Note Disclosures” section of the City’s 2016 CAFR.

Denver Employees Retirement Plan

The following information has been taken from the 2016 Comprehensive Annual Financial Report of DERP (the “DERP 2016 CAFR”) and the 2016 Annual Report 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, 2015 and 2016:

	<u>2015</u>	<u>2016</u>
Retirees and beneficiaries currently receiving benefits	9,074	9,302
Terminated employees entitled to benefits but not yet receiving such benefits	3,464	3,500
Current employees:		
Vested	5,273	5,104
Non-vested	<u>3,363</u>	<u>3,877</u>
TOTAL	<u>21,174</u>	<u>21,783</u>

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 (or at age 55 if the sum of their age and credited years of service is at least 75) are entitled to an annual retirement benefit, 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 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.

Members hired after July 1, 2011, must reach age 60 and have credited years of service of summing to at least 85 in order to receive a normal retirement prior to age 65. 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, and only when sufficient excess funds are available to cover the cost of any such increase in benefits over the lifetime of all retired members; 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 the DERP’s board of directors and enacted into ordinance by the City Council.

There have not been any changes to the contribution requirements effective as of January 1, 2015; however, the Actuarial Valuation dated as of January 1, 2017 concluded “[t]he Total Actuarially Determined Contribution Rate for 2017 is 19.66% and the scheduled contribution rate is 19.50%. Therefore, the scheduled contribution is slightly lower than the Total Actuarially Determined Contribution Rate for 2017.” A change in contribution would require the DERP’s board recommendation and enactment of ordinance, but no ordinance has been filed with the City Council.

The following are DERP contribution requirements and dates on which contribution requirement changes took effect.

	January 1, 2005	January 1, 2010	January 1, 2011	January 1, 2012	January 1, 2013	January 1, 2014	January 1, 2015
City Contribution	8.50%	8.50%	9.50%	10.25%	11.00%	11.20%	11.50%
Employee Contribution	<u>2.50%</u>	<u>4.50%</u>	<u>5.50%</u>	<u>6.25%</u>	<u>7.00%</u>	<u>7.30%</u>	<u>8.00%</u>
Total	11.00%	13.00%	15.00%	16.50%	18.00%	18.50%	19.50%

As of December 31, 2016, the fiduciary net position was \$2,082,001,911. Per DERP’s independently audited 2016 CAFR, as of January 1, 2016, the most recent actuarial valuation, 72.2% of the plan’s actuarial accrued liabilities were covered by actuarial value of assets. Per DERP’s most recent Actuarial Valuation, as of January 1, 2017, 71.01% of the plan’s actuarial accrued liabilities were funded by actuarial value of assets.

On September 21, 2015, City Council passed a bill approving changes to the DERP governing ordinance, one of which was a requested change in the “actuarially assumed rate of investment return” for the plan, from 8.0% to 7.75%. 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. The changes per this bill went into effect on October 1, 2015. In May 2017, DERP’s board announced it would adopt the recommended reduction to an Assumed Rate of Return (to 7.5% from 7.75%), and that it would initiate the ordinance process 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, 2016, 2015, and 2014, were \$34,892,000, \$34,889,000, and \$28,458,000, 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, 2016, 2015, and 2014, to the New Hire Plan, in the amounts of \$15,648,000, \$15,299,000, and \$14,229,000, 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 H in the "Other Note Disclosures" section of the City's 2016 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, 51.57% 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 completed lease purchase transactions structured with an independent lessor who sells Certificates of Participation (COPs) representing 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. If appropriated for the applicable Fiscal Year, the City has the obligation to pay rentals for that 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, 2016, 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 LEASE PURCHASE TRANSACTIONS
AND RELEASE DATES
AS OF DECEMBER 31, 2016

<u>Series</u>	<u>Outstanding Principal Amount</u>	<u>Leased Property</u>	<u>Date Lease Property Scheduled to be Acquired</u>
2005A ¹	\$9,330,000	Human Services Campus	May 1, 2020
2008A1-A3	220,280,000	Wellington E. Webb Office Building	December 1, 2031
2008B ²	15,690,000	Denver Botanic Gardens Parking Facility	December 1, 2028
2010A ³	17,590,000	Central Platte Campus	December 1, 2030
2010B	10,755,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
2012A	5,610,000	Denver Cultural Center Parking Garage	December 1, 2021
2012C1-C3 ³	40,295,000	Denver Properties Leasing Trust	December 1, 2031
2013A	31,135,000	Buell Theatre	December 1, 2023
2015A	<u>21,450,000</u>	Blair-Caldwell African American Research Library, Fire Station Nos. 18, 19, and 22	December 1, 2034
TOTAL	\$372,135,000		

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 In February 2017, the City issued \$15,506,673 of Series 2017A COPs; the net proceeds were used to advance refund the Series 2008B COPs. Under the 2017A COPs, the Denver Botanic Gardens Parking Facility continues to serve as the leased property and remains scheduled to be acquired on December 1, 2028.

3 Direct bank placements; no official statement prepared.

(Source: Department of Finance)

Non-certificated Lease Purchase Agreements

As of December 31, 2016, the City was the lessee under various other capitalized lease obligations for the lease purchase of real property and equipment outstanding in a principal amount of \$13,404,488.93 compared to \$18,421,892 as of December 31, 2015. At the end of the final term of each such leases, the City expects to own the real property and equipment which are the subject of such leases. Certificates of participation relating to these leases have not been executed and delivered. 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: <http://www.denverwater.org/investor-financial>. 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, 2016, consisted of approximately 1,523 miles of sanitary sewer lines and 821 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, 2016, a principal amount of \$37,860,000 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, which comprise the Park Hill: Stormwater Systems program. For more information regarding the program see “WASTEWATER MANAGEMENT SYSTEM – Capital Improvement Plan.” As of December 31, 2016, a principal amount of \$115,000,000 of the Series 2016 Wastewater Bonds remains outstanding.

Wastewater Financial Information

Customer Information. Denver’s Wastewater Management Division estimates that Wastewater serves approximately 160,047 sanitary sewer customers. Of this amount, approximately 144,042 (90%) are residential customers; approximately 16,005 (10%) are commercial, industrial, or governmental customers. It is estimated that Wastewater serves approximately 166,638 storm customers. Of this amount, approximately 156,640 (94%) are residential customers; approximately 9,998 (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 (the “Sewage District”), 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 “Sewage District Agreement”) with the Sewage District in March 1964. There are currently 60 municipalities, districts and industrial entities contracting with the Sewage District for sewage treatment and disposal services. Under the Sewage District Agreement, there is an annual charge to each signatory, payable quarterly. The annual charge is calculated with the intention that each signatory pays in proportion to its use of the Sewage District’s services. Table 20 presents historical data between 2012 and 2016 relating to the Sewage District’s total annual charges to Wastewater.

TABLE 20

**HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT
ANNUAL CHARGES¹**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Enterprise Operating Expense	\$97,853,113	\$104,064,242	\$101,801,603	\$111,330,996	\$113,147,311
Sewage District Annual Charge	\$44,367,414	\$44,859,512	\$44,200,243	\$48,872,825	49,197,801
Sewage District Annual charge as a Percentage of Total Operating Expense	45.34%	43.11%	43.42%	43.90%	43.48%
Year-to-Year Sewage District Annual Charge Increase	(1.43%)	1.11%	(1.47%)	10.57%	0.66%

1 In this table, "Enterprise" refers to Wastewater Management Enterprise Fund.

(Source: Wastewater Enterprise Department of Finance)

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

<u>Year ended</u> <u>December 31</u>	<u>Storm Drainage</u> <u>Accounts</u>	<u>Sanitary Sewer</u> <u>Accounts</u>
2007	156,795	150,637
2008	158,176	153,720
2009	158,955	154,230
2010	159,932	155,482
2011	160,482	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

(Source: Wastewater Enterprise Department of Finance)

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 real property owned by the Department of Aviation (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 beyond the amount of stormwater runoff which would otherwise be contributed by such lot or parcel if the lot or parcel was in its natural state. 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.

In June 2011, the City adopted by ordinance the fee schedule set forth in the historical rates section of the table below for the storm drainage service charges. On July 1, 2015, the annual storm drainage service charge and the minimum annual charge were adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index, equal to a 2.7% increase effective as of July 1, 2015. In June 2016, the City adopted by ordinance the fee schedule set forth in the historical rates section of the table below for the storm drainage service charges.

TABLE 22
STORM DRAINAGE HISTORICAL RATES

<u>Ratio Group</u>	<u>Rate</u>	<u>Rate</u>
	<u>2015(July)</u>	<u>2016(July)</u>
0 to .10	\$1.90	\$2.11
.11 to .20	2.37	2.63
.21 to .30	2.88	3.20
.31 to .40	3.40	3.77
.41 to .50	3.88	4.31
.51 to .60	4.15	4.61
.61 to .70	4.41	4.90
.71 to .80	4.90	5.44
.81 to .90	5.39	5.98
.91 to 1.00	5.92	6.57
Minimum Annual Charge	\$13.53	\$15.02

(Source: Wastewater Enterprise Department of Finance)

On January 1, 2017 and thereafter, the annual storm drainage service charge and the minimum annual charge are to be adjusted annually as shown below. On January 1, 2021, and thereafter, the annual storm drainage service charge and the minimum annual charge are to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

STORM DRAINAGE FUTURE RATES

<u>Ratio Group</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
	<u>2017(Jan)</u>	<u>2018(Jan)</u>	<u>2019(Jan)</u>	<u>2020(Jan)</u>
0 to .10	\$2.34	\$2.60	\$2.86	\$3.15
.11 to .20	2.92	3.24	3.56	3.92
.21 to .30	3.55	3.94	4.33	4.76
.31 to .40	4.18	4.64	5.10	5.61
.41 to .50	4.78	5.31	5.84	6.42
.51 to .60	5.12	5.68	6.25	6.88
.61 to .70	5.44	6.04	6.64	7.30
.71 to .80	6.04	6.70	7.37	8.11
.81 to .90	6.64	7.37	8.11	8.92
.91 to 1.00	7.29	8.09	8.90	9.79
Minimum Annual Charge	\$16.67	\$18.50	\$20.35	\$22.39

(Source: Wastewater Enterprise Department of Finance)

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, 2017, 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 \$153.60 (\$5.12 x 3,000/100). The minimum annual storm drainage service charge will not be less than \$16.67 for the rate period effective January 1st of 2017. 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 Sewage District under the Sewage District 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.

<u>Effective Date</u>	<u>Rate Change</u>
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 \$10.33 effective July 1, 2015; monthly charge of \$10.85 effective July 1, 2016; monthly charge of \$11.39 effective January 1, 2017; 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.

<u>Size (inches)</u>	<u>Rate 2015(July)</u>	<u>Rate 2016(July)</u>	<u>Rate 2017(Jan)</u>	<u>Rate 2018(Jan)</u>	<u>Rate 2019(Jan)</u>	<u>Rate 2020(Jan)</u>
5/8	\$10.33	\$10.85	\$11.39	\$11.85	\$12.32	\$12.81
3/4	15.51	16.29	17.10	17.78	18.49	19.23
1	25.82	27.11	28.47	29.61	30.79	32.02
1 1/4	38.81	40.75	42.79	44.50	46.28	48.13
1 1/2	51.72	54.31	57.03	59.31	61.68	64.15
2	82.70	86.84	91.18	94.83	98.62	102.56
3	155.06	162.81	170.95	177.79	184.90	192.30
4	258.50	271.43	285.00	296.40	308.26	320.59
6	516.97	542.82	569.96	592.76	616.47	641.13
8	827.49	868.86	912.30	948.79	986.74	1,026.21
10	1,189.00	1,248.45	1,310.87	1,363.30	1,417.83	1,474.54
12	2,222.91	2,334.06	2,450.76	2,548.79	2,650.74	2,756.77

For users whose potable water is metered or measured: Whether by the board of water commissioners or by other methods approved by the Manager of Public Works or both (metered customers), the charge shall be 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:

<u>Equivalency Factors</u>	<u>Annual Unit Equivalent Sewage Contribution (in thousands of gallons)</u>
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 sewage is measured by a meter or method approved by the Manager of Public Works: 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 Department of Finance)

The following table sets forth the statements of revenues, expenses of the 2015, 2016 and 2107 Approved Budgets with respect to Wastewater.

TABLE 23
WASTEWATER ENTERPRISE BUDGETS

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total Operating Revenue	\$125,182,100	\$128,695,163 ¹	\$141,554,117
Operating Expenses			
Personnel Services	26,735,000	27,386,875	28,340,440
Contractual Services	25,514,700	27,680,797	25,832,699
Supplies and Materials	2,165,000	2,108,908	1,766,552
District Water Treatment			
Charges	<u>51,000,000</u>	<u>52,813,200</u>	<u>54,000,000</u>
Total Operating Expenses	<u>105,414,700</u>	<u>109,989,780</u>	<u>109,939,691</u>
Operating Income (Loss)	19,767,400	18,705,383	31,614,426
Other Income (Expense)			
Investment and Interest Income	389,000	821,969	1,096,300
Debt Interest Payment	(1,614,175)	(1,478,425)	(6,103,125)
Bond Principal Payment	(2,715,000)	(2,850,000)	(5,427,800)
Purchase of capital equipment	<u>(2,177,100)</u>	<u>(2,913,000)</u>	<u>(207,500)</u>
Total Other Income (Expense)	<u>(6,117,275)</u>	<u>(6,419,456)</u>	<u>(10,642,125)</u>
Modified Net Income	<u>\$13,650,125</u>	<u>\$12,285,927</u>	<u>\$20,972,301</u>

¹ The rate increases that went into effect on July 1, 2016 are not reflected in the 2016 budget.

(Source: Wastewater Enterprise Department of Finance)

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 2012 through 2016 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**

	Restated 2012 ¹	2013	2014	2015	2016
OPERATING REVENUES					
Sanitary sewer	\$69,569,997	\$78,000,355	\$81,833,408	\$85,709,854	\$90,811,637
Storm drainage	<u>36,596,860</u>	<u>37,871,321</u>	<u>38,972,387</u>	<u>40,550,193</u>	<u>42,563,676</u>
TOTAL OPERATING REVENUES	<u>\$106,166,857</u>	<u>\$115,871,676</u>	<u>\$120,805,795</u>	<u>\$126,260,047</u>	<u>\$133,375,313</u>
OPERATING EXPENSES					
Personnel services	\$20,087,538	\$21,429,496	\$21,175,362	\$22,532,732	\$25,534,697
Contractual services	15,857,625	19,687,211	18,021,659	20,052,641	17,982,487
Supplies	1,006,249	1,158,631	1,220,404	1,429,301	1,533,686
Utilities	421,262	430,240	438,928	376,018	390,844
Depreciation and amortization	16,113,025	16,499,152	16,745,007	18,067,479	18,507,796
Payments to Metro Wastewater Reclamation District	<u>44,367,414</u>	<u>44,859,512</u>	<u>44,200,243</u>	<u>48,872,825</u>	<u>49,197,801</u>
TOTAL OPERATING EXPENSES	<u>\$97,853,113</u>	<u>\$104,064,242</u>	<u>\$101,801,603</u>	<u>\$111,330,996</u>	<u>\$113,147,311</u>
Operating Income	8,313,744	11,807,434	19,004,192	14,929,051	20,228,002
NONOPERATING REVENUE (EXPENSES)					
Intergovernmental revenue	-	888,094	700,028	826,628	764,287
Investment income (loss)	1,122,750	(555,067)	894,994	705,812	822,223
Interest expense	(1,347,653)	(1,479,624)	(843,425)	(668,582)	(1,149,896)
Bond issuance costs	(602,493)	-	-	-	(496,431)
Gain (loss) on disposition of assets	<u>16,720</u>	<u>59,797</u>	<u>81,677</u>	<u>194,853</u>	<u>157,199</u>
NET NONOPERATING REVENUE (EXPENSES)	<u>(810,676)</u>	<u>(1,086,800)</u>	<u>833,274</u>	<u>1,058,711</u>	<u>97,382</u>
Income before capital contributions and transfers	7,503,068	10,720,634	19,837,466	15,987,762	20,325,384
Capital contributions	6,890,861	7,289,698	18,444,026	9,564,386	28,022,111
Transfers out	(25,200)	(25,000)	(25,000)	(25,000)	(29,500)
Change in net position	14,368,729	17,985,332	38,256,492	25,527,148	48,317,995
Net position, beginning of year (before restatement)	<u>510,264,253</u>	<u>524,632,982</u>	<u>542,618,314</u>	<u>580,874,806</u>	<u>584,223,560</u>
Change in accounting position – GASB 68 ²				(22,178,394)	
Net position, beginning of year (as restated)				<u>558,696,412</u>	<u>584,223,560</u>
Net position, end of year	<u>\$524,632,982</u>	<u>\$542,618,314</u>	<u>\$580,874,806</u>	<u>\$584,223,560</u>	<u>\$632,541,555</u>

1 2012 results were restated in 2013 to reflect the implementation of GASB 65.

2 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, 2012 –2016)

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

<u>Years</u>	<u>Net Pledged Revenues</u>	<u>Combined Average Annual Debt Service Requirements</u>	<u>Debt Service Coverage Ratio</u>
2012	\$24,561,940	\$3,222,888	7.62
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

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan

The Wastewater Enterprise continuously reviews its future capital needs to be identified in the master drainage 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 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 2021¹

<u>Project Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Storm Drainage	\$25,389,614	\$71,828,367	\$120,476,245	\$99,697,978	\$67,595,582	\$39,197,355
Sanitary Sewer	<u>5,166,146</u>	<u>9,011,687</u>	<u>6,952,923</u>	<u>8,640,000</u>	<u>9,040,000</u>	<u>7,590,000</u>
Total	\$30,555,760	\$80,840,054	\$127,429,167	\$108,337,978	\$76,635,582	\$46,787,355

¹ Figures are estimates subject to re-evaluation.

(Source: Wastewater Enterprise Department of Finance)

THE AIRPORT SYSTEM

Description of the Airport

The Municipal Airport System (“Airport System”) is organized as a department of the City. 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, DEN is the primary air carrier airport serving the region. According to Airports Council International, in 2016, DEN was the sixth busiest airport in the United States and the eighteenth busiest in the world, serving 58.3 million passengers. DEN 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. DEN 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. Denver has direct airline service to more than 180 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 3.0 million, is the primary region served by the Airport.

There are 24 passenger airlines currently providing scheduled service at the Airport, including ten major/national passenger airlines, six foreign flag passenger airlines and eight regional/commuter airlines. In addition, several passenger charter airlines and all-cargo airlines, including Federal Express 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 29.1 million enplaned passengers (passengers embarking on airplanes) in 2016, a 7.9% increase compared to 2015. The Airport served 27.0 million enplaned passengers in 2015, a 1.1% increase compared to 2014. Approximately 63.6% of passengers were originating their travel at the Airport in 2016, compared to approximately 64.2% in 2015. Approximately 36.4% were passengers making connecting flights beyond Denver in 2016, compared to approximately 35.8% in 2015.

Factors Affecting the Airport

Future aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors, including but not limited to economic and political conditions, aviation security and public health concerns, the financial health of the airline industry and of individual airlines, airline service and routes, airline competition and airfares, airline mergers and alliances, availability and price of aviation and other fuel and capacity of the national air traffic control system and of the Airport.

The United Group

United 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, United currently leases 52 full-service contact gates and 14 ground loading positions. The United Use and Lease Agreement originally had a 30 year term, beginning in 1995 and expiring in 2025. In 2014, United agreed to a ten year extension of the Use and Lease Agreement, providing terms for United’s occupancy and operations at the Airport through 2035. See also “Bond Issuances – *Revenue Bonds*”. In June 2015, United announced the consolidation of its global pilot-training operations to its training center in Denver with an estimated opening at year end 2017.

United Special Facility Bonds

In 1992, the City issued approximately \$261 million of Special Facility Revenue Bonds on behalf of United to finance the construction of various United special facilities on airport premises. The 1992 Bonds were refunded and defeased with the proceeds of Series 2007 Airport System Special Facilities Bonds issued by the City, for and on behalf of the Department of Aviation. The repayment of these bonds is the sole responsibility of United. During 2017, the City plans to issue Series 2017 Airport System Special Facilities Refunding Bonds for the purpose of refunding the Series 2007 Airport System Special Facilities Bonds.

Southwest Airlines

Southwest Airlines (“Southwest”) had the second largest market share at the Airport in 2015 and 2016. 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. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest integrated AirTran Airways into the Southwest brand on March 1, 2012 and operates Southwest and AirTran Airways under a single FAA operating certificate.

Frontier Airlines

Frontier Airlines (“Frontier”) had the third largest market share at the Airport in 2015 and 2016. DEN is Frontier’s only hub and, in 2016, 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 connecting traffic at the Airport, however, overall increases in passenger traffic has allowed the airline to continue to grow.

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. American does not use the Airport as a major hub.

Delta Airlines

Delta Airlines had the fifth largest market share at the Airport in 2016 and 2015. Delta does not use the Airport as a major hub.

Other Passenger Airline Information

Except for the United Group, Southwest, Frontier, American, and Delta, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2016 or more than 5% of any of the airline rentals, fees and charges component of the Airport System’s operating revenues or the Airport System’s gross revenues in 2016.

Availability of Information Concerning Individual Airlines

Certain airlines or their parent corporations are subject to the information reporting requirements of the Exchange Act, and as such are required to file periodic reports, including financial and operational data, with the Securities and Exchange Commission (“SEC”). The SEC maintains a website at <http://www.sec.gov> containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (“DOT”). 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 PASSENGERS AT THE AIRPORT
2012-2016

Year	Enplaned Passengers (millions)	Percent Change
2012	26.597	0.5% ¹
2013	26.285	(1.2)
2014	26.737	1.7
2015	27.019	1.1
2016	29.140	7.9

1 Compared to 26.456 million enplaned passengers in 2011.

(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
2012-2016

<u>Year</u>	<u>Major / International Airlines</u>		<u>Regional / Commuter Airlines</u>		<u>Charter / Miscellaneous Airlines</u>		<u>Total Airlines</u>	
	<u>Enplaned Passengers</u>	<u>Percent Change</u>	<u>Enplaned Passengers</u>	<u>Percent Change</u>	<u>Enplaned Passengers</u>	<u>Percent Change</u>	<u>Enplaned Passengers</u>	<u>Percent Change</u>
2012	21,984,133	1.3%	4,323,837	(2.6)%	289,021	(5.7%)	26,596,991	0.5%
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

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
2012-2016**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Domestic	96.7%	96.3%	95.8%	95.9%	96.1%
International	<u>3.3</u>	<u>3.7</u>	<u>4.2</u>	<u>4.1</u>	<u>3.9</u>
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**

<u>Airline</u>	<u>2012</u>		<u>2013</u>		<u>2014</u>		<u>2015</u>		<u>2016</u>	
<u>United</u>	25.3	%	24.6	%	24.3	%	27.7	%	29.3	%
<u>United Express</u>	<u>15.2</u>		<u>16.0</u>		<u>16.3</u>		<u>14.6</u>		<u>12.7</u>	
Total United	40.5		40.6		40.6		42.3		42.0	
Southwest ¹	23.7		25.6		26.4		29.3		29.4	
Frontier ²	21.9		19.1		18.4		12.4		12.2	
American ³	5.5		5.6		5.8		6.1		5.6	
Delta	4.6		4.6		4.4		4.9		5.1	
Other ⁴	<u>3.8</u>		<u>4.6</u>		<u>4.3</u>		<u>4.9</u>		<u>5.6</u>	
Total Other	59.5		59.4		59.4		57.7		58.0	
Total	100.0	%	100.0	%	100.0	%	100.0	%	100.0	%

1 Southwest Airlines and AirTran Airways merged in March 2012. See also "Southwest Airlines" above.

2 Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona, in November 2013. See also "Frontier Airlines" above.

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

4 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 2012 through 2016.

TABLE 29

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Enplaned Passengers (millions):					
United	6.721	6.446	6.491	7.493	8.549
United Express	4.039	4.213	4.370	3.928	3.697
Total United Group	10.760	10.659	10.861	11.421	12.246
Southwest ¹	6.301	6.721	7.065	7.929	8.565
Frontier ²	5.826	5.015	4.932	3.360	3.567
American ³	1.474	1.477	1.537	1.642	1.644
Delta	1.216	1.201	1.180	1.334	1.490
Other	1.021	1.212	1.162	1.333	1.627
Total	26.597	26.285	26.737	27.019	29.140
Percent Change from Prior Year	0.5%	(1.2%)	1.7%	1.1%	7.8%
Originating Passengers (millions):	14.785	15.328	16.214	17.353	18.527
Percent of Total Enplaned	55.6%	58.3%	60.6%	64.2%	63.6%
Connecting Passengers (millions):	11.812	10.957	10.523	9.666	10.613
Percent Connecting of Total Enplaned	44.4%	41.7%	39.4%	35.8%	36.4%
United Group Passengers:					
Percent Originating	40.0%	41.1%	39.0%	40.4%	40.9%
Percent Connecting	60.0%	58.9%	61.0%	59.6%	59.1%
Frontier Passengers:					
Percent Originating	48.4%	55.0%	62.6%	78.9%	76.0%
Percent Connecting	51.6%	45.0%	37.4%	21.1%	24.0%
Southwest Passengers:					
Percent Originating	68.3%	69.0%	72.1%	75.6%	73.5%
Percent Connecting	31.7%	31.0%	27.9%	24.4%	26.5%
American Airlines:					
Percent Originating	100.0%	100.0%	100.0%	100.0%	100.0%
Percent Connecting	0.0%	0.0%	0.0%	0.0%	0.0%
Delta Airlines:					
Percent Originating	95.8%	95.7%	95.7%	95.8%	95.8%
Percent Connecting	4.2%	4.3%	4.3%	4.2%	4.2%
Average Daily Departures:					
Passenger Airlines:					
United	133	125	124	146	167
United Express	239	246	252	219	202
Frontier	137	105	100	66	64
Southwest	159	159	158	168	181
American	33	33	33	33	34
Delta	28	27	26	30	35
Other	77	72	49	47	59
Total Passenger Airlines	806	767	742	709	742
All-Cargo Airlines	25	25	26	26	26
Total	831	792	768	735	768
Percent Change from Prior Year	(2.9%)	(4.6%)	(3.0%)	(4.3%)	4.5%
Landed Weight (billion pounds):					
Passenger Airlines:					
United	7.974	7.432	7.292	8.214	9.452
United Express	4.675	4.779	4.881	4.427	4.148
Frontier	6.338	5.182	5.018	3.339	3.306
Southwest	7.244	7.353	7.423	7.922	8.610
American Airlines	1.630	1.582	1.609	1.678	1.742
Delta	1.334	1.334	1.242	1.390	1.590
Other	2.256	2.432	1.571	1.722	2.149
Total Passenger Airlines	31.451	30.094	29.036	28.692	30.996
All-Cargo Airlines	1.204	1.260	1.315	1.363	1.425
Total	31.889	30.603	30.351	30.055	32.421
Percent Change from Prior Year	(1.9%)	(4.0%)	(0.8%)	(1.0%)	7.9%
Enplaned Cargo (million pounds)⁴	227.734	222.771	229.458	238.664	229.410
Percent Change from Prior Year	(6.1%)	(2.2%)	3.0%	4.0%	(3.9%)
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	443,389	420,073	422,178	424,930	445,019
Commuter/Military/Taxi/General Aviation	174,868	166,787	152,983	122,718	127,501
Total	618,257	586,860	575,161	547,648	572,520
Percent Change from Prior Year	(2.6%)	(5.1%)	(2.0%)	(4.8%)	4.5%

[Footnotes on next page]

Footnotes for Table 29

- 1 Southwest Airlines and AirTran Airways merged in March 2012. See also “Southwest Airlines” above.
- 2 Frontier Airlines was acquired by Indigo Partners LLC based in Phoenix, Arizona, in November 2013. See also “Frontier Airlines” above.
- 3 American Airlines and US Airways merged in December 2013. See also “American Airlines” above.
- 4 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.

(Source: Department of Aviation)

The 2018-2022 Preliminary Capital Program

The Department of Aviation is currently in the process of finalizing its capital needs for the five-year period from 2018 through 2022. Based on current demand responsive projects, DEN is anticipating a capital plan of approximately \$3.2 to \$3.4 billion depending on how many gates are built, as discussed under “Concourse Gate Expansions” below, primarily comprised of Terminal Complex, Airfield, Roads and Land Development projects.

The scope, timing and cost of specific projects in each of the major Airport areas listed above is currently being evaluated by Airport management with respect to the following: (i) the timing and amount of certain potential sources of funding, including those from amounts on deposit within the Capital Fund, grants-in-aid from the FAA and/or the Transportation Security Administration (TSA), prior bond proceeds, additional Airport revenue bonds, and a private developer; (ii) any environmental issues; (iii) projected average airline costs per enplaned passenger, coverage ratios for all (senior and subordinate) bonds, and the Airport’s capital position.

Major Projects in the proposed Preliminary Capital Program include:

Great Hall Revitalization

The Great Hall Project would create a new, modern airport experience by (i) consolidating and relocating the TSA screening areas to level 6 (one floor above their current location); (ii) consolidating the airline ticket counters, and (iii) redesigning the shopping, dining, and passenger experience in the Jeppesen Terminal.

The Great Hall Project is currently expected to be funded from a combination of the following sources, in varying amounts: (i) funds from Denver Great Hall LLC as the private developer, which will include both equity and debt financing, (ii) amounts then on deposit in the Capital Fund, (iii) TSA funds for eligible areas, and (iv) additional Airport revenue bonds, senior or subordinate. The Airport has not made any final determination regarding the issuance of such revenue bonds.

A resolution involving a contract between the City and County of Denver and Denver, through and on behalf of its Department of Aviation, and Denver Great Hall LLC, has been approved by City Council. The thirty-four year contract with Denver Great Hall LLC in the amount of \$1.8 billion includes the design, construction, financing, operations, and maintenance of the Great Hall Project for a guaranteed price and schedule. Additionally, the Airport anticipates the City’s supplemental payments under this contract to be a junior lien obligation. The ordinance authorizing the creation of junior lien obligations is currently going through the City Council approval process.

Concourse Gate Expansions

The Concourse Gate Expansion project would add gates on Concourse A, B and C as well as increase the amount of airline and concessions space on each concourse. It is the Airport’s current expectation that a majority of the additional gates and space would be revenue-producing in the near and longer term due to current airline demand. The Concourse Gate Expansions project is currently expected to be funded from a combination of the following potential sources in varying amounts: (i) amounts then on deposit in the Capital Fund and (ii) additional Airport revenue bonds, senior or subordinate. The Airport has not made any final determination regarding the issuance of such revenue bonds.

Airfield Improvements

Major projects include the rehabilitation of certain runways, taxiways, and apron areas as part of the Airport’s pavement management system, improvements to airfield drainage, safety areas, airfield service roads, installation of lighting, and airfield planning studies. If implemented, airfield improvements are currently expected to be funded from a combination of the potential sources listed below, in varying amounts: (i) amounts then on deposit in the Capital Fund, (ii) FAA grants-in-aid, and (iii) additional Airport revenue bonds, senior or subordinate. The Airport has not made any final determination regarding the issuance of such revenue bonds.

Other Potential Capital Projects

Additionally, Airport management has identified certain other projects from 2022 through 2026. It is possible, but not currently expected by Airport management, that the timing of these or other projects not currently contemplated could be added to the Capital Program in the future.

Similar to the Preliminary Capital Program, the Airport intends to evaluate the implementation of demand responsive projects and/or projects based on, among other factors, the availability of funding and the potential change in Airport key financial metrics if all or some of these projects were implemented.

Capital Fund

The amount on deposit in the Capital Fund as of December 31, 2016, was approximately \$638.6 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, 2016, the total aggregate amount of all outstanding Bonds is as follows:

TABLE 30
AIRPORT SYSTEM – OUTSTANDING BONDS¹
As of December 31, 2016

<u>Issue</u>	<u>Amount</u>
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}	28,200,000
Series 2007A Bonds	188,350,000
Series 2007C Bonds	30,820,000
Series 2007D Bonds	130,575,000
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
Subseries 2008A1 Bonds	6,665,000
Series 2008B Bonds ^{2,3,4}	58,400,000
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	154,480,000
Series 2009B Bonds	65,290,000
Series 2009C Bonds ^{2,3,4}	104,655,000
Series 2010A Bonds	166,150,000
Series 2011A Bonds	259,505,000
Series 2011B Bonds	49,250,000
Series 2012A Bonds	281,090,000
Series 2012B Bonds	502,950,000
Series 2012C Bonds	30,285,000
Series 2016A Bonds	256,810,000
<u>Series 2016B Bonds²</u>	<u>108,735,000</u>
Total Senior Bonds	\$2,995,940,000
Series 2013A Bonds	\$318,510,000
Series 2013B Bonds	387,105,000
<u>Series 2015A Bonds³</u>	<u>189,340,000</u>
Total Subordinate Bonds	\$894,955,000
Total Outstanding Bonds	\$3,890,895,000

-
- 1 In 1999, the City used the proceeds from certain federal grants to establish an escrow to defease \$54.9 million of Series 1991D Bonds (since matured and fully repaid) and Series 1992C Bonds. As a result, \$40,080,000 of Series 1992C Bonds have been economically defeased; however, none of the defeasances satisfied all of the requirements of the Senior Bond Ordinance, and consequently such economically defeased Senior 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 2016, 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.

(Source: Airport Financial Statements for 2016)

TABLE 31

**VARIABLE RATE SENIOR BONDS
As of December 31, 2016**

<u>Senior Bonds</u>	<u>Outstanding Principal Amount</u>	<u>Current Interest Rate Mode</u>	<u>Final Maturity Date</u>	<u>Financial Institution</u>	<u>Last Day of the Initial Period¹</u>
Series 1992F	\$19,100,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2017 ²
Series 1992G	15,800,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2017 ²
Series 2002C	28,200,000	Indexed Floating Rate	11/15/2031	Banc of America Preferred Funding Corporation	9/25/2017
Series 2007G1-G2	130,600,000	Daily Floating	11/15/2031	BMO Harris Investment Corp.	12/1/2023
Series 2008B	58,400,000	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	4/30/2017 ³

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.

2 In April 2017, the Series 1992F-G Bonds were privately placed with an initial mandatory tender date of September 25, 2020.

3 In April 2017, the Series 2009C Bonds were privately placed with an initial mandatory tender date of April 28, 2020.

(Source: Department of Aviation)

Bond Issuances

Revenue Bonds. On December 1, 2016, the Airport issued \$256,810,000 of Series 2016A Bonds in a non-AMT fixed rate mode to current refund all of the outstanding Series 2006A Bonds and advance refund all of the outstanding Series 2007B and 2007E Bonds. On December 13, 2016, the Airport issued \$108,735,000 of Series 2016B Bonds in a non-AMT index rate mode to refund all of the outstanding Series 2014A Bonds.

Subordinate Revenue Bonds. On November 20, 2015, the Airport issued \$195,940,000 of Subordinate Airport System Revenue Bonds, Series 2015A, in a non-AMT fixed rate mode to current refund all of the Series 2005A Senior Airport System Revenue Bonds. The Series 2015A bonds were privately placed with Bank of America, N.A.

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 Hedge Facility Obligations. In 1998, 1999, 2002, 2005, 2006, 2007, 2008 and 2009, the City entered into various interest rate swap agreements constituting Subordinate Hedge Facility Obligations under the Senior Bond Ordinance and the Subordinate Bond Ordinance in respect of certain series of outstanding Senior Airport System Bonds. Detailed information regarding these swap agreements is set forth in Note 12 to the audited financial statements of the Airport System for Fiscal Year 2016.

Installment Purchase Agreements. The Airport System entered into various Master Installment Purchase Agreements. As of December 31, 2016, the following agreements were outstanding:

<u>Date Entered</u>	<u>Firm</u>	<u>Outstanding Amount</u>	<u>Interest Rate</u>
1/10/2012	Sovereign Leasing, LLC	\$10,750,498	1.9595%
1/9/2015	Banc of America Public Capital Corp	907,234	1.1656%
6/19/2015	Santander Bank NA	3,000,576	1.1900%

As of December 31, 2016, \$14.7 million of principal note payments were outstanding under these Agreements, compared to \$21.2 million at December 31, 2015.

Summary Financial Information

TABLE 32

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

	<u>2012</u> ¹	<u>2013</u>	<u>2014</u>	<u>2015</u> ²	<u>2016</u>
Operating Revenues	\$624,673	\$661,637	\$711,492	\$687,536	\$742,529
Operating Expenses	<u>388,171</u>	<u>431,935</u>	<u>413,563</u>	<u>436,803</u>	<u>469,810</u>
Operating Income before Depreciation	236,502	229,702	297,928	250,733	272,719
Depreciation and Amortization	<u>178,567</u>	<u>184,721</u>	<u>183,560</u>	<u>163,714</u>	<u>179,692</u>
Operating Income	57,935	44,981	114,368	87,019	93,027
 Non-Operating Revenues (Expenses) net	 (46,259)	 (55,906)	 (9,013)	 9,106	 12,108
Capital Grants	<u>22,996</u>	<u>31,413</u>	<u>20,533</u>	<u>20,483</u>	<u>3,553</u>
Change in Net Assets	<u>\$34,672</u>	<u>\$20,488</u>	<u>\$125,888</u>	<u>\$26,041</u>	<u>\$108,688</u>

1 2012 has been restated for adoption of GASB 65.

2 2015 includes a change in accounting principle due to the adoption of GASB 68. 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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Gross Revenues ^{1,2}	\$713,279	\$743,101	\$803,620	\$808,614	\$863,126
Operation & Maintenance Expenses	<u>318,394</u>	<u>349,987</u>	<u>355,769</u>	<u>377,199</u>	<u>417,140</u>
Net Revenues	394,885	393,114	447,851	431,415	445,986
Other Available Funds ³	<u>51,685</u>	<u>50,409</u>	<u>54,833</u>	<u>50,320</u>	<u>51,574</u>
Total amount available for Debt Service Requirements	<u>\$446,570</u>	<u>\$443,524</u>	<u>\$502,684</u>	<u>\$481,735</u>	<u>\$497,560</u>
 <u>Senior Bonds</u>					
Debt Service Requirements ⁴	\$209,520	\$202,758	\$219,334	\$201,279	\$206,295
Debt Service Coverage	213%	219%	229%	239%	241%
 <u>Senior and Subordinate Bonds⁵</u>					
Debt Service Requirements ⁴	\$247,563	\$242,817	\$268,422	\$262,512	\$294,914
Debt Service Coverage	180%	183%	187%	184%	169%

1 Including Designated Passenger Facility Charges

2 Includes \$17,214,747, \$18,597,856, and \$19,883,506 of rental car customer facility charges (“CFCs”) in 2014 2015, and 2016, respectively. CFCs were included in Gross Revenues for the first time in 2014 due to the final maturity, on January 1, 2014, of Special Facilities Revenue Bonds relating to the 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 2017 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 2016 Annual Financial Report for the Airport.

3 Other Available Funds is defined in the Senior Bond Ordinance to mean for any Fiscal Year the 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 such Fiscal Year.

4 Less Committed Passenger Facility Charges

5 Subordinate Obligations include Subordinate Credit Facility Obligations, Subordinate Contract Obligations and Subordinate Hedge Facility Obligations. Except for Subordinate Commercial Paper Notes, no Subordinate Bonds were outstanding in 2012.

(Source: Department of Aviation)

**AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2016 Dollars**

\$10.92¹

**AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED GROUP (includes United Express)
2016 Dollars**

\$11.58¹

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

(Source: Department of Aviation)

**HISTORICAL PASSENGER FACILITY CHARGE REVENUES
(\$ in thousands)**

<u>Year</u>	<u>Revenues</u>	<u>Percent Change</u>
2012	\$105,472	2.2%
2013	103,032	(2.3)
2014	103,959	0.9
2015	106,007	2.0
2016	114,230	7.8

(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
Beth Strauss
Senior Capital Funding Analyst
201 West Colfax Avenue, Dept. 1004
Denver, Colorado 80202
(720) 913-5208 (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

Assistant Director – Finance & Systems

777 Pearl Street

Denver, Colorado 80203

(720) 723-2734 (Phone)

(303) 839-9525 (Fax)

www.derp.org/index.cfm/ID/9/Publications

The 2017 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2016 – available on the City's website or from the Controller's Office. See above.

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

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Introduction

Colorado recorded the 13th fastest employment growth of the 50 states during 2016, with a 2.2 percent increase in jobs. The Denver metropolitan statistical area ranked 20th among the country's 50 largest metropolitan areas for employment gains in 2016, rising 2.5 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 2016, adding 40,100 jobs of the total 56,400 jobs added in the state. Four industry supersectors – education and health services, professional and business services, leisure and hospitality, and government – accounted for 65 percent of Denver metropolitan area jobs added between 2015 and 2016.

Population

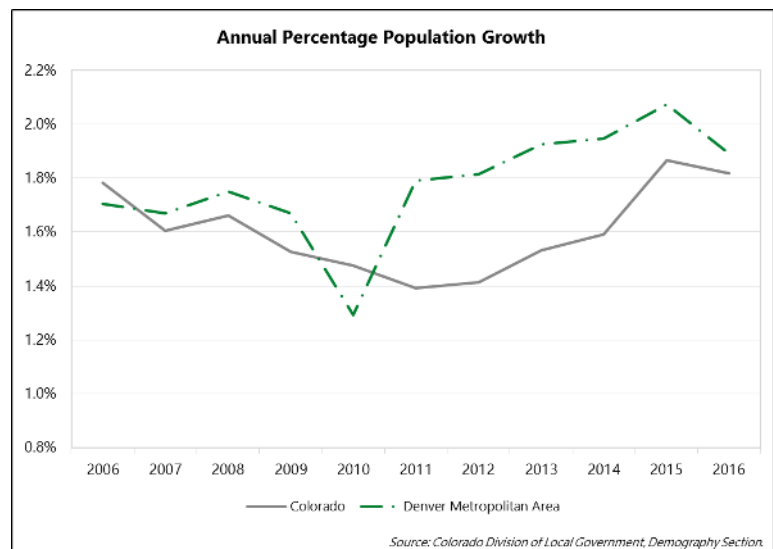
Colorado

U.S. Census Bureau population data show Colorado as the seventh fastest-growing state between July 2015 and July 2016. According to the Colorado Demography Office, the Colorado population increased 1.8 percent to over 5.5 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.

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 43 percent of Colorado's total population change between 2006 and 2016, and net migration accounted for 57 percent.

Demographers expect net migration will be the major contributing factor to Colorado's population growth throughout the remainder of the decade, representing about 67 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 fifth lowest share of those 65+ (13 percent) in 2015. By 2025, this percentage will increase to 17 percent of the population. This means that the over 65 population will reach nearly 1.1 million in 10 years.

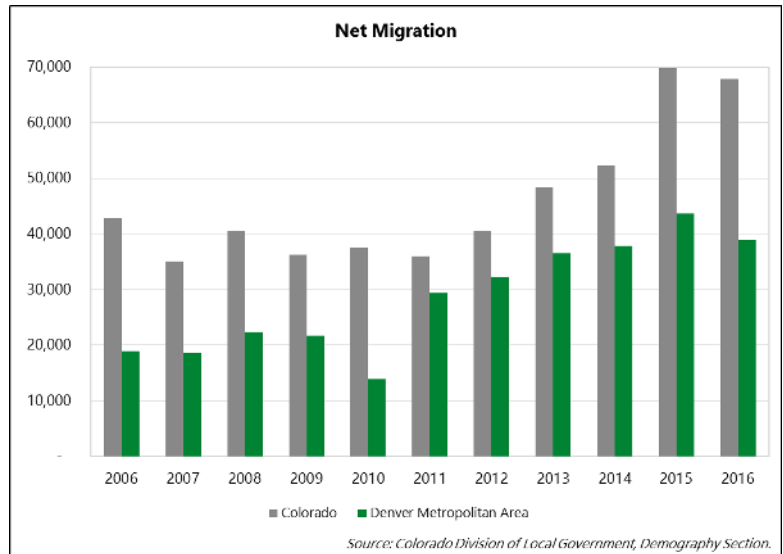


Denver Metropolitan Area

The Denver metropolitan area is a magnet for new Colorado residents that are attracted by strong job opportunities. Net migration represented 58 percent of total Denver metropolitan area population growth between 2006 and 2016, and natural increase represented 42 percent of total growth. The prior decade (1996-2006) showed net migration represented 50 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 (1.8 percent) was noticeably faster than the national average (0.8 percent). The region’s population grew 1.9 percent between 2015 and 2016, and the Denver metropolitan area is now home to over 3.1 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 57 percent of the state’s net migration in 2016, the area is a choice location for millennials. The millennials are the largest population group in the Denver metropolitan area, numbering just under 754,800 in 2016. While



generation X (705,600 population) and baby boomers (678,600 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 (12.3 percent) is smaller than the national share (15.2 percent).

Denver Metropolitan Area Population by County

Area	2006	2011	2016	Avg. Annual Population Growth	
				2006-2011	2011-2016
Adams	407,587	451,921	502,722	2.1%	2.2%
Arapahoe	536,051	585,590	642,824	1.8%	1.9%
Boulder	286,133	300,225	323,457	1.0%	1.5%
Broomfield	51,152	57,228	67,207	2.3%	3.3%
Denver	562,862	620,817	697,363	2.0%	2.4%
Douglas	257,833	292,472	328,479	2.6%	2.3%
Jefferson	524,579	539,782	571,775	0.6%	1.2%
Denver Metropolitan Area	2,626,197	2,848,035	3,133,826	1.6%	1.9%
Colorado	4,745,660	5,120,686	5,555,751	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, the City and County of Denver, 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 2011 and 2016.

City and County of Denver

The City and County of Denver represents 22.3 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 19.7 percent of the population, which is 5.3

percentage points higher than the portion in the Denver metropolitan area. The City and County of Denver has a median age of 34.8, two years younger than the surrounding population. Between 2006 and 2016, total population growth averaged 2.2 percent per year. Over this ten-year period, net migration represented nearly 60 percent of the population growth, while 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 six years.

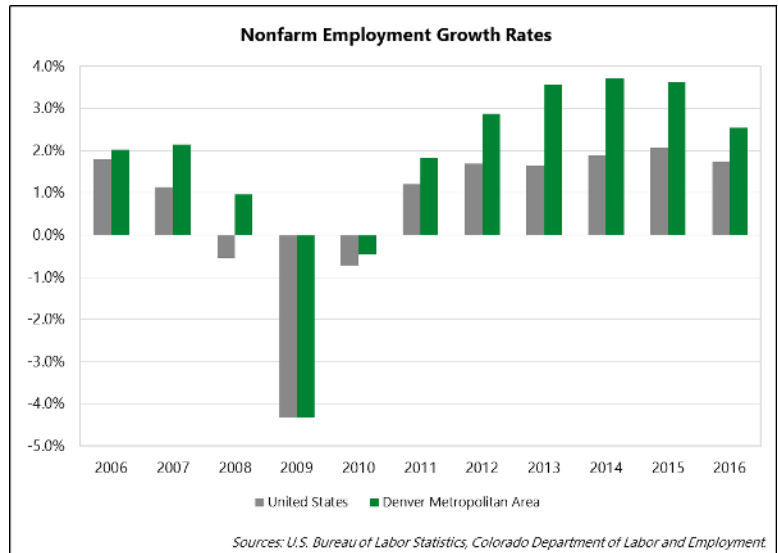
The concentration of certain industries in the state gave it unique advantages in recent times of economic growth. A large presence of high-tech and construction activity positioned Colorado to expand at a steady pace over the last few years. Colorado employment rose across 10 of the 11 supersectors from 2015 to 2016, with the fastest growth recorded in education and health services (+4.1 percent). Employment also increased at a strong pace between 2015 and 2016 in the leisure and hospitality and financial activities supersectors, rising 3.5 percent and 2.7 percent respectively. The natural resources and construction supersector recorded the only decline between 2015 and 2016, decreasing 0.8 percent. Total employment in Colorado increased 2.2 percent during the period. Colorado’s employment growth rate was 0.5 percentage points higher than the national growth rate of 1.7 percent.

Denver Metropolitan Area

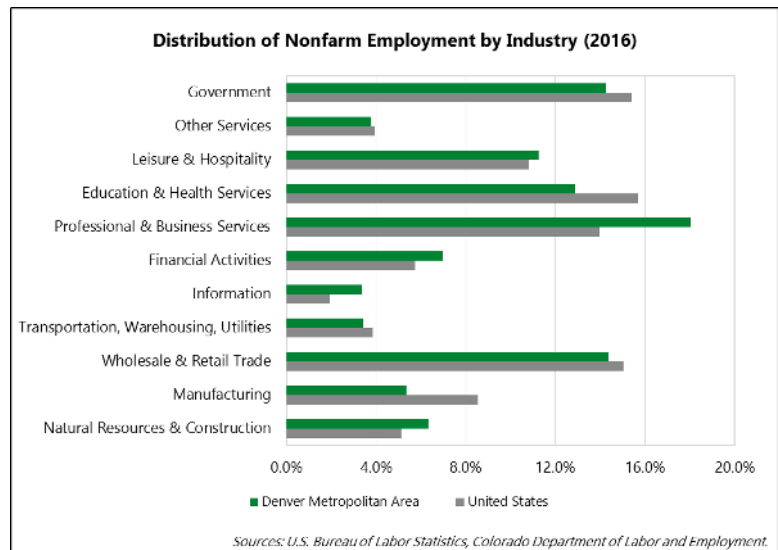
The U.S. Bureau of Labor Statistics also compiles CES data for a number of Metropolitan Statistical Areas (MSAs), including the Denver-Aurora-Lakewood MSA (Denver MSA) and the Boulder MSA. The Denver MSA consists of ten counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, 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.

AN ECONOMIC & DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA

This 11-county region has a nonfarm employment base of over 1.6 million workers. Growth in the region has been slightly stronger than the state, with employment rising 2.5 percent between 2015 and 2016. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 40,100 jobs of the total 56,400 jobs added in the state during the last year. The ten-year average annual growth rate for the area of 1.6 percent was higher than the state average (1.3 percent). Both the state and the 11-county region began to report economic expansion in 2011, but the Denver metropolitan area has consistently expanded at a faster pace than the state each year since that time.



All industry supersectors increased in the Denver metropolitan area for the second year in a row. Four industry supersectors – education and health services, professional and business services, leisure and hospitality, and government – accounted for nearly 65 percent of Denver metropolitan area jobs added between 2015 and 2016. 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 education and health services and leisure and hospitality supersectors are the region's fourth and fifth largest industries by employment, with each reporting over-the-year employment growth of 3.9 percent. The Denver metropolitan area's largest supersector, professional and business services, expanded by 2.3 percent.



Employment growth in the Denver metropolitan area in 2016 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. Warehousing and storage employment increased especially along the I-70 corridor near Denver International Airport, due to the logistics demands of online retailers. Healthcare employment continued to increase at a rapid pace, reflecting the needs of a growing population. While the natural resources and construction supersector posted modest growth of 2.2 percent in 2016, the combined growth rate masked the underlying trends in the individual sectors. Construction employment increased at a strong rate as residential and nonresidential construction activity reached levels not seen since 2000. On the downside, continued softening in oil and gas prices continued to challenge employment growth in the natural resources sector.

City and County of Denver

The City and County of Denver is the employment center for the Denver metropolitan area and accounts for 30.6 percent of the region's total jobs. 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 of nearly 495,000 workers in 2016, and employment increased 3.4 percent from 2015 and 2016.

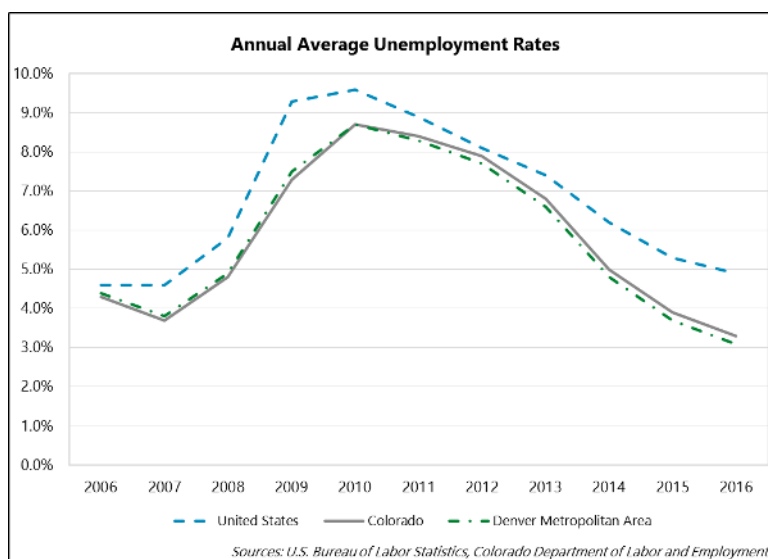
The City and County of Denver's three largest industry supersectors by employment concentration are professional and business services (20.6 percent), government (13.9 percent), and leisure and hospitality (12.6 percent). Total employment rose in 10 of the 11 industry supersectors from 2015 and 2016, with the only decline occurring in the natural resources and construction supersector (-1.4 percent) due to a continued decline in oil and gas employment. The largest employment increases occurred in professional and business services (5.3 percent), leisure and hospitality (5.2 percent), and information (4.6 percent).

Labor Force & Unemployment

In 2016, the U.S. economic situation continued to strengthen, pushing the national unemployment rate down, but at a slower pace than between 2014 and 2015. 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 4.9 percent in 2016, a decline of 0.4 percentage points from the 2015 rate (5.3 percent).

Colorado

Colorado's unemployment rate fell faster than the national average, reaching 3.3 percent in 2016, 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 of 3.3 percent in 2016 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 2 percent in 2016 compared with the national increase of 1.3 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 0.6 percentage points between 2015 and 2016 to 3.1 percent, the lowest level since 2000. 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 2016. The lowest unemployment rate of 2.3 percent was found in Sioux Falls, South Dakota.

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 matched the larger area for the last two 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 3.1 percent in 2016, 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 2015, more than 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 fifth-largest share of total jobs linked to sole proprietorship in 2015.

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 82 firms with 1,000 or more employees were operating in the Denver metropolitan area in 2015 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 2017 *Fortune 500* list. Arrow Electronics was the highest ranked Colorado company at #118 with \$23.8 billion in revenue. The remaining nine companies on the list were DaVita HealthCare Partners Inc. (#181), Dish Network (#186), Liberty Interactive (#269), Ball Corp. (#306), Newmont Mining Corp. (#328), Level 3 Communications Inc. (#336), Western Union (#478), Liberty Media (#491), and CH2M (#494).

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 14,600 federal government employees, 14,900 state government employees, and 39,000 employees in local government entities including Denver Public Schools (13,000 employees) and the City and County of Denver (12,700 employees).

Metro Denver Largest Private Sector Employees

Company	Product/Service	Employment
King Soopers	Grocery	14,130
Wal-Mart	General Merchandise	11,960
HealthONE Corporation	Healthcare	10,810
Centura Health	Healthcare	9,160
SCL Health System	Healthcare	8,720
Lockheed Martin Corporation	Aerospace & Defense Related Systems	7,520
UCHealth	Healthcare, Research	7,330
Comcast Corporation	Telecommunications	6,950
Kaiser Permanente	Healthcare	6,950
Children's Hospital Colorado	Healthcare	6,600
Safeway Inc.	Grocery	6,180
United Airlines	Airline	5,700
Target Corporation	General Merchandise	5,600
CenturyLink	Telecommunications	5,100
DISH Network	Satellite TV & Equipment	4,320
Wells Fargo	Financial Services	4,250
University of Denver	University	4,140
AT&T Inc.	Telecommunications	3,800
Charles Schwab	Financial Services	3,730
Level 3 Communications	Communication & Internet Systems	3,710

Source: Development Research Partners, May 2017.

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

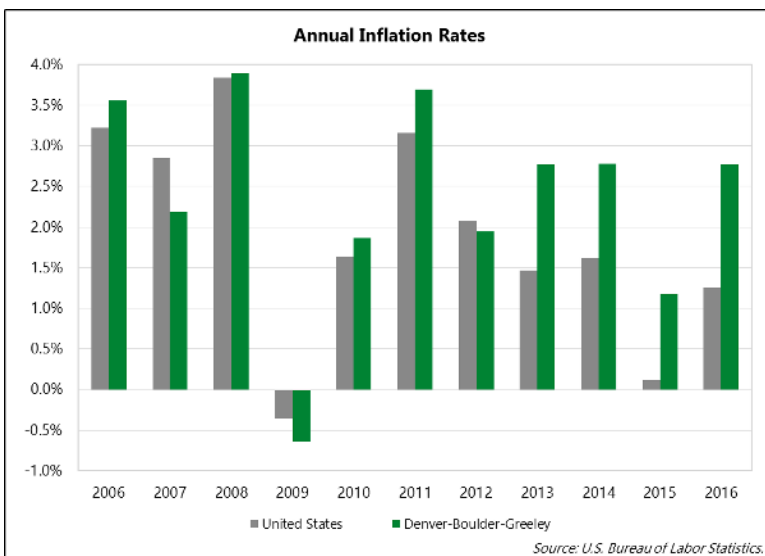
all transportation modes except water, and the region’s location midway between Canada and Mexico – U.S. partners under the North American Free Trade Agreement (NAFTA) – is another asset for trade-focused companies. Nearly 32 percent of the total dollar value of export shipments from Colorado went to Canada and Mexico in 2016; others of the state’s largest trading partners include China, Japan, South Korea, and Malaysia.

Between 2010 and 2013, Colorado’s exports posted significant over-the-year growth, surpassing pre-recession levels. However, there was a 2.1 percent decline in exports between 2013 and 2014, a 4.9 percent decline between 2014 and 2015, and a 5.1 percent decline between 2015 and 2016. 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 5.6 percent between 2015 and 2016. 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. The dollar’s value has retreated somewhat in the first quarter of 2017.

Nearly two-thirds of Colorado’s \$7.6 billion in exports consisted of four key products, which were computer and electronic products, food products, machinery, and chemicals. Wood products and forestry products reported the largest decrease of the state’s major exported products, decreasing 70.7 percent and 51.3 percent respectively. The largest increases in the state’s major export products occurred in fish and other marine product (41.4 percent), livestock and livestock products (33.9 percent), fabricated metal products (15.7 percent), and food and kindred products (11.9 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 2016 meant that the inflation rate locally increased at roughly double the U.S. rate each of those years. Housing costs in the Denver-Boulder-Greeley area rose 5.9 percent between 2015 and 2016, while housing costs across the U.S. rose just 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 six of the last seven years. The Denver-Boulder-Greeley CPI rose 2.8 percent in 2016, 1.5 percentage points higher than the U.S. CPI. During 2016, the U.S. index increased 1.3 percent. Of the individual components, four of the eight increased at a faster pace in 2016 in the Denver-Boulder-Greeley area than the U.S. average, consisting of apparel, food and beverages, housing, and recreation. The housing component increased the most over-the-year, growing 5.9 percent in the Denver-Boulder-Greeley area, while the U.S. increased 2.5 percent. Education and

communication recorded the smallest increase (+0.1 percent) in the local area, while the U.S. increased 0.7 percent in the same component. Transportation posted the only decrease in both the Denver-Boulder-Greeley area (-1.8 percent) and the U.S. (-2.1 percent).

Income

Colorado

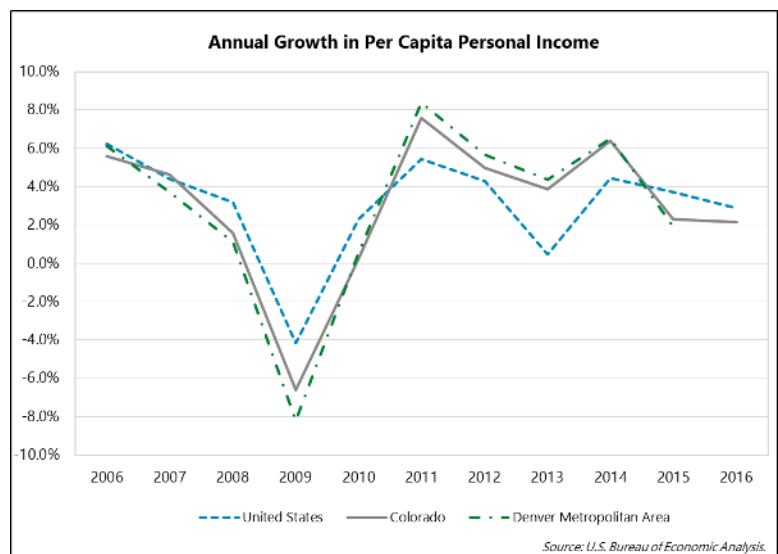
The largest component of personal income is earnings from work, meaning a difficult labor market and slow wage growth can affect overall personal income trends. The 2008 housing crisis pushed total personal income growth downward, leading to a decline of 5 percent in 2009. Growth began to recover in 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, personal income in Colorado rose at a slightly faster pace than the national average. This was also the time when investments began to rise, with the stock market reaching new highs and the housing market rebounding. State personal income grew at 8.1 percent in 2014, at 4.2 percent in 2015, and at 3.9 percent in 2016.

Growth in per capita personal income – or total personal income divided by population – has slowed recently in Colorado. The state’s population growth has historically grown at a pace faster than the national average, which sometimes dampens per capita income growth rates. For example, Colorado recorded higher per capita income than the national average between 2011 and 2014. However, per capita income fell to a slower pace than the national average from 2015 to 2016, rising 2.1 percent compared with the national average of 2.9 percent in 2016. In Colorado, per capita personal income was \$52,059 in 2016, or 105 percent of the national average, representing the 17th 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 2014. In 2015, the Denver metropolitan area’s personal income growth slowed to 4 percent, just below the national growth rate of 4.5 percent.

The Denver metropolitan area per capita personal income in 2015 (\$56,601) 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 has increased faster over-the-year in 2015 at the national level compared to the Denver metropolitan area, per capita income has increased 19.7 percent in the Denver metropolitan area since 2011 while the nation increased 13.5 percent during the same time period.



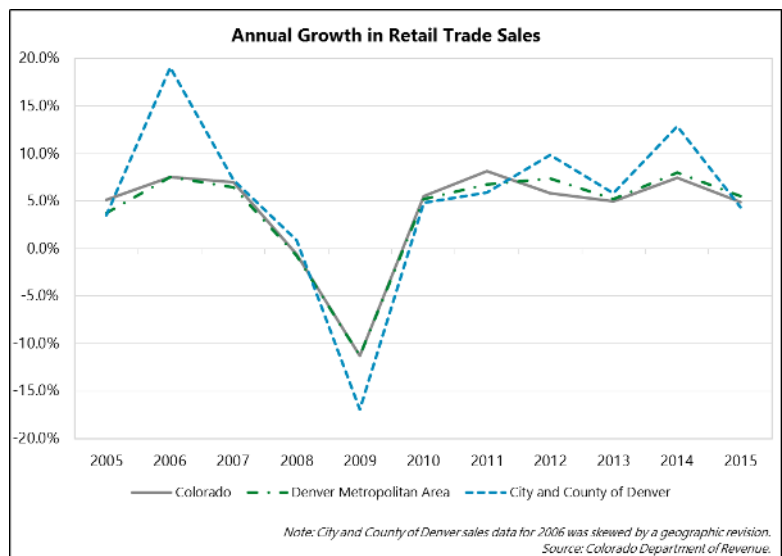
City and County of Denver

Per capita personal income in the City and County of Denver is generally higher than the U.S., averaging 132 percent of the national number between 2005 and 2015. The income differential peaked in 2014, when per capita personal income (\$68,304) reached 147 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 2014. Per capita personal income was flat between 2014 and 2015 due to rapid population growth and limited wage increases. Per capita personal income in the City and County of Denver reached \$68,299 in 2015.

The City and County of Denver boasts a higher than average per capita personal income compared with the Denver metropolitan area, averaging 115 percent of the metro-wide number over the past 10 years. 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. However, as consumer financial situations recovered and confidence rose, retail sales also grew, increasing 2.6 percent in 2015 and 3.0 percent in 2016. Durable goods sales also recovered, an encouraging sign since these products tend to be more expensive and represent a long-term commitment, such as cars. In fact, motor vehicle sales increased by 6.3 percent or more each year from 2010 to 2015. The strong increase in consumers purchasing vehicles signaled that households were financially more stable than they were during the recession when motor vehicles sales decreased significantly by 14.1 percent in 2008 and 2009. Motor vehicles sales slowed to a 3.9 percent increase in 2016, perhaps reflecting that younger consumers are moving away from car ownership.



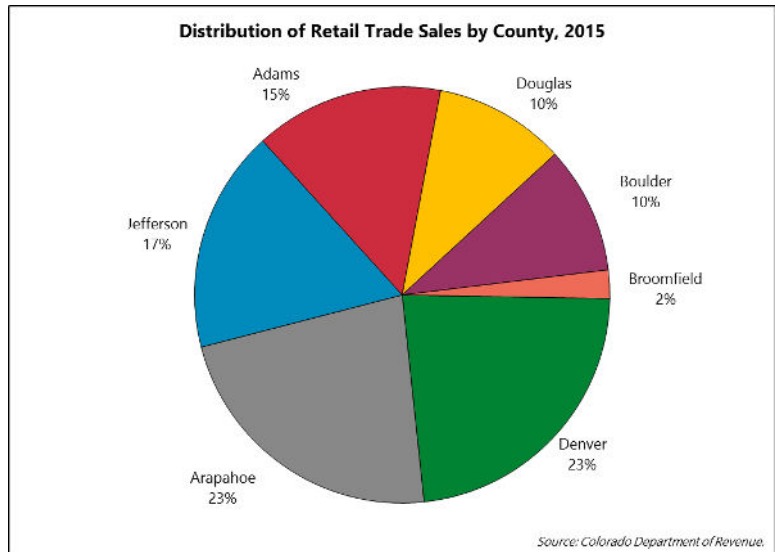
Colorado

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 the consumers' recovering incomes and spending abilities. After a decline in 2009, retail trade sales increased 5.5 percent in 2010 and increased even more in 2011 by 8.1 percent. Sales growth slowed slightly in 2012 to 5.9 percent, possibly reflecting the slower growth in personal income and that much of the pent-up demand was satisfied in 2011. Retail trade sales increased 4.9 percent in 2015, reflecting an additional \$4.4 billion in sales over-the-year.

Denver Metropolitan Area

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



Denver Metropolitan Area Retail Trade Sales (\$millions)

Industry	2014	2015	Percent Change
Retail Trade:			
Motor Vehicle / Auto Parts	\$10,808	\$11,884	10.0
Furniture and Furnishings	\$1,853	\$1,964	6.0
Electronics and Appliances	\$1,577	\$1,692	7.3
Building Materials / Nurseries	\$3,421	\$3,687	7.8
Food/Beverage Stores	\$9,117	\$9,538	4.6
Health and Personal Care	\$2,351	\$2,709	15.2
Service Stations	\$2,561	\$2,157	-15.8
Clothing and Accessories	\$2,565	\$2,614	1.9
Sporting/Hobby/Books/ Music	\$1,678	\$1,728	3.0
General Merchandise/ Warehouse	\$6,875	\$7,019	2.1
Misc. Store Retailers	\$2,830	\$3,143	11.1
Non-Store Retailers	\$954	\$940	-1.6
Total Retail Trade	\$46,590	\$49,074	5.3
Food / Drinking Services	\$6,655	\$7,117	6.9
TOTAL	\$53,245	\$56,191	5.5

Note: Data are not adjusted for inflation. Sales by industry may not add to totals due to rounding and data suppression. Source: Colorado Department of Revenue.

trade sales rose 8 percent in 2014 and 5.5 percent in 2015. Sales of motor vehicles and auto parts, a good indicator of healthy spending, rose 10 percent in 2015. Electronics and appliances, another durable goods category, increased 7.3 percent. Sales for two of the largest contributors to total Denver metropolitan area retail trade sales – grocery stores and general merchandise stores – rose 4.6 percent and 2.1 percent between 2014 and 2015, respectively.

The City and County of Denver has the largest share of retail trade activity in the Denver metropolitan area and showed retail trade sales growth of 4.3 percent from 2014 to 2015. Sales in each county in the Denver metropolitan area increased in 2015, with the smallest over-the-year gain in the City and County of Broomfield (2.4 percent). Other counties increased between 5.3 percent (Boulder County) and 6.9 percent (Douglas County).

City and County of Denver

Retail trade sales in the City and County of Denver represented 23 percent – the largest share – of total retail trade sales in the Denver metropolitan area in 2015. Total 2015 retail trade sales in the City and County of Denver were up 4.3 percent over-the-year. This increase was the slowest over-the-year increase since the steep decline in retail activity experienced in 2009.

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.

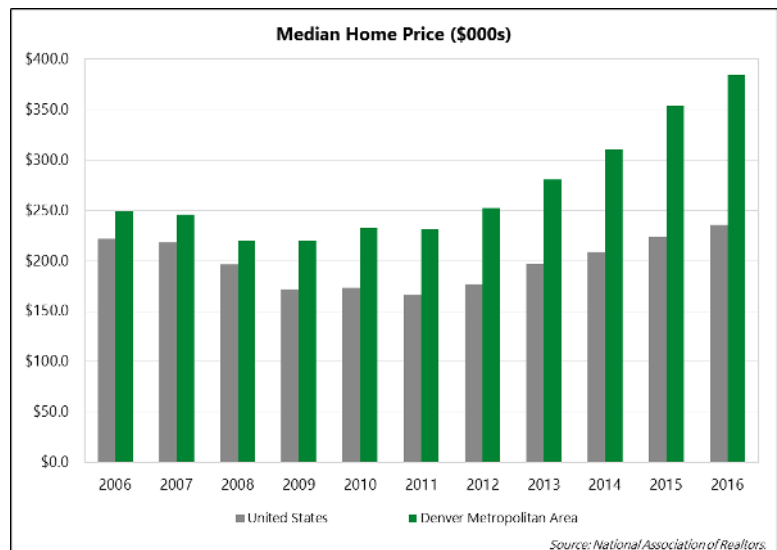
With strong population growth throughout the state, the housing market makeup has changed to adjust to the preferences of the growing millennial population and the aging baby boomers. Census data show the U.S. homeownership rate fell from 68.4 percent in the first quarter of 2007 to 63.6 percent in the first quarter of 2017. 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 61.4 percent in the first quarter of 2017.

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. While interest rates 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. 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 2016. The median home price rose 8.7 percent to \$384,300. Of the past eight 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 in 2013, 2014, and 2015. While the pace of growth slowed in 2016, the Denver metropolitan area median home price is now 54 percent higher than the 2006 peak, whereas the 2016 national median home price is 6.1 percent higher than the 2006 peak. The national median price reached \$235,500 in 2016, a 5.2 increase from 2015. 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 \$148,800 in 2016.

The S&P/Case-Shiller Home Price Index shows that the Denver home price index continued to record new highs in 2016. Denver, Dallas, San Francisco, Boston, Charlotte, Seattle, and Portland are the only seven cities tracked in the 20-city index that had surpassed their prerecession peaks as of December 2016. The December 2016 data shows the Denver index was 35.3 percent above its prerecession peak that was reached in August 2006. The 20-city composite index was 6.7 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 14th highest (+10.17 percent) over-the-year increase of 100 metropolitan areas for the period ending December 31, 2016. 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.



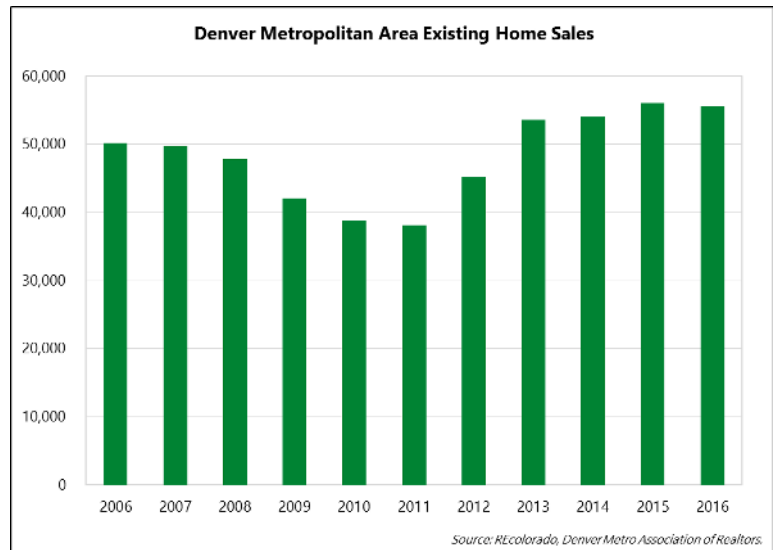
Foreclosures

Foreclosure filings fell 8.3 percent in 2016 to 3,212 in the Denver metropolitan area, following a 34.2 percent decline in 2015. Six of the seven counties in the Denver metropolitan area recorded foreclosure declines in 2016, ranging from a 20.9 percent decline in Boulder County to a 3.7 percent decline in Douglas County. The City and County of Denver was the only county that recorded an increase in foreclosure filings in 2016, rising 4.3 percent over-the-year to 720 foreclosure filings.

Residential Home Sales

Denver metropolitan area existing home sales reached a peak (53,482) in 2004. Sales declined for seven years following that time, reaching a low of 38,105 sales in 2011. After increasing nearly 19 percent in both 2012 and 2013, home sales have slowed. Nonetheless, sales remained at a reasonable level, driven by strong in-migration, a healthy labor market, and a positive economic environment.

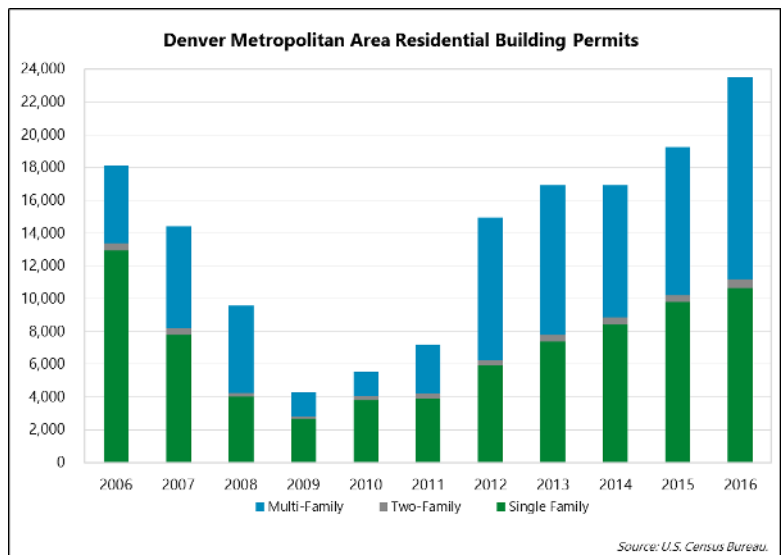
Existing home sales rose 3.7 percent between 2014 and 2015, but sales fell 0.8 percent between 2015 and 2016. The lower number of sales suggests that historically low inventory levels continue to restrict the market from expanding at a more rapid pace. In addition, rapidly rising home prices have kept some potential buyers out of the market. There were 55,634 existing home sales in 2016, which was the second-highest year of activity on record.



Residential Building Permits

The Denver metropolitan area is a top destination for relocation with above-average employment growth and a high quality of life. With a growing job market pushing households into a healthier financial situation, demand for homes increased significantly. During the recession, many families doubled up in housing in order to conserve financial stability. With the Denver metropolitan area’s economy on an expansionary path, those persons that doubled up during the recession are looking to move into their own home.

There is also a strong in-migration impact occurring throughout the state. In 2016, Colorado had net migration of 67,857 people, of which 57 percent located in the Denver metropolitan area. This level of in-migration has put additional pressure on the housing market, generating additional demand and pushing inventory levels lower.



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. 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.

While the dynamics of the residential real estate market are shifting, construction permits rose through 2016. There were 23,496 residential construction permits issued in the Denver metropolitan area in 2016, an increase of nearly 22 percent compared with 2015 and the highest recorded permit count since 2001. Single-family detached permits rose 9 percent over 2015, single-family attached permits recorded an increase of 26.1 percent, and multi-family construction increased 35.8 percent. It is important to note that multi-family construction, which has historically represented between 25 and 30 percent of the total number of new units each year, represented 52 percent of the total in 2016.

Total permits issued in the City and County of Denver fell 0.7 percent between 2015 and 2016, after an increase the previous year of 32.6 percent. The decrease was attributed to a 5.7 percent decrease in multi-family permits (5,581 permits). Single-family detached permits increased 2.2 percent (1,887), while single-family attached permits increased 179.1 percent to 374 permits.

Apartment Market

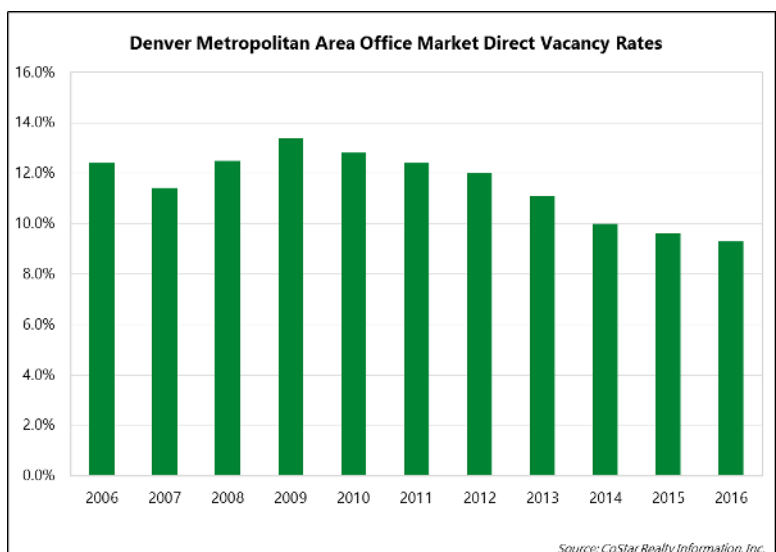
Apartment vacancy data indicates that demand for apartments remained high through 2016 in the Denver metropolitan area although the market loosened slightly compared with 2015. The vacancy rate averaged 5.7 percent during 2016, an increase of 0.4 percentage points from 2015. The *Denver Metro Apartment Vacancy and Rent Survey* shows average annual vacancy rates increased from 2015 to 2016 in each of the six county-level markets included in the report. The vacancy rate increases ranged from 2.3 percentage points in Douglas County to 0.1 percentage points in Arapahoe, Jefferson, and the City and County of Denver. Douglas County reported the highest average annual vacancy rate of the six submarkets in 2016, reaching 7.7 percent. The City and County of Denver reported a vacancy rate of 6.1 percent in 2016, the second-highest rate of the six submarkets.

Despite rising vacancy rates across all submarkets, average lease rates continued to increase to record highs: the Denver metropolitan area average rent increased 4.3 percent between 2015 and 2016 to \$1,347 per month. Every county reported over-the-year increases in the average rental rate. Adams County recorded the largest increase in the average rental rate, reporting a 6.9 percent increase between 2015 and 2016. Boulder County reported the smallest increase in the average rental rate, rising 0.4 percent over-the-year. The average monthly rental rate reached \$1,376 in the City and County of Denver, a 4.7 percent increase from 2015. Average monthly rental rates ranged from \$1,251 in Adams County to \$1,499 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 9.3 percent at the end of 2016, the lowest fourth quarter rate since



2000. The fourth quarter 2016 vacancy rate was 0.3 percentage points below the prior year and remained unchanged from the prior quarter. The office vacancy rate has declined year-over-year for 26 consecutive quarters. Office lease rates have steadily increased since the second quarter of 2011 and are now at record levels. The average lease rate in the fourth quarter of 2016 (\$25.34 per square foot) was the highest recorded lease rate based on records going back to 1999.

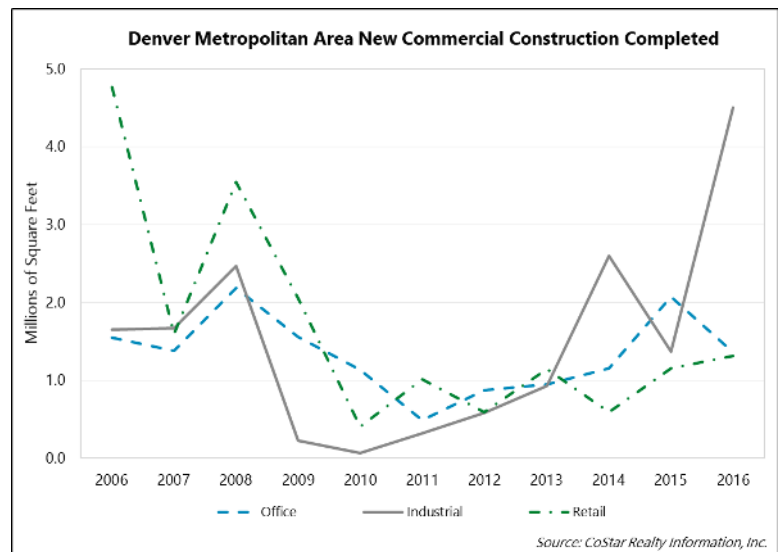
Newly completed office construction in the Denver metropolitan area reached 1.36 million square feet in 2016. Some of the year’s most notable completed construction projects included the 311,000-square-foot office building at 1401 Lawrence Street in Denver, the 175,800-square-foot Pearl West building in Boulder, the 127,000-square-foot FirstBank building in Lakewood, and the 102,900-square-foot Arista Place office building in Broomfield. Further, there was about 5.9 million square feet of office space under construction during the fourth quarter of 2016, over 2.7 million square feet more than the prior year. Of this space, 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 3.7 percent during the fourth quarter of 2016, up 0.6 percentage points from 2015. The increased vacancy rate was due to new supply rather than lagging demand. Some of the strongest demand derives from the need for warehousing and distribution space for online merchandisers. The high demand for industrial space pushed the average lease rate to \$7.42 per square foot in the fourth quarter of 2016, 5.5 percent higher than the previous year’s level of \$7.03 per square foot.

Flex market lease rates continued to increase through the fourth quarter of 2016. The Denver metropolitan area direct flex market lease rate was \$11.46 per square foot, 7.9 percent above than the fourth quarter 2015 average. Direct flex market vacancy in the fourth quarter (8.1 percent) was 1.1 percentage points above the 2015 level of 7 percent, which had been the lowest recorded vacancy rate based on records going back to 1999.

New construction in the industrial and flex markets was mostly build-to-suit projects. After the completion of about 1.9 million square feet of new industrial and flex space in 2015, about 4.75 million square feet was completed in 2016. Some of the more notable projects completed in 2016 included the 54,964-square-foot TIC Training Center in Jefferson County and the 545,000-square-foot Medline Industries building in Adams County. Of the new industrial and flex space completed in 2016, 72 percent was located in Adams County. There was 2.3 million square feet of industrial and flex space under construction during the fourth quarter of 2016.



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 continued to improve at a moderate pace in response to increased consumer demand in 2016. These positive components of the market increased demand for retail space, but the retail market has not responded at the same

pace as the office, industrial, and flex markets. The fourth quarter 2016 direct retail vacancy rate fell 0.4 percentage points to 4.5 percent compared with the previous year at this time. The fourth quarter vacancy rate was the lowest level since 2003. The average lease rate was up 3.5 percent over-the-year to \$16.57 per square foot.

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 1.3 million square feet of new space was completed in 2016, with 57 of the 90 buildings completed spanning less than 10,000 square feet. An additional 1.2 million square feet of retail space was under construction at the end of 2016. Some of the major projects completed in 2016 included the 136,500-square-foot Village at the Peaks Sam's Club in Longmont, an 114,800-square-foot general retail center in Castle Rock, and a Schomp car dealership complex totaling nearly 99,000 square feet in Highlands Ranch.

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. Included in the campus is the U.S. Department of Veterans Affairs (VA) medical facility that is 78 percent complete and on-track for a 2018 completion. The U.S. Army Corps of Engineers was awarded a \$571 million contract to complete the 1.2 million-square-foot medical center. When completed, the VA will employ about 2,100 people and will serve thousands of veterans. The facility will have 306,000 square feet of diagnostic and treatment space, 260,000 square feet of inpatient space, and 302,000 square feet of clinic space. Also a part of the Anschutz Medical campus, the Children's Hospital Colorado (CHC) partnered with Englewood-based Flight For Life Colorado to launch a new critical care helicopter in 2017 to transport and care for small children. Supplied by Englewood-based Air Methods Corp., the Airbus H130 T2 helicopter will have more interior space for an incubator and will be staffed by teams trained in neonates and children. The Airbus will transport patients within a 120-mile radius to all of CHC's facilities in the region.

There were a number of major expansions of key healthcare providers in 2016. The Craig Hospital completed a \$90 million renovation and expansion project, which included a fourth-floor addition to the hospital's west building and added a \$3 million fitness facility designed specifically for partially paralyzed individuals. SCL Health Systems completed their SCL Health Community Hospital-Northglenn, a 60,000-square-foot community hospital and medical office facility, as well as a new microhospital in Jefferson County. Microhospitals range from 15,000 to 50,000 square feet, with the new hospital spanning just over 37,000 square feet. The facility provides many of the services of a large hospital, but on a smaller scale. University of Colorado Health has started construction on three large hospitals expected to be open between 2017 and 2018 including the \$125 million Longs Peak Hospital in Longmont, the \$135 million UHealth Greeley Hospital, and a \$315 million hospital in Highlands Ranch.

Transportation

Highways

Colorado's transportation network includes almost 1,000 miles of Interstate highway, more than 300 miles of other freeways and expressways, and almost 87,100 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. The \$247 million C-470 Express Lanes project has started, 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 53-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. The project is expected to cost \$1.2 billion and will be funded using a public-private partnership model using multiple contractors.

Mass Transit

The Regional Transportation District (RTD), funded by a one 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 80 Park-n-Rides, 62 rail stations on nine rail lines (A, B, C, D, E, F, H, R, and W), and 9,077 bus stops. In February 2017, the latest rail line (R) opened, providing 10.5 miles of new light rail, eight new stations, four new park-n-rides consisting of 1,249 parking spaces, and connecting Denver International Airport, the Denver Tech Center, and downtown Denver. Despite the increase in available rail line routes, annual boardings have decreased for the last two years. Between December 2015 and November 2016, annual boardings totaled 101.3 million, a 2 percent decrease from the year prior.

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 and is expected to open in 2017. 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; and the E, F, and R lines will be extended 2.3 miles, offering service into Lone Tree and provide an additional 1,400 parking spaces.

Air

Denver International Airport (DEN) is a state-of-the-art facility owned and operated by the City and County of Denver and celebrated 22 years of operation in 2017. 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 more than 35,000 badged employees who work at the airport and approximately 2,000 City and County of Denver employees.

DEN accommodated nearly 58.3 million passengers in 2016, the highest recorded passenger count in the airport's history, with six runways, three concourses, 107 gates, and 42 regional aircraft positions. DEN was ranked the sixth busiest airport in the country and 19th busiest in the world, based on 2015 passenger counts. DEN serves the ever-expanding international travel market via the sixth runway, the longest in North America. DEN has 22 commercial carriers offering scheduled service from Denver to more than 180 destinations nonstop and 20 international destinations in eight countries, with major hubs for United, Southwest, and Frontier Airlines. In 2016, DEN and airline staff managed about 1,550 flight operations and nearly 160,000 passengers every 24 hours. Total airport passenger traffic rose 7.9 percent between 2015 and 2016 and was about 4.3 million passengers above the prior year's level of 54 million. DEN's gross revenue increased by 4.4 percent from 2015, to a record \$976.4 million. Their operating revenue has grown 21.2 percent since 2010 and the non-airline revenue portion (revenue that

comes from retail, restaurants, parking, car rentals, and the airport's new hotel) of that has increased 56.5 percent since 2010.

The airport's air cargo and mail facilities comprise 375,000 square feet in five buildings south of the airfield, with room to expand. With 24-hour operations, the airfield and a 39-acre cargo ramp make freight handling efficient, with no curfews. DEN is home to several world-class cargo companies and support facilities, including FedEx, UPS, Southern Air, DHL, Alpine Air Express, and United Airlines cargo. Nine cargo airlines and nine major and national carriers currently provide DEN cargo service, and the carriers handled roughly 552 million pounds of shipments – including 504 million pounds of freight and express and 47 million pounds of airmail – in 2016. The total amount of cargo shipped through DEN increased 2.3 percent between 2015 and 2016. The U.S. Postal Service facility is also located nearby, providing a wide array of competitive shipping and receiving options. More than 50 freight forwarders and customs brokers operate within 20 miles of DEN.

The Federal Aviation Administration (FAA) recognized DEN with a 2016 Regional Administrator Aviation Partnership Award for the airport's partnership and work with the federal agency's NextGen and Unmanned Aircraft Systems (UAS) programs. DEN has been at the forefront of developing, testing, and implementing NextGen flight procedures since 2010, and was the first commercial airport to design a truly comprehensive plan of Area Navigation (RNAV) from the beginning that allows aircraft to fly more predictable and smoother approaches into Denver that reduce fuel consumption and residential noise. The award also recognized DEN for its commitment to the FAA's UAS program, which seeks to safely integrate remotely piloted aircraft into the nation's airspace system. In 2016, DEN partnered with the FAA to evaluate emerging technology that could one day help airports detect UAS that could be hazardous to aircraft.

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. Over 250,700 travelers passed through Colorado Amtrak stations in fiscal year 2016, and 56 percent of those travelers either boarded or alighted from trains in the Denver metropolitan area. There were 10.8 percent more riders in fiscal year 2016 than there were during the 2015 fiscal year.

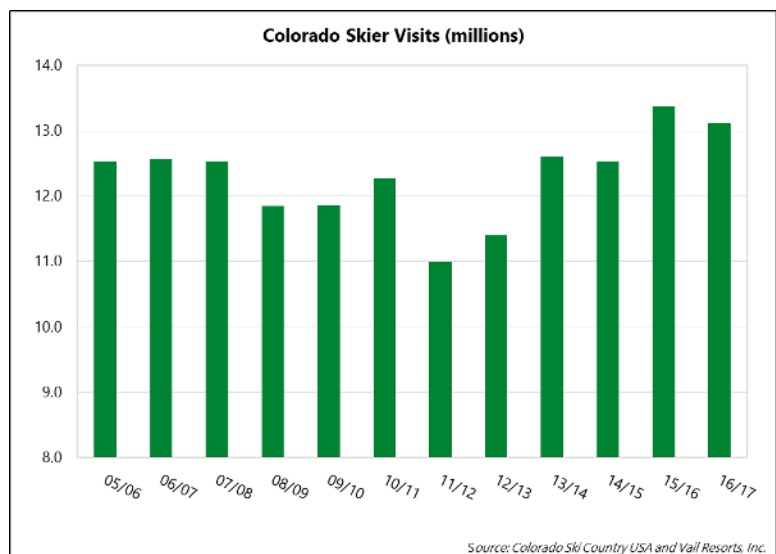
Tourism

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 three sports arenas, 90 golf courses, 850 miles of bike paths with 87 bike sharing stations, and 205 parks covering over 20,000 acres. 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 an economic impact of \$1.8 billion.

According to the most recent study by Longwoods International, Denver tourism activity increased to a record 17.3 million overnight visitors spending \$5.3 billion in 2016, representing a 6 percent increase in visitors and a 5 percent increase in spending over 2015. 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 26 ski and snowboard resorts offering 328 ski lifts, 2,462 trails, and 43,100 skiable acres. Colorado is one of the nation’s most-favored destinations for skiing: 12 of the 30 top resorts in *Ski* magazine’s “2016 Resort Rankings” are located in the Colorado Rocky Mountains, with 11 resorts in the top 20.

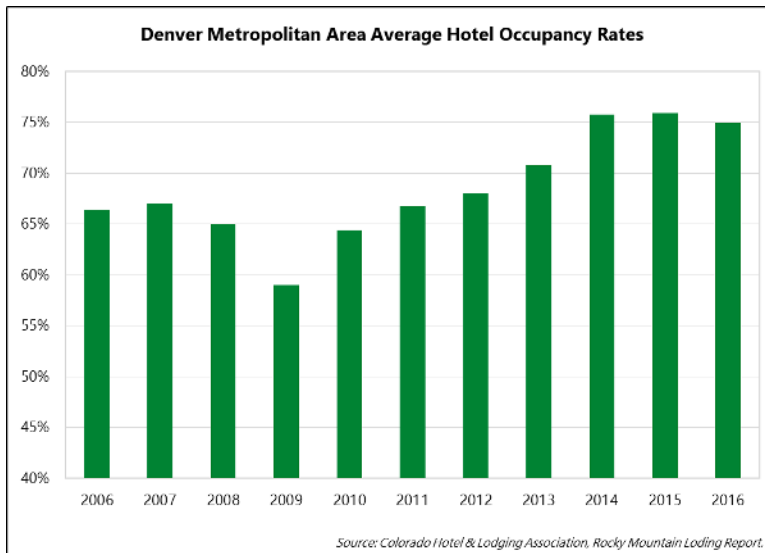
Twelve Colorado ski resorts – including several in the top resorts ranking – are located within two hours of the Denver metropolitan area. Estimates from Colorado Ski Country USA and Vail Resorts, Inc. indicate that the number of skier visits during the 2016-17 ski season declined by about 2 percent compared with the prior season, falling to about 13.1 million skier visits. Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – reached a new record during the 2015-16 season, so the current season was the second-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 2016. Among the awards were five Colorado hotels making *U.S. News & World Report’s* annual list of the nation’s best hotels, and Denver ranking 5th of the 20 best U.S. cities for business travel. 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. According to hotel research company STR, Denver had the third highest percentage increase in new hotel construction underway in the first quarter of 2017 compared with last year. There were



several new hotels that opened in 2016 or are in the pipeline for 2017, including the 180-room, 21,000-square-foot Hotel Indigo, the 199-room Kimpton Hotel, the 214-room Hilton Garden Inn, and the 170-room Dairy Block Hotel, which will all be located in the Union Station neighborhood. 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 2016 (75 percent) was slightly below the 2015 rate (75.9 percent). Data from the *Rocky Mountain Lodging Report* shows the region's average nightly room rate for 2016 (\$140.46) was 5.1 percent higher than the 2015 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 nearly 1.62 million workers. Growth in the region has been slightly stronger than the state, with employment rising 2.5 percent between 2015 and 2016. Accounting for about 62 percent of the state's employment, the Denver metropolitan area added 40,100 jobs of the total 56,400 jobs added in the state during the last year. The unemployment rate in the Denver metropolitan area averaged 3.1 percent in 2016, representing a tight labor market.

With limited supply in the residential real estate market and above average population growth, home prices rose and construction activity continued at a quick pace. There were nearly 23,500 residential construction permits issued in the Denver metropolitan area in 2016, an increase of 22 percent compared with 2015. Multi-family construction represented 52 percent of the new units built in 2016, higher than the 35 plus-year average of multi-family units representing roughly one-quarter of construction.

The commercial real estate markets in the Denver metropolitan area were mixed in 2016, with the office and retail markets recording declining vacancy rates and industrial and flex markets posting rising vacancy rates. However, all markets recorded higher average lease rates. The improvement in the commercial real estate markets has triggered significant build-to-suit activity and sparked strong hotel and hospital development throughout the 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, ensure the continued appeal of the Denver metropolitan area for new businesses, residents, and visitors.

Prepared By:

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
POPULATION (July 1)												
United States (thousands)	295,517	298,380	301,231	304,094	306,772	309,348	311,663	313,998	316,205	318,563	320,897	323,128
Colorado	4,662,534	4,745,660	4,821,784	4,901,938	4,976,853	5,050,332	5,120,686	5,193,097	5,272,677	5,356,626	5,456,584	5,555,751
Denver Metropolitan Area	2,582,177	2,626,197	2,670,038	2,716,819	2,762,164	2,797,896	2,848,035	2,899,772	2,955,643	3,013,210	3,075,701	3,133,826
City and County of Denver	559,459	562,862	570,437	581,903	595,573	604,879	620,817	634,940	649,214	664,453	683,096	697,363
POPULATION GROWTH RATE												
United States	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
Colorado	1.2%	1.8%	1.6%	1.7%	1.5%	1.5%	1.4%	1.4%	1.5%	1.6%	1.9%	1.8%
Denver Metropolitan Area	0.9%	1.7%	1.7%	1.8%	1.7%	1.3%	1.8%	1.8%	1.9%	1.9%	2.1%	1.9%
City and County of Denver	-0.1%	0.6%	1.3%	2.0%	2.3%	1.6%	2.6%	2.3%	2.2%	2.3%	2.8%	2.1%
NET MIGRATION												
Colorado	13,779	42,896	35,000	40,469	36,267	37,526	35,998	40,441	48,469	52,242	69,832	67,857
Denver Metropolitan Area	(1,367)	18,864	18,704	22,326	21,639	13,892	29,310	32,343	36,513	37,823	43,706	38,894
City and County of Denver	(6,929)	(2,537)	1,625	5,480	7,620	3,819	10,500	9,115	9,229	10,143	13,594	8,862
NONAGRICULTURAL EMPLOYMENT												
United States (millions)	134.1	136.5	138.0	137.2	131.3	130.4	131.9	134.2	136.4	139.0	141.8	144.3
Colorado (thousands)	2,226.0	2,279.1	2,331.3	2,350.3	2,245.6	2,222.3	2,258.6	2,313.0	2,381.9	2,464.9	2,541.9	2,598.3
Denver Metropolitan Area (thousands)	1,350.2	1,377.6	1,407.2	1,420.7	1,359.5	1,353.1	1,378.0	1,417.6	1,468.2	1,522.6	1,577.9	1,618.0
City and County of Denver	424,641	432,416	442,750	449,257	423,329	420,592	422,764	434,086	441,388	460,691	478,370	494,836
NONAGRICULTURAL EMPLOYMENT GROWTH RATE												
United States	1.7%	1.8%	1.1%	-0.5%	-4.3%	-0.7%	1.2%	1.7%	1.6%	1.9%	2.1%	1.7%
Colorado	2.1%	2.4%	2.3%	0.8%	-4.5%	-1.0%	1.6%	2.4%	3.0%	3.5%	3.1%	2.2%
Denver Metropolitan Area	1.9%	2.0%	2.1%	1.0%	-4.3%	-0.5%	1.8%	2.9%	3.6%	3.7%	3.6%	2.5%
City and County of Denver	0.3%	1.8%	2.4%	1.5%	-5.8%	-0.6%	0.5%	2.7%	1.7%	4.4%	3.8%	3.4%

2016 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area	City & County of Denver
Natural Resources & Construction	5.1%	6.9%	6.3%	5.6%
Manufacturing	8.6%	5.5%	5.3%	4.2%
Wholesale & Retail Trade	15.0%	14.4%	14.4%	11.6%
Transportation, Warehousing, Utilities	3.8%	3.1%	3.4%	5.6%
Information	1.9%	2.8%	3.4%	2.5%
Financial Activities	5.7%	6.3%	7.0%	7.6%
Professional & Business Services	14.0%	15.6%	18.0%	20.6%
Education & Health Services	15.7%	12.6%	12.9%	12.4%
Leisure & Hospitality	10.8%	12.5%	11.2%	12.6%
Other Services	3.9%	4.1%	3.8%	3.4%
Government	15.4%	16.4%	14.3%	13.9%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
UNEMPLOYMENT RATE												
United States	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%
Colorado	5.0%	4.3%	3.7%	4.8%	7.3%	8.7%	8.4%	7.9%	6.8%	5.0%	3.9%	3.3%
Denver Metropolitan Area	5.1%	4.3%	3.8%	4.9%	7.3%	8.5%	8.1%	7.6%	6.5%	4.7%	3.7%	3.1%
City and County of Denver	5.7%	4.8%	4.1%	5.4%	8.1%	9.1%	8.6%	7.9%	6.6%	4.8%	3.7%	3.1%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)												
United States	195.3	201.6	207.3	215.3	214.5	218.1	224.9	229.6	233.0	236.7	237.0	240.0
Denver-Boulder-Greeley	190.9	197.7	202.0	209.9	208.5	212.4	220.3	224.6	230.8	237.2	240.0	246.6
INFLATION RATE												
United States	3.4%	3.2%	2.8%	3.8%	-0.4%	1.6%	3.2%	2.1%	1.5%	1.6%	0.1%	1.3%
Denver-Boulder-Greeley	2.1%	3.6%	2.2%	3.9%	-0.6%	1.9%	3.7%	1.9%	2.8%	2.8%	1.2%	2.8%

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
TOTAL PERSONAL INCOME (millions, except as noted)												
United States (billions)	\$10,610	\$11,381	\$11,995	\$12,493	\$12,079	\$12,460	\$13,233	\$13,904	\$14,069	\$14,802	\$15,464	\$16,018
Colorado	\$176,129	\$189,493	\$201,743	\$208,608	\$198,082	\$201,570	\$219,861	\$234,006	\$246,648	\$266,535	\$277,732	\$288,433
Denver Metropolitan Area	\$108,750	\$117,466	\$124,037	\$127,726	\$119,311	\$122,042	\$134,686	\$144,936	\$154,196	\$167,441	\$174,180	N/A
City and County of Denver	\$25,654	\$28,573	\$29,907	\$31,995	\$27,447	\$28,830	\$32,837	\$36,288	\$40,409	\$45,352	\$46,617	N/A
TOTAL PERSONAL INCOME GROWTH RATE												
United States	5.6%	7.3%	5.4%	4.1%	-3.3%	3.1%	6.2%	5.1%	1.2%	5.2%	4.5%	3.6%
Colorado	7.1%	7.6%	6.5%	3.4%	-5.0%	1.8%	9.1%	6.4%	5.4%	8.1%	4.2%	3.9%
Denver Metropolitan Area	7.1%	8.0%	5.6%	3.0%	-6.6%	2.3%	10.4%	7.6%	6.4%	8.6%	4.0%	N/A
City and County of Denver	11.8%	11.4%	4.7%	7.0%	-14.2%	5.0%	13.9%	10.5%	11.4%	12.2%	2.8%	N/A
PER CAPITA PERSONAL INCOME												
United States	\$35,904	\$38,144	\$39,821	\$41,082	\$39,376	\$40,277	\$42,461	\$44,282	\$44,493	\$46,464	\$48,190	\$49,571
Colorado	\$38,025	\$40,143	\$41,996	\$42,663	\$39,838	\$39,926	\$42,955	\$45,089	\$46,824	\$49,823	\$50,971	\$52,059
Denver Metropolitan Area	\$42,470	\$45,078	\$46,750	\$47,277	\$43,398	\$43,640	\$47,293	\$49,977	\$52,157	\$55,547	\$56,601	N/A
City and County of Denver	\$46,501	\$51,309	\$52,990	\$55,575	\$46,598	\$47,786	\$53,016	\$57,238	\$62,320	\$68,304	\$68,299	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE												
United States	4.6%	6.2%	4.4%	3.2%	-4.2%	2.3%	5.4%	4.3%	0.5%	4.4%	3.7%	2.9%
Colorado	5.8%	5.6%	4.6%	1.6%	-6.6%	0.2%	7.6%	5.0%	3.8%	6.4%	2.3%	2.1%
Denver Metropolitan Area	5.9%	6.1%	3.7%	1.1%	-8.2%	0.6%	8.4%	5.7%	4.4%	6.5%	1.9%	N/A
City and County of Denver	11.6%	10.3%	3.3%	4.9%	-16.2%	2.5%	10.9%	8.0%	8.9%	9.6%	0.0%	N/A
RETAIL TRADE SALES (millions, except as noted)												
United States (billions)	\$4,083	\$4,300	\$4,443	\$4,383	\$4,065	\$4,283	\$4,598	\$4,820	\$5,002	\$5,211	\$5,347	\$5,508
Colorado	\$65,492	\$70,437	\$75,375	\$74,911	\$66,454	\$70,105	\$75,804	\$80,248	\$84,240	\$90,507	\$94,936	N/A
Denver Metropolitan Area	\$38,589	\$41,491	\$44,177	\$43,829	\$38,882	\$40,894	\$43,658	\$46,861	\$49,299	\$53,245	\$56,192	N/A
City and County of Denver	\$7,963	\$9,480	\$10,162	\$10,252	\$8,517	\$8,925	\$9,454	\$10,388	\$10,992	\$12,409	\$12,946	N/A

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RETAIL TRADE SALES GROWTH RATE												
United States	6.5%	5.3%	3.3%	-1.3%	-7.2%	5.4%	7.3%	4.8%	3.8%	4.2%	2.6%	3.0%
Colorado	5.1%	7.6%	7.0%	-0.6%	-11.3%	5.5%	8.1%	5.9%	5.0%	7.4%	4.9%	N/A
Denver Metropolitan Area	3.7%	7.5%	6.5%	-0.8%	-11.3%	5.2%	6.8%	7.3%	5.2%	8.0%	5.5%	N/A
City and County of Denver ¹	3.5%	19.1%	7.2%	0.9%	-16.9%	4.8%	5.9%	9.9%	5.8%	12.9%	4.3%	N/A
MEDIAN HOME PRICE (thousands)												
United States	\$219.0	\$221.9	\$217.9	\$196.6	\$172.1	\$173.1	\$166.2	\$177.2	\$197.4	\$208.9	\$223.9	\$235.5
Denver Metropolitan Area	\$247.1	\$249.5	\$245.4	\$219.3	\$219.9	\$232.4	\$231.4	\$252.4	\$280.6	\$310.2	\$353.6	\$384.3
EXISTING HOME SALES												
Denver Metropolitan Area	53,106	50,244	49,789	47,837	42,070	38,818	38,105	45,210	53,676	54,073	56,062	55,634
NEW RESIDENTIAL UNITS												
DENVER METROPOLITAN AREA												
Single Family	17,888	12,938	7,799	4,037	2,690	3,791	3,885	5,947	7,396	8,396	9,786	10,663
Two-Family	471	428	398	224	133	285	309	299	399	440	422	532
Multi-Family	2,953	4,769	6,195	5,296	1,465	1,478	3,005	8,679	9,145	8,074	9,061	12,301
Total Units	21,312	18,135	14,392	9,557	4,288	5,554	7,199	14,925	16,940	16,910	19,269	23,496
OFFICE VACANCY RATE												
Denver Metropolitan Area	12.8%	12.4%	11.4%	12.5%	13.4%	12.8%	12.4%	12.0%	11.1%	10.0%	9.6%	9.3%
HOTEL OCCUPANCY RATE												
Denver Metropolitan Area	64.1%	66.4%	67.0%	65.0%	59.0%	64.4%	66.8%	68.0%	70.8%	75.8%	75.9%	75.0%
SKIER VISITS												
	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
Colorado (millions)	12.5	12.6	12.5	11.9	11.9	12.3	11.0	11.4	12.6	12.5	13.4	13.1

N/A: Not Available

¹: 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; Colorado Department of Revenue; National Association of REALTORS; 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.

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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.

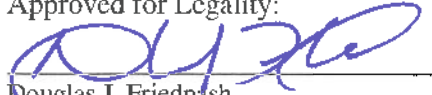
- 2.4. "Enterprise" means the Department of Aviation, the Wastewater Management Division of the Department of Public Works, and any other section, division, agency or department of the City designated as an "Enterprise" pursuant to the Charter or by ordinance.
- 2.5. "Rule 15c2-12" means Rule 15c2-12 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:

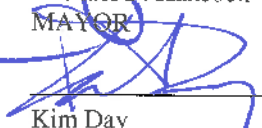


Douglas J. Friednash
City Attorney for the City and County
Of Denver

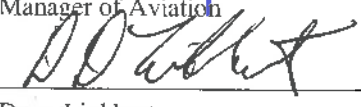
Approve:



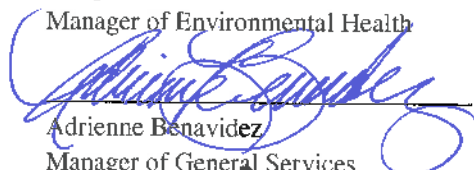
Michael B. Hancock
MAYOR



Kim Day
Manager of Aviation




Doug Linkhart
Manager of Environmental Health



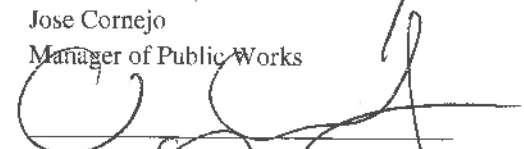
Adrienne Benavidez
Manager of General Services



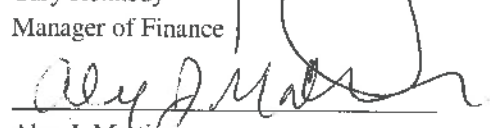
Lauri J. Danne Miller
Manager of Parks & Recreation



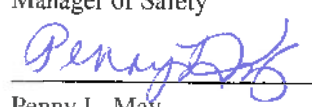
Jose Cornejo
Manager of Public Works



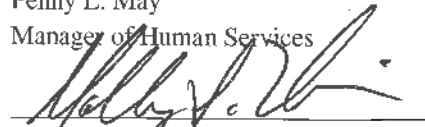
Cary Kennedy
Manager of Finance



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
2016 ABSTRACT OF ASSESSMENT

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Summary of Levies and Taxes

	Mill Levy	Tax Revenue
City & County of Denver		
General Fund	11.276	\$ 164,660,045
Bond Principal	7.433	108,541,869
Bond Interest	1.000	14,602,700
Social Services	3.835	56,001,354
Developmentally Disabled	1.010	14,748,727
Fire Pension	1.345	19,640,631
Police Pension	1.604	23,422,731
Capital Maintenance	2.528	36,915,626
Affordable Housing	0.500	7,301,350
Total	30.531	\$ 445,835,033
School District #1		
General Fund	41.013	\$ 598,900,534
Bond Redemption	9.383	137,017,134
Total	50.396	\$ 735,917,668
Urban Drainage & Flood Control District	0.620	\$ 9,053,674
Total General Taxes	81.547	\$ 1,190,806,375
Total Special District Taxes		62,320,800
Grand Total of All Taxes		\$ 1,253,127,175
Taxes Distributed to DURA		\$ 79,551,206
Denver Urban Renewal Authority		
Tax Distributed to DDA		\$ 13,328,372
Denver Downtown Development Authority		

2017 Assessment Calendar

January 1—All taxable property is listed and valued based on its status.

By April 17—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 2016, the State continued the following assessment rates:

Residential Property.....	7.96%
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 2017 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

City & County of Denver Colorado



DENVER[®]
THE MILE HIGH CITY

2016

Total
Assessed Valuation
\$14,659,085,700

Michael B. Hancock
Mayor

Keith A. Erffmeyer
Assessor

2016 Abstract of Assessment

	Total Assessed Value	Total Actual Value
Vacant Land		
Residential	\$ 64,212,880	\$ 221,423,724
Commercial	72,741,580	250,833,034
Industrial	22,801,750	78,626,724
Agricultural	138,280	476,828
PUD	475,210	1,638,655
All Others	26,542,460	91,525,724
Possessory Interest	0	0
Total	\$ 186,912,160	\$ 644,524,690
Residential		
Single Family	\$ 4,283,500,320	\$ 53,812,818,090
Condominiums	773,818,130	9,721,333,291
Duplexes/Triplexes	97,292,730	1,222,270,477
Multi Unit (4 to 8)	45,760,230	574,877,261
Multi Unit (9 & up)	854,323,130	10,732,702,638
Manufactured Homes	598,060	7,513,317
Partial Exempt	3,736,720	46,943,719
Total	\$ 6,059,029,320	\$ 76,118,458,794
Commercial		
Merchandising	\$ 788,743,270	\$ 2,719,804,379
Lodging	373,247,600	1,287,060,690
Offices	2,880,900,530	9,934,139,759
Recreation	89,828,300	309,752,759
Commercial Condos	196,561,190	677,797,207
Possessory Interest	53,440,170	184,276,448
Special Purpose	719,942,120	2,482,559,034
Warehouses	1,047,767,620	3,612,991,793
Multi-Use	305,246,170	1,052,573,000
Partial Exempt	65,670,670	226,450,586
Total	\$ 6,521,347,640	\$ 22,487,405,655
Industrial		
Manufacturing	\$ 143,930,150	\$ 496,310,862
Total	\$ 143,930,150	\$ 496,310,862
Personal Property		
Residential	\$ 13,336,860	\$ 45,989,172
Commercial	695,731,410	2,399,073,828
Industrial	118,263,060	407,803,655
Prod. Oil & Gas	0	0
Total	\$ 827,331,330	\$ 2,852,866,655
Natural Resources		
Prod. Oil & Gas	\$ 0	\$ 0
Total	\$ 0	\$ 0
State Assessed	\$ 920,535,100	\$ 3,173,352,400
Grand Total	\$ 14,659,085,700	\$ 105,772,919,056
Exempt Properties	Total Assessed	Total Actual
Federal Government	\$ 187,490,250	\$ 646,518,103
State Government	359,191,370	1,247,889,036
County Government	1,848,536,180	7,094,228,813
Political Subdivision	1,132,158,340	3,906,818,416
Religious Entities	236,420,010	880,603,043
Private Schools	274,213,130	990,764,976
Charitable Entities	381,359,370	1,758,586,937
All Others	215,150,890	946,468,504
Total	\$ 4,634,519,540	\$ 17,471,877,828

Special Taxing Districts

	Assessed	Mill	Tax		
9th Ave Metro No 1	30	10.000	0	South Sloan's Lake Metro No 2 (17)	8,566,540
9th Ave Metro No 2	30	30.000	1	Southeast Public Improvement	286,716,100
9th Ave Metro No 3	30	10.000	0	Town Center Metro	360,000
Adams County/North Washington Fire	6,795,670	16.841	114,446	Town Center Metro Subdistrict No 1	5,008,290
Aviation Station No 2	30	53.000	2	Town Center Metro Subdistrict No 2	3,020,940
Aviation Station No 5	30	10.000	0	Valley Sanitation	11,770,940
Bellevue Station Metro No 2	15,333,280	50.000	766,664	West Globeville Metro No 1	30
Bluebird BID	8,751,610	10.000	87,516	West Globeville Metro No 2	30
BMP No 2	978,320	0.000	0	Westerly Creek Metro (18)	430,075,100
BMP No 2 (debt) (1)	12,192,420	15.200	185,325	Total	\$ 62,320,800
BMP No 3 (2)	4,245,560	15.000	63,683		
Bowles Metro	29,680,280	42.000	1,246,572	(1) \$131,965 of the tax for BMP Metro District No. 2 (debt) is distributed to S. Broadway TIF	
Broadway Station Metro No 3 (3)	7,639,730	6.000	45,838	(2) \$45,347 of the tax for BMP Metro District No. 3 is distributed to South Broadway TIF	
Central Platte Valley Metro (4)	159,525,050	31.750	5,064,920	(3) \$26,288 of the tax for Broadway Station No. 3 is distributed to Cherokee TIF	
Central Platte Valley Metro (debt)	74,896,050	10.000	748,961	(4) \$3,275,932 of the tax for Central Platte Valley is distributed to Denver Union Station DDA	
Cherry Creek North BID	226,906,760	17.142	3,889,636	(5) \$10,729 of the tax for Cherry Creek Subarea BID is distributed to Denver Union Station DDA	
Cherry Creek Subarea BID (5)	78,348,880	0.191	14,965	(6) \$1,312,173 of the tax for DUS Metro No. 2 is distributed to Denver Union Station DDA	
Clear Creek Valley Water/Sanitation	591,430	2.616	1,547	(7) \$117,292 of the tax for DUS Metro No. 3 is distributed to Denver Union Station DDA	
Cofax BID	53,680,450	8.012	430,088	(8) 1,873 of the tax for Five Points BID is distributed to 2300 Welton St. TIF	
Colo. Int. Center Metro No 13	60	25.000	2	(9) \$894 of the tax for Five Points BID is distributed to 2460 Welton St. TIF	
Colo. Int. Center Metro No 14	10,961,600	60.000	657,696	(10) \$4,904 of the tax for Five Points BID is distributed to Point Urban TIF	
Denargo Market Metro No 2	8,578,320	40.000	343,133	(11) \$3,756 of the tax for Five Points BID is distributed to 2560 Welton St. TIF	
Denver Connection West Metro	6,460	50.000	323	(12) \$3,508 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase I)	
Denver Gateway Center Metro	4,258,060	48.000	204,387	(13) \$1,389 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase II)	
Denver Gateway Meadows Metro	17,410	48.000	836	(14) \$3,508 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase I)	
Denver High Point at DIA Metro	1,278,300	15.000	19,175	(15) \$1,389 of the tax for RiNo BID is distributed to Ironworks Foundry TIF (Phase II)	
Denver Intl. Business Center Metro No 1	22,584,450	44.204	998,323	(16) \$983,191 of the tax for SBC Metro is distributed to Stapleton TIF	
DUS Metro No 2 (6)	65,608,630	30.000	1,968,259	(17) \$298,978 of the tax for South Sloan's Lake Metro No. 2 is distributed to Saint Anthony TIF	
DUS Metro No 3 (7)	5,864,620	30.000	175,939	(18) \$22,536,049 of the tax for Westerly Creek Metro is distributed to Stapleton TIF	
Ebert Metro	81,863,920	84.000	6,876,569		
Ebert Metro (debt)	2,169,420	65.000	141,012		
Fairlake Metro	23,121,200	8.031	185,686		
Fairlake Metro (debt)	10,223,880	0.000	0		
Federal Boulevard BID	5,250,100	10.000	52,501		
Five Points BID (8-11)	15,833,480	10.000	158,335		
Gateway Regional Metro	48,567,280	16.000	777,076		
Gateway Village GID	22,533,600	20.000	450,672		
Goldsmith Metro	286,001,100	10.500	3,003,012		
Goldsmith Metro (debt)	30,604,930	0.000	0		
Greenwood Metro	2,330,910	7.500	17,482		
GVR Metro	88,008,100	20.094	1,768,435		
Holly Hills Water /Sanitation	25,389,850	2.716	68,959		
Lakehurst Water/Sanitation	31,611,330	0.000	0		
Lowry Vista Metro	490,220	0.000	0		
Mile High Business Center Metro	23,979,200	35.000	839,272		
North Washington Street Water/Sanitation	6,794,500	0.924	6,278		
North Pecos Water/Sanitation	5,430,010	0.000	0		
Old South Gaylord BID	6,924,980	7.468	51,716		
RiNo BID (12 & 13)	141,322,060	4.000	565,288		
RiNo GID (14 & 15)	76,277,270	4.000	305,109		
Sand Creek Metro	31,348,310	32.000	1,003,146		
Sand Creek Metro (debt)	11,470,180	20.000	229,404		
SBC Metro (16)	76,257,260	35.000	2,669,004		
Section 14 Metro	8,443,000	23.669	199,837		
Section 14 Metro (debt -Raccoon Creek)	3,506,510	18.559	65,077		
Section 14 Metro (debt-Fairmark)	4,150,630	6.687	27,755		
Sheridan Sanitation No. 2	576,600	0.531	306		
				Total	\$ 1,141,847,073

Tax Increment Finance Districts

District	Assessed Value
Cherokee	8,657,848
Colorado National Bank Bldg	9,414,243
Denver Union Station DDA	164,255,016
Downtown Denver	186,758,280
Executive Tower Hotel	15,374,807
Globeville Commercial	0
Guaranty Bank	2,689,195
Highlands Garden Village	11,442,435
Ironworks Foundry	829,867
Ironworks Foundry Phase 2	347,280
Lowenstein Theater	2,238,030
Lowry	171,801,680
Marycrest	1,468,820
Mercantile Square	2,450,629
Northeast Park Hill	4,534,090
Point Urban	1,044,550
Saint Anthony	7,811,982
South Broadway	19,221,756
Stapleton	509,438,426
York Street	5,594,610
9th Avenue	8,383,000
9th & Colorado	5,051,620
414 14th Street	1,771,320
2300 Welton Street	214,189
2460 Welton Street	677,850
2560 Welton Street	375,550
2801 Welton Street	0
Total	\$ 1,141,847,073

