DENVER

THE MILE HIGH CITY

CITY AND COUNTY OF DENVER, COLORADO
2012 DISCLOSURE STATEMENT

PUBLISHED IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12

For the year ended December 31, 2011

ISSUED TO FULFILL AGREEMENTS CONTAINED IN CONTINUING DISCLOSURE UNDERTAKINGS EXECUTED IN CONNECTION WITH MUNICIPAL BONDS AND OTHER OBLIGATIONS

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2012 DISCLOSURE STATEMENT
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DENVER
MICHAEL B. HANCOCK
Mayor

DEPARTMENT OF FINANCE

CARY KENNEDY
CHIEF FINANCIAL OFFICER

201 W. Colfax Avenue, Dept 1010
Denver, CO 80202
p: (720) 913-5500
f: (720) 913-5599
www.denvergov.org/finance

September 20, 2012

Dear Reader:

Material contained in this disclosure statement has been prepared to comply with Rule 15c2-12 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 2011 financial condition. It also contains certain post 2011 information as noted. The Disclosure Statement for the Year Ended December 31, 2011 must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR), which can be found on the City Controller's Website at www.denvergov.org/controller, or by contacting the Office of the Controller. The Disclosure Statement includes information the City has contracted to provide on an ongoing basis.

The City, for and on behalf of its Department of Aviation (the "Airport"), executed bond transactions in 2011 for the purpose of refunding certain Airport obligations. In April, 2011, the City issued $349,730,000 of Series 2011A Airport Bonds in a fixed rate mode for the purpose of purchasing and retiring portions of outstanding Series 2000A, and 2008A3 and 2008A4 Bonds. In October, 2011, the City issued $213,680,000 of Series 2011B and 2011C Airport Bonds in a fixed rate mode for the purpose of purchasing and retiring Series 2001A, 2001B and 2001D Bonds.

In July, 2011 the City issued $16,455,000 of Series 2011A General Obligation Bonds. In The proceeds of the 2011A bonds were used to fund the Better Denver Bond Projects approved by voters in November 2007.

For those who seek additional information about the City's 2010 transactions or other financings, the Official Statements 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 Manger 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, 2011, or if you have any comments regarding future disclosures.

Sincerely,

Cary Kennedy
Manager of Finance, Chief Financial Officer
City and County of Denver

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CITY AND COUNTY OF DENVER OFFICIALS
AS OF DECEMBER 31, 2011

Mayor
Michael B. Hancock

City Council
Chris Nevitt, President

Albus Brooks	Paul D. Lopez
Charles V. Brown Jr.	Judy H. Montero
Jeanne Faatz	Deborah Ortega
Christopher Herndon	Jeanne Robb
Robin Kniech	Susan Shepherd
Peggy A. Lehman	Mary Beth Susman

Auditor
Dennis J. Gallagher

CABINET OFFICIALS

Cary Kennedy	Deputy Mayor, Manager of Finance/*Ex Officio Treasurer*
Adrienne Benavidez	Manager of the Department of General Services
Laurie Dannemiller	Manager of the Department of Parks and Recreation
Kim Day	Manager of the Department of Aviation
George Delany	Manager of the Department of Public Works
Doug Linkhart	Manager of the Department of Environmental Health
Alex Martinez	Manager of the Department of Safety
Penny May	Manager of the Department of Human Services
Molly Urbina	Manager of Community Planning and Development
Douglas J. Friednash	City Attorney

Clerk and Recorder
Debra Johnson

BOARD OF WATER COMMISSIONERS

Greg Austin	President
John R. Lucero	First Vice President
Thomas A. Gougeon	Member
Paula Herzmark	Member
Penfield Tate III	Member

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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 2.8 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which approximately 612,219 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 in that office's audit capacity. The current City Auditor is Dennis J. Gallagher.

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 current Clerk and Recorder is Debra Johnson.

The Manager of Finance 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 controller, treasurer, budget manager and assessor. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance.

In May 2011, The City held its municipal election and Michael B. Hancock was elected Mayor. As of December 31, 2011, the appointed members of the Mayor's cabinet were the following individuals:

Cary Kennedy	Deputy Mayor, Manager of Finance/*Ex Officio Treasurer*
Adrienne Benavidez	Manager of the Department of General Services
Laurie Dannemiller	Manager of the Department of Parks and Recreation
Kim Day	Manager of the Department of Aviation
George Delany	Manager of the Department of Public Works
Doug Linkhart	Manager of the Department of Environmental Health
Alex Martinez	Manager of the Department of Safety
Penny May	Manager of the Department of Human Services
Molly Urbina	Manager of Community Planning and Development
Douglas J. Friednash	City Attorney

In addition to the members of the cabinet, Janice Sinden serves as the Chief of Staff.

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, determined 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. 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 from all three major credit ratings agencies; however, is on negative watch by Moody's. Denver is the only city or county in Colorado to hold AAA ratings from all three rating agencies. The City is not impacted by S&P's downgrade of the United States long term sovereign credit rating.

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 to the total amount of the preceding year, adjusted for inflation and local growth. Any excess must be refunded to citizens the next fiscal year; however, provisions of TABOR provide that voters may approve a public entity to retain excess revenues.

TABOR requires voter approval prior to the City undertaking any multiple fiscal year debt or other financial obligation, subject to certain exceptions, including refinancing outstanding bonds at a lower interest rate. An exception from the provisions of TABOR is maintained 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, environmental services, and City-owned golf courses.

In November 2000, Denver voters approved an exemption from the TABOR limits for all non-tax revenues received by the City in Fiscal Year 1999 and thereafter. Denver voters approved an additional TABOR waiver in November 2005, which authorizes the City to exempt all non-property tax revenues received by the City in Fiscal Years 2005 through 2014, provided that the revenues retained in excess of the limits are to be appropriated for public safety, public works, parks and recreation, health care, libraries and other essential services. Thereafter, the revenue cap is determined by the highest excess revenue for any given year during the preceding ten fiscal year period for the years from 2005 through 2014 as adjusted for inflation and certain other factors.

In the summer of 2012, the City Council voted to a place measure on the November 2012 ballot that would remove all TABOR restrictions with regard to the collection of all taxes. If the measure passes, it will restore the City's ability to collect all lawful taxes. The measure would allow the City to retain all property taxes collected. If the measure passes, the City will stop giving credits to property tax payers equal to the amount that was collected in excess of the TABOR limit the previous year and retain those revenues.

General Fund

The General Fund is the principal operating fund of the City. Information contained in this section has been drawn from the annual financial reports of the City, the General Fund budget for the years 2011 and 2012, 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. Other revenue sources include intergovernmental revenues, charges for services, franchise fees and other taxes.

The general sales tax, at the end of December 31, 2011, was a fixed-rate (3.62%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. Included in the sales tax rate is 0.12% authorized by voters to fund increased access to and quality of preschool programs for City residents. The revenue from this increase is only available for such purpose, and cannot be used for General Fund purposes. Collection started January 1, 2007. The general use tax, at the end of December 31, 2011, was a fixed-rate (3.62%) 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.

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. In collection years 2008 through 2012, the City made a policy change to direct a portion of its general property taxes to its Capital Improvement Project Fund (the "CIP Fund"). As part of this policy change occupation privilege taxes ("OPT" or "Head Tax") previously credited to the CIP Fund were redirected to the General Fund. These levies take into account temporary mill levy rate reductions as needed to comply with State Constitutional revenue and spending limitations. See "Constitutional Revenue and Spending Limitations."

The table below reflects the mill levy portion that was redirected to the CIP fund in exchange for the OPT tax being credited to the General Fund.

Property Tax Mill Levies

Collection Year	2007	2008	2009	2010	2011	2012
To General Fund	9.323	6.306	6.389	5.867	6.174	7.174
Redirected to CIP Fund	-	2.285	2.350	2.170	2.281	2.631
Total	9.323	8.591	8.739	8.037	8.455	9.805

The Occupational Privilege Tax ("OPT") is levied on each employee, with certain exemptions, earning \$500 or more per month who performs services within the City for an employer for any period of time. Proceeds are used to partially compensate for the City's services as an employment center. Prior to 2008, 50% of the revenues from the OPT were credited to the General Fund and 50% of such revenues were credited to the CIP Fund. Effective with Fiscal Year 2008, 100% of the revenues from the OPT are credited to the General Fund in exchange for a portion of property taxes that historically were deposited to the General Fund, being reallocated to the CIP Fund. OPT revenues accounted for approximately 5.0% of total General Fund revenues in 2008, 2009, 2010 and 2011. For 2011, the property taxes reallocated from the General Fund to the CIP Fund was approximately \$25,100,000.

Other amounts collected by the City and accounted for in the General Fund include the lodgers' tax, prepared food and beverage tax, short-term car rental tax, the automobile ownership tax, franchise fees and the telecommunications business tax. A portion of the lodgers, car rental and prepared food and beverage taxes are pledged towards debt service on excise tax revenue bonds of the City. The lodgers' tax is levied on the purchase price of hotel, motel and similar temporary accommodations in the City. 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. 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. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines.

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. The State-imposed cigarette 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, Parks and Recreation, and Cultural Activities. The largest portion of the 2011 expenditure Budget (49.5%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's departments services. For the 2012 enacted Budget, Public Safety represents 49.7% of the General Fund.

Management Discussion of 2012 Budget

The 2012 Budget, adopted in November 2011, projected revenue growth of 2.1% over 2011. As part of that revenue growth, sales and use tax revenues (non-audit collections) were projected to grow by 3.5%. General Fund expenditures were projected to grow by 5.8% over 2010, due to growth in expenditures, the operation and maintenance of new facilities constructed with bond dollars, including a new branch library. The 2011 Budget also included pay raises as outlined in current collective bargaining agreements as well as merit increases for Career Service employees. The cost for the Career Service employees merit increases was off-set by five proposed furlough days in 2011. General Fund expenditures were also reduced as a result of the reduction of the 95 budgeted positions in 2011 and partially offset by agency savings projected in 2011.

Revised projections for 2012 anticipate an increase of 5.3% in sales and use tax collections and a total revenue increase of 0.4% over 2010 due mostly to 2012 tax audit revenue being collected in 2011 as part of an amnesty program. For 2013, the projected deficit was $80 million.

At the beginning of 2012, the City's Structural Financial Taskforce comprised of community, business and civic leaders, charged with generating solutions beyond 2012 for Denver's structural imbalance between revenue growth and expenditure growth provided the City with a list of proposals to solve the structural gap. The Mayor has recommended changes to the City's revenue and expenditure structure including implementing efficiencies, increasing employee's contributions to health and pension benefits and the permanent removal of the City's TABOR limits on revenue retention. The removal of the TABOR limits will be proposed to voters on the November 2012 ballot. As such, the Budget and Management Office will produce a budget assuming the measure passes and an alternate budget that assumes it does not.

A lawsuit had been filed against the City in the United States District Court for the District of Colorado on behalf of 850 Denver police officers. The suit alleged damages in excess of $200 million and included (1) claims of unpaid overtime compensation for activities performed outside scheduled work hours such as donning and doffing police uniforms and equipment, (2) late payment of overtime, (3) improper calculation of overtime rates and (4) denial of compensatory time usage. The trial, which began in November, 2010, was to be conducted in phases. During the December, 2011 phase of the trial, the parties reached a final settlement, approved by the Court, that includes the creation of a bank of compensatory time off for all plaintiffs and non-parties who elect to join in the settlement, along with the payment of $1.75 million in attorney fees, to be paid in equal installments of $437,500 over a 4 year period beginning July 2012.

The City has received notice it is a member of the class actions against both Wachovia (now Wells Fargo) and JP Morgan Chase in the suit styled In re: Municipal Derivatives Antitrust Litigation, MDL No. 1950, Master Civil Action No.08-2516 in the U.S. District Court for the Southern District of New York. The decision to remain part of the class is due no later than October 19, 2012. During the course of the Municipal Derivatives Antitrust Litigation, several states' Attorneys General, including Colorado's Attorney General, settled on behalf of their state and local government in a *parens patriae* capacity. Acceptance of a *parens patriae* settlement from the state Attorney General precludes recovery from the corresponding defendant in the underlying Municipal Derivatives Antitrust Litigation class action. The City has received notices and offers of settlement as to JP Morgan Chase and as to GE Funding Capital Market Services, Inc. from the Attorney General *parens patriae* settlement. The Attorney General has a date for acceptance of the *parens patriae* settlement as to JP Morgan Chase of October 8, 2012. The Attorney General has a date for acceptance of the *parens patriae* settlement as to GE Funding Capital Market Services, Inc. of November 14, 2012. The City is reviewing its legal options.

Table 1

GENERAL FUND BUDGET SUMMARY
2011 ACTUAL RESULTS, 2011 REVISED BUDGET AND 2012 BUDGET
Prepared in Budgetary Format
($ in thousands)

REVENUES	2011 Results[1]	2011 Revised Budget[1]	2012 Budget[1]
Taxes			
Property	$73,331	$68,162	$72,390
Sales and Use	441,187	426,097	441,074
Other	76,061	82,734	85,082
Licenses and Permits	29,714	23,162	21,763
Intergovernmental Revenues	26,274	26,438	27,274
Charges for Services	153,861	165,634	161,234
Investment Income	8,096	3,024	3,474
Fines and Forfeitures	55,090	56,206	59,590
Transfers In	31,578	31,193	30,373
Other Revenues	9,627	7,037	6,085
TOTAL FINANCIAL SOURCES	904,819	889,687	908,339
EXPENDITURES			
General Government	183,762	217,856	217,035
Public Safety	444,721	443,314	460,591
Public Works	84,263	82,162	85,291
Health	43,109	43,726	43,827
Parks and Recreation	48,100	46,507	46,840
Cultural Activities	33,152	30,959	32,105
Other Financing	4,445		
Transfers Out	29,864	32,619	40,727
General Fund Contingency	-	17,794	18,622
Payroll Merit Reserve	-	-	4,700
Estimated Unspent Appropriations	-	(33,562)	(17,500)
TOTAL EXPENDITURES BUDGET	871,416	881,376	932,237
FUND BALANCES			
Net Change in Fund Balance	33,403	8,311	(23,898)
Fund Balance January 1 as previously reported	136,061	115,586	123,897
Change in accounting principal -GASB 54	44,846		
Fund Balance January 1 as restated	180,907		
Fund Balance December 31	$214,310[2]		
Undesignated Fund Balance December 31		123,897	99,999
Prepaid items and other Reserves		20,475	20,475
Total Fund Balance December 31		$144,372[2]	$120,475[2]

1 The City's Comprehensive Annual Reports and budgets use slightly different reporting codes for specific revenue and expenditure categories. A ccordingly, there may be differences in some line item descriptions and totals.

2 For the 2011 Comprehensive Annual Report, the City implemented the provision of GASB 54, which clarifies existing fund type definitions. The effect of the implementation resulted in a restatement of $44,846,000 to the beginning (January 1) fund balance in the 2011 results column that was previously reported in the Human Services Fund and Other Governmental Funds. The 2010 results were restated to reflect the implementation of GASB 54 in 2011.

Table 2

GENERAL FUND BUDGET SUMMARY
2011 ACTUAL RESULTS, 2011 REVISED BUDGET AND 2012 BUDGET
(by percentage)

REVENUES	2011 Results[1]	2011 Revised Budget	2012 Budget
Taxes			
Property	8.1%	7.7%	8.0%
Sales and Use	48.8	47.9	48.6
Other	8.4	9.3	9.4
Licenses and Permits	3.3	2.6	2.4
Intergovernmental Revenues	2.9	3.0	3.0
Charges for Services	17.0	18.6	17.7
Investment Income	0.9	0.3	0.4
Fines and Forfeitures	6.1	6.3	6.5
Transfers In	3.5	3.5	3.3
Other Revenues	1.0	0.8	0.7
TOTAL REVENUES	100%	100%	100%
EXPENDITURES			
General Government	21.1%	24.7%	23.3%
Public Safety	51.0	50.3	49.4
Public Works	9.7	9.3	9.1
Health	4.9	5.0	4.7
Parks and Recreation	5.5	5.3	5.0
Cultural Activities	3.8	3.5	3.4
Other Financing	0.5	0.0	0.0
Transfers Out	3.4	3.7	4.4
General Fund Contingency	-	2.0	2.0
Merit Reserve	-	-	0.5
Estimated Unspent Appropriations	-	-3.8	-1.9
TOTAL EXPENDITURES	100%	100%	100%

1 The City's Comprehensive Annual Reports and budgets use slightly different reporting codes for specific revenue and expenditure categories. A ccordingly, there may be differences in some line item descriptions and totals.

Management Discussion of Recent Financial Results

2007. The city's economy continued to grow, albeit at a slower pace than 2006, reflecting the national economical trends. Sales and use tax revenues were 5.29% higher in 2007 as compared with 2006. The City saw higher than average growth in lodging tax, due in large part to construction of several new hotels in the downtown area. Operating expenditures were under budget due to efforts by departments to save money to ease pressures on the 2008 budget. The General Fund balance remained at a level equal to at least 15% of 2007 expenditures.

2008. In the first half of 2008, the economies in Denver and Colorado showed signs of slowing but continued to do better than the economy nationwide, outperforming national unemployment, inflation and home price estimates. The City's overall General Fund revenues grew 3.26% between 2007 and 2008. Sales and use tax revenues were 3.05% higher in 2008 as compared to 2007.

2009. A 4.4% decline in employment accompanied by steep declines in consumer spending resulted in lower City sales tax collections compared to 2008. Total General Fund revenues in 2009 were 0.9% below revised projections and declined 6.4% from 2008 levels. Actual 2009 sales and use tax collections were 10% lower than 2008 collections. The City implemented a series of cost saving strategies to reduce its 2009 General Fund expenditures. These strategies included identifying additional operational savings, personnel review sessions prior to filling vacant positions, four employee furlough days, concessions from uniformed employees' bargaining agreements, and the partial use of fund balance to minimize layoffs whenever possible and to maintain core services.

2010. Sales and use tax collections for 2010 were 5.7% higher than 2009. Additionally, the City contributed a one-time use of excess fire pension mill levy funds in an amount of $18 million to the General Fund. The fire pension mill levy funds are typically used to pay for the City's contribution towards the Old and New Hire Fire Pension Plans and the unfunded liability that exists for the Old Hire Pension Plan. There was no required contribution towards the unfunded liability on the Old Hire Fire Pension Plan in 2010, allowing these funds to be spent on General Fund fire operating costs. See "FINANCIAL INFORMATION CONCERNING THE CITY – Retirement Plans." With this contribution, total General Fund revenues increased by 6.9% over 2009. With respect to expenditures, City departments saved over $30 million from the original 2010 budget. This was done through both permanent savings such as reducing positions and temporary savings such as deferring equipment and supply costs wherever possible.

2011. 2011 General Fund revenue collections of sales tax was 4.6% higher than 2010 due primarily to tax audit revenues being collected in 2011 rather than 2012 because of a one-time sales tax amnesty program . This early collection accounts for $18.6 million or 3.1% of the 4.6% General Fund revenue growth rate. With respect to expenditures, City departments saved over $14 million from the original 2011 budget. This was done through both permanent savings such as reducing positions and temporary savings such as deferring equipment and supply costs wherever possible. Total General Fund expenditures, including transfers out, grew 2.9% from 2010.

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 2007 through 2011.

Table 3

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

ASSETS	2007	2008	2009	2010[2]	2011[2]
Cash and cash equivalents	$94,691	$94,089	$28,021	$116,023	$120,191
Cash on hand	2	30	34	32	101
Receivables (net of allowances for uncollectible):					
Taxes	113,616	117,668	116,253	123,142	134,806
Notes	25	25	23	1,652	641
Accounts	14,292	13,737	19,760	18,931	20,187
Accrued interest	1,111	781	542	646	1,135
Due from other funds	289	31,596	44,001	2	150
Interfund receivable	30,977	215	224	24,122	15,537
Prepaid items and other assets	-	861	-	1,064	330
Restricted assets:					
Cash and cash equivalents	40,817	21,001	20,207	19,952	42,528
Assets held for disposition	-	-	-	-	11,436
TOTAL ASSETS	$295,820	$280,003	$229,065	$259,738	$347,042
LIABILITIES					
Vouchers payable	$13,576	$10,672	$10,639	$13,097	$16,362
Accrued liabilities	12,168	19,160	21,781	25,683	26,622
Due to other funds	2,776	3,450	3,873	31	65
Interfund Payable	-	-	-	2,940	1,964
Deferred revenue	71,706	75,252	79,552	82,757	87,701
Advances	3	-	-	151	18
TOTAL LIABILITIES	$100,229	$108,554	$115,845	$124,659	$132,732
FUND BALANCE					
Reserved for emergency use	$20,101	- [1]	-		
Reserved for prepaid items and other assets	20,716	21,001	20,230		
Undesignated	154,774	150,448	92,990	-	-
TOTAL FUND BALANCE	195,591	171,449	113,220	-	-
TOTAL LIABILITIES AND FUND BALANCE	$295,820	$280,003	$229,065	-	-
FUND BALANCE					
Nonspendable				1,064	330
Restricted				52,652	54,049
Committed				0	12,039
Unassigned				127,191	147,892
TOTAL FUND BALANCE				180,907	214,310
TOTAL LIABILITIES AND FUND BALANCE				$305,566	$347,042

1 In 2008, a policy decision was made by the City to transfer $20,400,000 from the designated fund balance representing the TABOR emergency reserve to a s pecial revenue fund, which was recorded in the General Fund as a transfer expenditure.

2 For the 2011 Comprehensive Annual Report, the City implemented the provision of GASB 54, which clarifies existing fund type definitions. The effect of the implementation resulted in a restatement of $44,846,000 to the beginning (January 1) fund balance in the 2011 results column that was previously reported in the Human Services Fund and Other Governmental Funds. The 2010 results were restated to reflect the implementation of GASB 54 in 2011.

(Source: City and County of Denver's Comprehensive Annual Financial Reports, 2007 -2011)

TABLE 4

CITY AND COUNTY OF DENVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2007-2011
($ in thousands)

REVENUES	2007	2008	2009	2010[2]	2011[2]
Taxes:					
Property	$79,232	$ 62,703[1]	$ 64,396[1]	$ 83,763[1]	$ 73,331[1]
Sales and Use	418,177	430,928	387,838	409,816	441,187
Other	73,531	80,284[1]	72,123[1]	74,757[1]	74,757[1]
Licenses and Permits	28,094	27,763	23,229	28,571	29,714
Intergovernmental Revenues	32,861	32,107	31,955	28,377	26,274
Charges for Services	107,519	137,160	138,563	146,654	153,861
Investment Income	18,717	11,692	4,512	7,885	8,096
Fines and Forfeitures	34,253	38,416	41,389	44,322	55,090
Other Revenues	11,165	8,663	11,863	13,632	9,164
TOTAL REVENUES	803,549	829,716	775,868	837,777	872,778
EXPENDITURES					
Current:					
General Government	156,040	175,817	165,897	169,548	168,801
Public Safety	400,469	423,136	429,718	434,128	444,721
Public Works	84,310	81,710	79,506	80,368	84,263
Health	41,783	42,438	43,750	43,145	43,109
Parks and Recreation	47,003	49,516	46,183	46,642	48,100
Culture and Entertainment	31,386	32,531	32,222	32,585	33,152
Community Development	17,499	17,209	16,343	14,864	14,608
Economic Opportunity	-	-	-	456	353
Lease Obligation Retirement	3,308	4,425	2,071	3,990	4,445
TOTAL EXPENDITURES	781,798	826,782	815,690	825,726	841,552
Excess of Revenues Over Expenditures	21,751	2,934	(39,822)	12,051	31,226
OTHER FINANCING SOURCES (USES)					
Other	14	9,784	1,594	3,677	463
Operating Transfers In	32,333	30,731	30,577	54,321	31,578
Operating Transfers Out	(44,163)	(67,591)	(50,578)	(47,226)	(29,864)
TOTAL OTHER FINANCING SOURCES (USES)	(11,816)	(27,076)	(18,407)	10,772	2,177
Net Change in Fund Balances	9,935	(24,142)	(58,229)	22,823	33,403
Fund Balance – January 1	185,656	195,591	171,449		
Fund Balance – December 31	$195,591	$171,449	$113,220		
Fund Balance - January 1, as previously reported				113,220	136,061
Change in accounting principal GASB 54				44,864	44,846
Fund Balance - January 1 as restated				158,084	180,907
Fund Balance - December 31				$180,907	$214,310

1 From 2008 through 2011, all of the occupational privilege tax collected was deposited into the General Fund in exchange for sending an equivalent amount of property taxes to the Capital Improvement Fund.

2 For the 2011 Comprehensive Annual Report, the City implemented the provision of GASB 54, which clarifies existing fund type definitions. The effect of the implementation resulted in a restatement of $44,846,000 to the beginning (January 1) fund balance in the 2011 results column that was previously reported in the Human Services Fund and Other Governmental Funds. The 2010 results were restated to reflect the implementation of GASB 54 in 2011.

(Source: City and County of Denver’s Comprehensive Annual Financial Reports, 2007 - 2011)

Collection of Taxes

The City Charter provides that the Manager of Finance 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 accounted for approximately one-half of the General Fund revenues. A fixed-rate general sales tax of 3.62% was imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax was a fixed-rate, also 3.62%, imposed on the storage, use and consumption of tangible personal property not specifically exempted. This includes a sales tax of 0.12%, approved in November 2006 to fund increased access to and quality of preschool programs for City residents. The collection of this dedicated sales tax increase started January 1, 2007. The revenue from this increase is only available for the described purpose. The City's practice is to account for sales and use taxes on a combined basis. The City imposes specific tax rates for the following goods or services:

GENERAL FUND SALES AND USE TAX RATES
EFFECTIVE FOR 2011

Taxation of Certain Goods or Services	City Tax Rate
Non-exempt retail sales, lease or rentals of tangible personal property and on certain services	3.62%[1]
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 0.12% City sales tax dedicated to increasing access to and quality of preschool programs for City residents. The revenue from this portion of the sales tax is only available for such purpose, and cannot be included in General Fund revenue. Collection of this dedicated sales tax increase started January 1, 2007.

The above General Fund Sales and Use Tax Rates Effective For 2011 reflects the City's total tax rate for goods and services as set forth; however, portions of the prepared food and beverage tax, automobile rental tax and lodgers' taxes 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 another Fund.

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
2002 – 2011
($ in thousands)

Year	Revenues	Percent Change [1]
2002	375,334	(3.31)%
2003	366,627	(2.32)
2004	361,988	(1.27)
2005	389,731	7.66
2006	397,163	1.91
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%

1 The revenues and percent changes reflect increases including amounts received as a result of sales tax audit collections.(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 Manager of Finance, *ex officio* Assessor, based on evidence collected from the marketplace. Table 6 sets forth the State property appraisal method for assessment years 2002 through 2011.

TABLE 6

STATE PROPERTY APPRAISAL SYSTEM

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2003	2002	July 1, 2000	January 1, 1999 to June 30, 2000
2004	2003	July 1, 2002	January 1, 2001 to June 30, 2002
2005	2004	July 1, 2002	January 1, 2001 to June 30, 2002
2006	2005	July 1, 2004	January 1, 2003 to June 30, 2004
2007	2006	July 1, 2004	January 1, 2003 to June 30, 2004
2008	2007	July 1, 2006	January 1, 2005 to June 30, 2006
2009	2008	July 1, 2006	January 1, 2005 to June 30, 2006
2010	2009	July 1, 2008	January 1, 2007 to June 30, 2008
2011	2010	July 1, 2008	January 1, 2007 to June 30, 2008
2012	2011	July 1, 2010	January 1, 2009 to June 30, 2010

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 2003 through 2011. For assessment year 2002, residential real property was valued for assessment at 9.15% of its statutory actual value. 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 2011, this capital maintenance levy generated approximately $28.1 million.

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 GOVERNMENTS[1]
(by year assessed)

Taxing Entity	2007	2008	2009	2010	2011
City and County of Denver:					
General Fund	6.306	6.389	5.867	6.174	7.174
Bond Principal Fund	4.750	4.470	4.470	4.470	3.980
Bond Interest Fund	3.683	3.110	3.110	3.110	3.600
Social Services	3.630	3.698	3.394	3.556	4.101
Developmentally Disabled	1.013	1.011	1.013	1.019	1.030
Fire Pension	1.345	1.371	1.258	1.317	1.519
Police Pension	1.607	1.636	1.502	1.572	1.812
Capital Maintenance	2.500	2.500	2.524[2]	2.544[2]	2.572[2]
Capital Improvement	2.285	2.350	2.170	2.281	2.631
TOTAL DENVER MILL LEVY	27.119	26.535	25.308	26.044	28.419
School District No. 1	39.210	39.657	39.262	39.972	42.265
Urban Drainage and Flood Control District	0.568	0.591	0.569	0.576	0.623
TOTAL MILL LEVY:	66.897	66.783	65.139	66.592	71.307

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

1 The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City's boundaries. For "Overlapping Taxing Districts with General Obligation Debt" see Table 15.

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

(Source: Department of Finance)

Table 8 summarizes the statutory actual and assessed valuation of property in the City, taxes levied and collected by the City for general purposes and the amounts and percentages delinquent for the last five assessment years.

TABLE 8

PROPERTY VALUATIONS, TAX LEVIES AND COLLECTIONS LAST FIVE YEARS

ACTUAL AND ASSESSED VALUATION:	**2007**	**2008**	**2009**	**2010**	**2011**
			($ in millions)		
Statutory Actual Valuation (est.)[1]	$74,348	$78,564	$82,844	$83,151	$77,143
Assessed Valuation:					
Real Property – Land	$3,145	$3,042	$3,434	$3,546	$3,387
Real Property – Improvement	5,952	6,191	6,944	6,839	5,936
Personal Property	780	792	813	739	726.00
Public Utilities	784	838	822	836	888.00
Total Assessed Valuations[2]	$10,660	$10,863	$12,012	$11,960	$10,937
Total Assessed Valuation Percentage Change[3]		1.90%	10.58%	-0.44%	-8.55%

LEVIES AND COLLECTIONS:[4,5]			**($ in millions)**		
Taxes Levied:	$242,269	$239,658	$254,135	$258,519	$255,918
Total Collections	$239,183	$236,521	$247,825	$255,475	n/a
Percent of Original Levy Collected to Date:	98.73%	98.69%	97.52%	98.82%	n/a

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

2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to the Denver Urban Renewal Authority ("DURA") and are not retained by the City. See "DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities – Urban Renewal Authorities."

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.

4 The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2009 are collected in 2010.

5 Total collections do not include mills levied for the Fire Pension and Police Pension funds.

(Source: Department of Finance)

Assessed Valuation of Major Taxpayers

Table 9 lists the ten major property taxpayers based on assessed valuations for the 2011 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2011
(FOR COLLECTION 2012)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Public Service Co.	Utility	$223,358	2.04%
Century Link, Inc.[2]	Utility	190,453	1.74%
Callahan Capital Partners	Real Estate	109,778	1.00%
Frontier Airlines[3]	Airline	106,611	0.97%
United Airlines Inc.	Airline	87,607	0.80%
Columbia-Healthone, LLC	Health Care	82,921	0.76%
Brookfield Properties	Real Estate	82,092	0.75%
LBA Realty Fund	Real Estate	80,738	0.74%
UBS Realty Investors	Real Estate	74,186	0.68%
MPG Office Trust, Inc.	Real Estate	73,678	0.67%
TOTALS		$1,111,422	10.16%

1 Based on a December 31, 2011 certified assessed valuation of $10,937,453,830. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and are not retained by the City. See "DEBT STRUCTURE OF THE CITY--Overlapping Debt and Taxing Entities – Urban Renewal Authorities."

2 Century Link, Inc. merged with Qwest in April 2011.

3 Frontier Airlines was acquired by Republic Holdings, but continues to operate as Frontier Airlines.

(Source: Department of Finance)

DEBT STRUCTURE OF THE CITY

Authorization for 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, excluding bonds issued by the Denver Water Board, is subject to a limitation of three percent (3%) of the actual value of the taxable property within the City.

As of December 31, 2011, the City had outstanding general obligation bonds in the aggregate principal amount of $941,484,000, which does not include accrued interest of $4,734,478 on compound interest bonds. In addition there were outstanding general obligation bonds issued by the Denver Water Board in the aggregate principal amount of $23,825,000.

In November 2007, City voters authorized $549,730,000 in Better Denver General Obligation Bonds to be issued to address a wide variety of infrastructure improvements. In July, 2011, the City issued General Obligation Bonds in the amount of $16,455,000, for the authorized Better Denver Bonds Projects. Upon the issuance of the 2011 General Obligation Bonds, $60,660,000 remains to be issued under the Better Denver authorization. The following schedule sets forth the computation of the General Obligation debt margin of the City (other than bonds issued by the Denver Water Board) as of December 31, 2011.

COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2011	$77,142,543
Maximum general obligation debt, limited to 3% of actual valuation	2,314,276
Less outstanding bonds chargeable to limit	942,484
LEGAL DEBT MARGIN – December 31, 2011	$1,371,792

General Obligation Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2011.

Table 10
OUTSTANDING GENERAL OBLIGATION DEBT
($ in thousands)

Issue	Original Amount	Amount Outstanding
General Obligation Various Purpose Bonds (Denver Mini-Bond Program), Series 1999A[1]	$3,134	$3,134
General Obligation Denver Art Museum Bonds, Series 2002	52,500	25,220
General Obligation Auditorium Theatre and Zoo Bonds, Series 2003A	35,000	5,340
General Obligation Medical Facilities Bonds, Series 2003B	148,000	78,260
General Obligation Justice System Facilities and Zoo Bonds, Series 2005	77,000	57,675
General Obligation Justice System Facilities Bonds, Series 2006	125,000	109,565
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	151,305
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	85,900
General Obligation Various Purpose Bonds, Series 2009B	14,415	9,900
General Obligation Better Denver Bonds, Series 2010A	37,910	35,840
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	312,055
General Obligation Better Denver Bonds, Series 2010D	44,650	41,975
General Obligation Better Denver Bonds, Series 2011	16,455	16,455
Subtotal	1,153,615	941,484
General Obligation Water Bonds[3]	61,730	23,825
TOTAL:	$1,315,345	$965,309

1 Amount excludes $2,552,429 of compound interest on the Series 1999A Capital Appreciation Bonds.
2 Amount excludes $2,182,048 of compound interest on the Series 2007 Capital Appreciation Bonds.
3 The Denver Water Board has irrevocably committed to pay the principal of and interest on all water bonds from revenues derived from the City's Water System.

(Source: Department of Finance.)

Combined Debt Service Schedule - General Obligation Bonds

The following schedule sets forth the debt service on the City's outstanding General Obligation Bonds as of December 31, 2011 (excluding general obligation bonds issued by the Denver Water Board).

Year Ending 31-Dec	Debt Service[1] ($ in thousands)
2012	$92,206
2013	$92,000
2014	$91,677
2015	$91,483
2016	$91,506
2017 through 2030, totaling	$982,778
TOTAL:	$1,441,651

1 The City previously issued Taxable General Obligation Better Denver Bonds (Direct Pay Build America Bonds), Series 2010B (the "2010B Bonds"). The amounts in this column do not include the cash subsidy payments equal to 35% of the interest payable on the 2010B Bonds pursuant to the City's designation of the 2010B Bonds as "Build America Bonds."

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, 2011.

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

Total Direct General Obligation Bonded Debt	$ 965,309
Less General Obligation Water Bonds	23,825
Net Direct General Obligation Bonded Debt	941,484
Overlapping General Obligation Bonded Debt[1]	1,014,745
Net Direct and Overlapping General Obligation Bonded Debt	1,956,229
Actual Valuation	$77,784,651
Assessed Valuation[2]	$10,937,454

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita[3]
Total Direct G.O. Bonded Debt	1.25%	8.83%	$1,577
Net Direct G.O. Bonded Debt	1.22%	8.61%	1,538
Net Direct and Overlapping G.O. Bonded Debt[1]	2.54%	17.89%	3,195

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

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

3 Based upon a 2011 population estimate of 612,219.

(Sources: Department of Finance; Office of the County Assessor)

Excise Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds are special and limited obligations of the City, payable from a s pecific, dedicated source of revenue which does not pledge the full faith and credit of the City. There are two forms of excise tax revenue bonds differentiated by the specific taxes pledged as repayment revenues. Pledged revenues for the repayment of bonds issued to finance the construction and improvements to the Colorado Convention Center are the Lodger's Tax, the Prepared Food and Beverage Tax and the Short Term Auto Rental Tax. Revenues pledged for repayment of the bonds issued to improve the Denver Performing Arts Center and other cultural facilities are the City's Facilities Development Admission Tax ("Seat Tax") and the Occupational Privilege Tax ("Head Tax"). There are no City Charter limitations stipulating maximum revenue bond debt.

Colorado Convention Center Excise Tax Revenues. The total City Lodger's Tax, imposed in 2009 on the purchase price of hotel, motel and similar temporary accommodations in the City, is 10.75%. Of that amount, 3.0% (Pledged Lodger's Tax Revenues) is pledged on parity to the payment of the 2005A, 2009A and 2009B Bonds (as hereafter described), and 1.75% is pledged only to the payment of the 2005A, and 2009A Bonds. Of the Lodgers Tax, 2.75% is contractually pledged to the privately operated Denver Metro Convention and Visitors Bureau and not pledged for bond debt service. The Prepared Food and Beverage tax is 4.0%. Of that amount, 0.50% is pledged to be used for the payment of the 2005A, 2009A and 2009B Bonds. The Auto Rental Tax of 7.25% is imposed on rentals paid on the purchase price of short-term automobile rentals. O f that amount, 2.00% is pledged to the payment of the 2005A, 2009A and 2009B Bonds, and 1.75% is pledged only to the payment of the 2005A and 2009A Bonds. The following table shows the City's calculation of the historic debt service coverage on the Excise Tax Revenue Bonds.

TABLE 11

COLORADO CONVENTION CENTER RELATED
DEBT SERVICE COVERAGE ON EXCISE TAX BONDS
PAYABLE FROM PLEDGED REVENUES
2002-2011
($ in thousands)

	Pledged Lodger's Tax Revenues	Pledged Food and Beverage Tax Revenues	Pledged Auto Rental Tax Revenues	Pledged Auto Rental & Lodger's Tax Increases[2]	Other Sources[1]	Total Pledged Revenues	Debt Service Requirements	Coverage[3]
2002	8,418	7,833	5,876	10,017	688	32,832	19,002	1.73
2003	8,359	7,840	5,776	9,940	730	32,645	19,305	1.69
2004	8,626	8,201	6,103	10,385	243	33,558	20,006	1.68
2005	10,071	8,537	6,673	11,427	441	37,093	21,496	1.73
2006	12,074	9,326	7,116	13,270	677	42,463	20,385	2.08
2007	13,857	10,396	7,957	15,045	1,026	48,281	21,527	2.24
2008	15,006	10,720	7,721	15,510	849	49,806	23,745	2.1
2009	12,279	10,141	6,874	13,177	415	42,886	24,779	1.73
2010	13,703	11,116	7,707	14,738	402	47,666	24,026	1.98
2011	15,553	12,243	8,058	16,123	287	52,264	28,561	1.83

1 Includes interest earnings.
2 Auto Rental Tax Increase and Lodger's Tax Increases, which resulted from voter approval in the 1999 Election, are pledged solely to payment of debt service on the outstanding 2005A and 2009A Bonds.
3 For informational purposes only: Although they have been used in this calculation of coverage of total debt service, for the reason stated in the footnote above, Auto Rental and Lodger's Tax increases may not be used for payment of the Excise Tax Bonds, Series 2009B.

Denver Performing Arts Center and Other Cultural Facilities. In 2003, the City issued Excise Tax Revenue Refunding Bonds, Series 2003, in the amount of $28,245,000. The bonds were issued to refund outstanding Excise Tax Revenue Bonds, Series 1985A and 1985B. The Series 2003 Bonds are to be repaid from the Seat Tax (Facilities Development Admission Tax) and OPT (Occupational Privilege Tax) revenues.

The following table sets forth the total Seat Tax collections for each of the bond years ending 2002 through 2011:

TABLE 12

TOTAL SEAT TAX COLLECTIONS AND PAYMENTS IN LIEU OF SEAT TAXES FOR 2002 THROUGH 2011
($ in thousands)

Bond Year	Seat Tax Collections	Payments in Lieu of Seat Taxes[1]	Total
2002	$4,627	2,700	$7,327
2003	5,734	2,700	8,434
2004	5,206	2,700	7,906
2005	6,652	2,700	9,352
2006	7,316	2,700	10,016
2007	7,406	2,700	10,106
2008	7,065	2,700	9,765
2009	7,082	-	7,082
2010	7,160	-	7,160
2011	$8,325	-	$8,325

1 In 2001, the Denver Broncos Football Club ceased playing games at a City-owned facility and began to play at Sports Authority Field at Mile High where Seat Taxes are not imposed. An Escrow and Security Agreement between the Football Club and the City was executed whereby the team was required to make Payments in Lieu of Seat Taxes in the amount of $2,700,000 per year through the year 2008.

The following table sets forth the total Head Tax collections for the years ending 2002 through 2011:

TABLE 13

TOTAL HEAD TAX COLLECTIONS FOR EACH BOND YEAR ENDING 2002 THROUGH 2011
($ in thousands)

Year	Head Tax Collections
2002	$41,028
2003	40,867
2004	40,118
2005	41,500
2006	41,503
2007	42,751
2008	43,041
2009	39,551
2010	41,819
2011	$41,141

The following table shows the City's calculation of the historic debt service coverage on obligations payable from the Pledged Revenues for the years ending 2002 through 2011:

TABLE 14

DENVER PERFORMING ARTS COMPLEX RELATED HISTORIC DEBT SERVICE COVERAGE
($ in thousands)

Bond Year	Pledged Excise Tax Revenue	Revenues Pursuant to the Escrow and Security Agreement	Interest Earnings	Total Pledged Revenues[1]	Debt Service Requirements	Coverage Ratio
2002	$45,655	$2,700	$194	$48,549	$6,032	8.05
2003	46,601	2,700	N/A[1]	49,301	6,036	8.17
2004	45,324	2,700	N/A	48,024	3,058	15.70
2005	48,152	2,700	N/A	50,852	3,054	16.65
2006	48,819	2,700	N/A	51,519	3,055	16.86
2007	50,161	2,700	N/A	52,861	3,054	17.31
2008	50,106	2,700	N/A	52,806	3,056	17.28
2009	46,633	-	N/A	46,633	3,054	15.27
2010	48,979	-	N/A	48,979	2,558	19.15
2011	$49,466	-	N/A	$49,466	$2,858	17.31

1 Pursuant to the Series 2003 Excise Tax Refunding Bonds transaction, interest earnings are no longer pledged to debt service.

Golf Enterprise Revenue Bonds

In 2005, the City designated the Golf Division of its Department of Parks and Recreation as an "enterprise" within the meaning of the State Constitution and established the Golf Division Enterprise Fund. The assets of the Enterprise are owned by the City and the power to operate, maintain and control the Enterprise is vested in the City's Department of Parks and Recreation. The 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 Enterprise are set by City Council acting by ordinance.

On March 8, 2006, the City issued $7,365,000 of Golf Enterprise Revenue Bonds, Series 2005 (the "Series 2005 Golf Bonds") on behalf of the Golf Division of its Department of Parks and Recreation (the "Enterprise"). The Bonds are 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 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 Enterprise. The Bonds are also payable under certain circumstances from a reserve account and a rate maintenance account.

The debt service coverage ratios of the Enterprise and the Golf Facilities, based on the revenues available for debt service forecasted in the Revenue and Debt Analysis, are as follows for the years 2007 through 2011:

TABLE 15[1]

Historical Coverage

	2007	2008	2009	2010	2011
Operating Revenues	$8,157,324	$8,399,251	$8,352,842	$8,743,774	$8,927,642
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	8,397,727	8,639,654	8,593,245	8,984,177	9,168,045
Operation and Maintenance Expenses	5,567,734	7,285,941	6,577,389	6,710,271	7,376,802
Net Pledged Revenue	2,829,993	1,353,712	2,015,856	2,273,906	1,791,243
Series 2005 Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	4.13	1.98	2.95	3.32	2.61

1 Figures have been adjusted due to correction of accounting categories and vary from the 2011 Disclosure Statement.
(Source: Denver Parks and Recreation)

The following table sets forth comparative, operating results of the Enterprise for Fiscal Years 2007 through 2011.

TABLE 16

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

	2007	2008	2009	2010[1]	2011
Operating Revenues					
Golf Charges	$8,141,979	$8,395,666	$8,324,567	$8,743,774	$8,923,603
Other	15,345	3,584	28,275	0	4,040
Total Operating Revenues	8,157,324	8,399,251	8,352,842	8,743,774	8,927,642
Operating Expenses					
Personnel Services	4,291,415	4,563,226	4,335,102	4,225,271	4,063,704
Contractual Services	528,139	256,903	205,940	71,000	573,646
Supplies and Materials	722,975	1,067,259	868,216	731,000	1,004,913
Depreciation Expense	658,000	667,771	1,045,412	902,994	1,129,878
Other Operating Expenses	25,205	1,398,554	1,168,131	1,683,000	1,734,539
Total Operating Expenses	6,225,734	7,953,713	7,622,801	7,613,265	8,506,680
Operating Income (Loss)	1,931,590	445,538	730,041	1,130,509	420,962
Non-Operating Revenue (Expenses)					
Investment and Interest Income	455,000	225,803	28,959	41,003	(267,069)
Interest Expenses	(312,000)	(298,322)	(275,000)	(295,657)	75,000
Income(Loss)	2,074,590	373,018	484,000	875,855	228,893
Net Assets – January 1	10,432,202	12,506,792	12,879,810	13,363,100	14,238,954
Net Assets – December 31	$12,506,792	$12,879,810	$13,363,100	$14,238,954	$14,467,848

1 Figures have been adjusted due to correction of accounting categories and vary from the 2011 Disclosure Statement.

(Source: Denver Parks and Recreation)

Usage of Courses and Multi-Year Green Fees: Usage of the courses of the Golf Facilities in the last full five years are represented in Table 17. Table 18 reflects the latest increase in green fees as of December 31, 2011.

TABLE 17

Total Rounds Played

	2007	**2008**	**2009**	**2010**	**2011**
Aqua Golf[1]	N/A	N/A	20,520	16,314	16,329
City Park	55,874	54,312	51,040	41,228	43,415
Evergreen	24,677	24,319	22,714	20,655	19,609
Harvard Gulch	33,025	33,504	30,909	30,043	28,346
Kennedy[2]	97,688	103,156	93,325	86,966	82,671
Overland	51,350	53,751	49,773	46,760	45,696
Wellshire	54,906	54,390	54,836	49,580	48,453
Willis Case	52,063	47,953	45,530	49,134	47,085
Total	369,583	371,385	368,647	340,680	331,604

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1 In October of 2009, the City opened a new facility, Aqua Golf. This new facility offers two separate 18 hole miniature golf courses and has a signature aqua (water) driving range.

2 Kennedy Golf Course has a miniature golf course, however miniature golf rounds are not included in total rounds played.

TABLE 18

Schedule of Green Fees Effective as of December 31, 2011 – Denver Golf Courses

Category of Play	**City Park**	**Evergreen**	**Harvard Gulch[1]**	**Kennedy**	**Overland**	**Wellshire**	**Willis Case**
18-Hole - Weekday	$26.00	$22.00	N/A	$26.00	$26.00	$26.00	$26.00
18-Hole - Weekend	35.00	32.00	N/A	35.00	35.00	35.00	35.00
18-Hole Non-Resident-Weekday	25.00	22.00	N/A	25.00	25.00	25.00	25.00
18-Hole-Non-Resident-Weekend	33.00	30.00	N/A	33.00	33.00	33.00	33.00
18-Hole - Senior	20.00	18.00	N/A	20.00	20.00	20.00	20.00
18-Hole - Junior	13.00	13.00	N/A	13.00	13.00	13.00	13.00
Nine-Hole - Weekday	16.00	14.00	8.00	16.00	16.00	16.00	16.00
Nine-Hole - Weekend	18.00	16.00	8.00	18.00	18.00	18.00	18.00
Nine-Hole Non-Resident Weekday	15.00	14.00	8.00	15.00	15.00	15.00	15.00
Nine-Hole Non-Resident Weekend	17.00	16.00	8.00	17.00	17.00	17.00	17.00
Nine-Hole - Senior	11.00	9.00	7.00	11.00	11.00	11.00	11.00
Nine-Hole - Junior	8.00	8.00	7.00	8.00	8.00	8.00	8.00

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1 Harvard Gulch is a 9-hole par 3 course.

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, 2011, the School District had $1,014,745,175 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, 2011, the aggregate principal amount of such certificates outstanding was $808,487,160. 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 $45,000,000 for 2011. The Sewage District had outstanding $274,945,000 aggregate principal amount of bonds as of December 31, 2011.

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, 2011, approximately $1.74 billion has been issued and $1,380,038,000 of principal is currently outstanding. RTD also has $523,525,000 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 has 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 the Airport. The East Corridor rail service currently is planned by RTD to commence in January 2016 and will be 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 (see Table 35). The Department is obligated under the FasTracks East Corridor IGA to have the Airport Rail 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 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 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 with Denver Properties Leasing Trust, as lessor, which issued Certificates of Participation in a par amount of $45,000,000 dated May 17, 2012.

Denver Metropolitan Major League Football Stadium District. In 1996, the State General Assembly enacted legislation creating the Metropolitan Football Stadium District ("Football District"). The Football District was authorized to finance and construct a sports facility designed for use primarily as a National Football League stadium which has been built in the City. The Football District encompasses the City, Boulder and Jefferson Counties, most of the City and County of Broomfield, and the urbanized portions of Adams, Arapahoe and Douglas Counties.

In 1998 the electors of the Football District authorized the Football District to issue up to $260 million of debt and to impose a sales tax at the rate of 0.10% on taxable transactions occurring within the Football District. The Football District issued $260 million of bonds. In 2011 the Football District paid off the balance of $56,485,176 debt outstanding. As of December 31, 2011, the bonds have been retired in full.

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 bond mill levy information for these taxing districts is provided in the following table.

TABLE 19

CITY AND COUNTY OF DENVER
OVERLAPPING TAXING DISTRICTS WITH GENERAL OBLIGATION DEBT
Year Ending December 31, 2011

Taxing District	2011 Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2011 Bond Mill Levy
Bowles Metro[1]	$25,528,880	0.23%	42.000
Central Platte Valley Metro	34,733,250	0.32	53.000
Central Platte Valley Metro (debt)	48,726,530	0.45	18.000
Cherry Creek North B.I.D.	155,166,940	1.42	17.642
Colorado Intl. Cntr. Metro No. 14	8,492,060	0.08	60.000
Denver Gateway Center Metro	2,987,980	0.03	36.992
Denver Intl. Bus. Center Metro No. 1	17,082,570	0.16	40.000
Ebert Metro	56,128,260	0.51	75.000
Fairlake Metro	15,035,050	0.14	37.914
Fairlake Metro (debt)	8,706,050	0.08	25.000
Gateway Regional Metro	37,285,650	0.34	16.000
Gateway Regional Metro (debt)	9,119,820	0.08	2.577
Gateway Village G.I.D.	16,404,830	0.15	32.500
Goldsmith Metro[1]	234,656,030	2.15	15.871
Goldsmith Metro (debt)[1]	22,603,440	0.21	4.650
Greenwood Metro[1]	1,931,960	0.02	16.815
GVR Metro	63,092,430	0.58	27.083
Madre Metro No. 2	3,480,770	0.03	50.000
Mile High Business Ctr. Metro.	18,265,500	0.17	35.000
North Washington Fire[1]	6,865,270	0.06	17.318
Sand Creek Metro[2]	22,547,220	0.21	32.750
Sand Creek Metro (debt)[1]	8,153,120	0.07	20.000
SBC Metro	51,190,590	0.47	35.000
Section 14 Metro[(1)]	7,611,320	0.07	23.290
Section 14 Metro (Raccoon Creek)[1]	2,859,060	0.03	20.020
Section 14 Metro (Fairmark)[1]	2,528,880	0.02	16.472
South Denver Metro	40,446,790	0.37	7.000
Westerly Creek Metro	268,571,240	2.46	2.493
Special District Total Assessed Value	$1,190,201,490	10.88%	
Denver Total Assessed Value[2]	$10,937,453,830		

1 District also has assessed value located in more than one county.
2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA and are not retained by the City. See “DEBT STRUCTURE OF THE CITY--Overlapping Debt and Taxing Entities – Urban Renewal Authorities.”

Source: Office of the County Assessor.

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 has entered into a Services Agreement, dated April 1, 2010 (the "2010 Services Agreement") with DURA in which the City's Manager of Finance has agreed to request that the City Council consider appropriating funds to replenish the DURA Series 2010B-1 Reserve Fund to the extent that DURA Pledged Revenues are not sufficient to pay the principal and interest on the Series 2010B-1 DURA Bonds in any year and amounts are withdrawn from the DURA Series 2010B-1 Reserve Fund. In any year, the City's Manager of Finance is not obligated to seek an appropriation which would exceed the maximum annual debt service payments due on the Series 2010B-1 DURA Bonds and the requested amount is not to exceed $12 million annually. 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 with interest, subject to senior DURA financial commitments.

Denver Union Station Project Authority Contingent and Discretionary Payments. The City is cooperating with the Regional Transportation District ("RTD"), the Colorado Department of Transportation ("CDOT") and the Denver Regional Council of Governments ("DRCOG") to finance and construct a multi-modal hub for the region's transit system at the Denver Union Station site (the "DUS Project"). 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 the DUS Project. In order to finance the transportation elements of the DUS Project, DUSPA negotiated loans (collectively, the "DOT Loans") with the U.S. Department of Transportation to fund the DUS Project. The DOT Loans are secured by an indenture (the "DOT Indenture") which provides for debt service reserve funds (the "DOT Reserve Funds") to be drawn upon in the event that DUSPA does not make required payments when due under the DOT Loans. In consideration of the benefits to be derived by the City as a result of the completion of the DUS Project, the City has 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 has 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. DUSPA is required under the terms of the Contingent Commitment Agreement to reimburse the City for the amount of its payments with interest, subject to prior DUSPA financial commitments.

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. 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, the City makes payments 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, subject to annual appropriation by the City Council. The City has made all previously due Economic Development Agreement payments. Future Economic Development Payments are indicated in Table 20. 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 20

DENVER CONVENTION CENTER HOTEL
ECONOMIC DEVELOPMENT PAYMENTS

On or Before the 14th Day Prior to the Following Date:	Amount
June 1, 2012	$4,625,000
December 1, 2012	4,625,000
June 1, 2013	4,500,000
December 1, 2013	4,500,000
June 1, 2014	4,750,000
December 1, 2014	4,750,000
June 1, 2015	5,000,000
December 1, 2015	5,000,000
June 1, 2016	5,250,000
December 1, 2016	5,250,000
June 1, 2017	5,375,000
December 1, 2017	5,375,000
Each December 1 and June 1 thereafter	5,500,000

RETIREMENT PLANS

Substantially all of the general employees of the City are covered under the Denver Employees Retirement Plan ("DERP"); however, employees of the police department, fire department, and the Denver Water Board are covered by separate retirement systems.

Denver Employee Retirement Plan. The following section has been taken from the 2011 Comprehensive Annual Financial Report of the Denver Employees Retirement Plan ("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 post-retirement health benefits to eligible members.

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, 2010 and 2011:

	2010	2011
Retirees and beneficiaries currently receiving benefits	7,606	7,776
Terminated employees entitled to benefits but not yet receiving such benefits	3,343	3,609
Current employees:		
Vested	5,912	5,958
Non-vested	2,491	2,191
TOTAL	19,352	19,534

DERP provides retirement benefits plus death and disability benefits. Employees who retire at or after age 65 (or age 55 if the sum of age plus credited service is 75 or more for employees hired prior to July 1, 2011) are entitled to a retirement benefit in an amount equal to from 1.5% to 2.0% of their average monthly salary, for each year of credited service, payable monthly for life. The average salary is based on the employee's highest salary in a 36-consecutive-month period of credited service. Employees with five years of credited service may retire at or after age 55 and receive a reduced retirement benefit. Benefit and contribution provisions are established by the City Council which acts upon the recommendation of DERP's governing board as accompanied by an independent actuarial analysis.

In June of 2011, City Council approved changes for employees hired after July 1, 2011. Those employees will be under a rule of 85, meaning that employee's age plus credited service must equal 85 in order to receive full benefits.

DERP's funding policy provides for annual employer contributions at rates determined by an independent actuary, which, when expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due.

The following are DERP contribution requirements and effective dates.

	January 1, 2005	January 1, 2010	January 1, 2011	January 1, 2012
City Contribution	8.50%	8.50%	9.50%	10.25%
Employee Contribution	2.50%	4.50%	5.50%	6.25%
Total	11.00%	13.00%	15.00%	16.50%

As of December 31, 2011, the total net plan assets were $1,719,470,122. Per DERP's independently audited 2011 Comprehensive Annual Financial Report, as of January 1, 2011, the most recent actuarial valuation, 85.0% of the plan's accrued liabilities were covered by valuation assets.

Other Post Employment Benefits. In addition to the retirement benefits cited above, the City allows health insurance participation 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. The City's contribution toward the implicit rate subsidy is based on pay-as-you-go financing for the retirees.

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 under the age of 65 and $6.25 per year of service for retirees 65 and older. Per DERP's independently audited 2011 Comprehensive Annual Financial Report, as of January 1, 2011, the most recent valuation, 61.2% of the plan's accrued liabilities were covered by valuation assets.

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 health insurance contribution Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the Fire and Police Pension Association ("FPPA"). 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 Pension Plans, unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. Both the Old Hire Police Pension Plan (the "Old Hire Police Plan") and the Old Hire Firefighters Pension Plan (the "Old Hire Fire Plan" and collectively with the Old Hire Police Plan, (the "Old Hire Plans") and the FPPA manages investments, and administers the contributions to, and distributions from, these Old Hire Plans. Denver's Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

New Hire City police officers and firefighters in the classified service contribute to the plans at a rate of at least 8% of base salary, and the City contributes a matching 8% of salary to the New Hire Police and Firefighters Pension Plan. For the years ending December 31, 2011, 2010, and 2009 the City contributed a combined amount of $13,742,000, $13,367,000 and $13,387,000, respectively to the New Hire Plan. As of the January 1, 2011 actuarial report, under current law benefits, which assumes no cost of living adjustments, the New Hire Plan is funded at 100%.

The City's contributions to the Old Hire Plans for the years ended December 31, 2011, 2010 and 2009 were $24,815,000, $22,348,000 and, $16,417,000 respectively. The City pays the total contribution required as stated by the actuarial reports. As of January 1, 2011, the Old Hire Police Plan and Old Hire Fire Plan were actuarially funded at 85% and 76%, respectively. Actuary reports are required every two years. The 2012 actuarial report estimates a contribution of $13,944,083 for the year 2013 and for the year 2014.

Water Board Retirement Plan. The Water Board Retirement Plan ("Board Plan") is a defined benefit, single-employer, and noncontributory plan covering substantially all permanent full-time employees of the Water Board. The Board Plan benefits are integrated with Social Security benefits.

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, 2011 are summarized in Table 21.

TABLE 21

SCHEDULE OF LEASE PURCHASE TRANSACTIONS AND RELEASE DATES AS OF DECEMBER 31, 2011[1,2]

Series	Principal Amount	Leased Property	Date Lease Property Scheduled to be Acquired
1995A	$160,000	City Office Building for Information and other City Departments	January 1, 2014
2002A-B[1]	10,575,000	Denver Cultural Center Parking Garage	December 1, 2021
2003A[1]	2,570,000	Cherry Creek North Parking Garage	December 1, 2017
2003B	42,925,000	Buell Theatre, Jail Dorm Building	December 1, 2023
2005A	32,240,000	Human Services Campus	May 1, 2020
2008A1-A3	254,145,000	Wellington E. Webb Office Building	December 1, 2031
2008B	17,510,000	Denver Botanic Gardens Parking Facility	December 1, 2028
2010A	21,855,000	Central Platte Campus	December 1, 2030
2010B	31,530,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
TOTAL	$413,510,000		

1 On January 26, 2012, the City completed a 2012A-B Lease Purchase Agreement with Denver Public Facilities Leasing Trust, as lessor, which issued Refunding Certificates of Participation to refund and defease the 2002A-B and 2003A Certificates. The total par amount was $13,055,000.

2 On May 17, 2012, the City completed a 2012C1-C3 Lease Purchase Agreement with Denver Properties Leasing Trust, as lessor, which issued Certificates of Participation in a par amount of $45,000,000.

Subordinate Hedge Facility Obligations. The City has entered into interest rate swap agreements to hedge the 2008A1-A2 COP variable rate obligations. Detailed information regarding these swap agreements is set forth in Note III-G-7 to the City's Comprehensive Annual Financial Report for the year 2011. The Trustee has received notice and offer of settlement as a protected party under the *parens patriae* settlement by the State Attorneys General against JP Morgan Chase from claims in the suit styled In re: Municipal Derivatives Antitrust Litigation MDL No. 1950, Master Civil Action No. 08-2516 in the U.S. District Court for the Southern District of New York. See "*Management Discussion of 2012 Budget"* above. The notice and offer provided a settlement amount in the amount of $638,869.25. The decision to accept the *parens patriae* settlement in lieu of remaining part of the class or opting out was due no later than August 23, 2012. The Trustee accepted the settlement and shall apply the amounts received to the base rentals account.

DENVER WATER BOARD

The following section has been taken from the 2011 Comprehensive Annual Financial Report of the Denver Water Board and has not been verified by the City. 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 five-member governing board of the Denver Water Department (the "Board") purchased the Water Company for the citizens of the City. The Denver Water Department is established and derives its authority under Article X of the Charter of the City. The five-member Board of Water Commissioners is appointed by the Mayor of the City for overlapping six year terms.

Service Area

Water rates are based on four types of retail metered service: Outside City Total Service, Outside City Read and Bill, Outside City Master Meter, and Inside City.

- Outside City Total Service – This refers to areas outside the City where Denver Water is responsible for water delivery, reading meters and billing customers, as well as the operation and maintenance of the distribution system

- Outside City Read and Bill – This refers to areas outside the City where Denver Water is responsible for water delivery to a distributor and for reading individual meters and billing, but not for the operation and maintenance of the distribution system.

- Outside City Master Meter – This refers to Distributors (water districts outside the City) that own and operate their own water system, perform their own meter reading and customer billing and who purchase water on a wholesale basis for distribution to their respective retail customers.

- Inside City – This service refers to all water users inside the City and County of Denver

A variation to the standard "Total Service" contract is the Total Service Improvement contract pursuant to which a distributor whose system does not currently meet Denver Water engineering standards may request to enter into a "Total Service" contract that includes special provisions for Denver Water to take control of the distributor's existing water system and upgrade it to meet Denver Water engineering standards. A surcharge is assessed to each customer within the distributor's service areas to pay for the improvements.

DENVER WATER DISTRIBUTOR CONTRACT SERVICE AREA

Total square mileage served by Denver Water as of December 31, 2011 was as set forth below.

(SQUARE MILES)

	Miles
Outside City	
Total Service	41.1
Read & Bill	50.2
Master Meter	90.3
Inside City	
City and County	111.3
DIA	43.3
Total	336.2

The number of customer accounts served by Denver Water and its master meter customers as of December 31, 2011 was as follows:

NUMBER OF CUSTOMER ACCOUNTS – ACTIVE TAPS[1]

	Number of Accounts
Inside City	159,302
City and County	1,204
Outside City - Read and Bill	36,542
Outside City - Total Service	36,270
Outside City - Master Meter	75,954
Total Active Taps	309,272

1 These figures represent active taps, where service is on or has not been off for 5 consecutive years. Does not include taps sold to raw water distributors.

Denver Water does not depend on any one customer or any group of customers for a major portion of its revenue. The ten largest customers of the system accounted for only 3.58% of treated water sales revenue received in fiscal year 2011.

Table 22

TOTAL TREATED WATER CONSUMPTION
FOR THE PERIOD 2002-2011
Millions of Gallons

Year	Annual	Daily Average	Daily Maximum	Estimate of Population Served July 1[1]	Average Daily Gallons Per Capita
2002	75,221.18	206.09	419.20	1,049,000	196
2003	65,399.47	179.18	370.05	1,052,000	170
2004	60,578.77	165.52	340.92	1,055000	157
2005	68,473.70	187.60	424.80	1,057,000	177
2006	74,724.98	204.73	425.68	1,064,000	192
2007	70,479.84	193.10	425.70	1,077,000	179
2008	71,975.87	196.66	426.16	1,093,000	180
2009	62,106.90	170.16	341.80	1,111,000	153
2010	69,695.40	190.95	365.81	1,125,000	170
2011	68,260.80	187.02	366.40	1,135,000	165

1 Population estimated based on treated water customers only. Revised population from 2002 to 2010 is based on 2010 Census Information.

Debt Structure

As amended by the voters of the City in November 2002, the Charter authorizes the Board to issue only revenue bonds that do not require prior voter approval. Prior to this amendment, the Board was authorized to issue both general obligation bonds and revenue bonds, both subject to prior approval of the City's electorate, except for refunding bonds. The outstanding General Obligation Bonds are backed by the Board's irrevocable commitment to pay principal and interest from the revenues of the system. Water bonds are excluded from the debt limitations of the City.

The following table shows outstanding General Obligation and Water Revenue Bonds as of December 31, 2011.

Table 23

BOARD OF WATER COMMISSIONERS
GENERAL OBLIGATION AND WATER REVENUE BONDS
Outstanding at December 31, 2011
($ in thousands)

Date of Issue	Interest Rates on Bonds Outstanding	Issued	Outstanding
General Obligation Bonds			
Series 1999	5.50-6.00%	$14,530	$12,050
Series 2000	4.80-5.50%	12,700	955
Series 2001A	4.125-4.70%	11,215	4,310
Series 2002	3.25-4.50%	11,610	6,510
		$50,055	23,825
Less net discount			(162)
Total General Obligation Bonds			$23,663
Water Revenue Bonds			
Series 2003A	3.00–5.00%	$50,000	$49,100
Series 2003B	3.75-5.00%	77,155	42,260
Series 2004	4.125-5.50%	43,655	21,335
Series 2005	3.50-5.25%	30,000	23,545
Series 2007A	3.00-5.00%	100,000	100,000
Series 2008A	0.75%	1,800	1,320
Series 2009	4.65%- 6.15%	44,000	44,000
Series 2010	2.625-5.17%	90,000	90,000
Total		$436,610	371,560
Plus Premium			1,255
Total Revenue Bonds			$372,815

Lease Purchase Agreements

The Board also uses capital leases to finance facilities and equipment and expects to pay annually appropriated lease purchase rental payments from revenues derived from the City's water system. The Board entered into an annually renewable Master Lease Purchase Agreement (the "MLPA") in 1987 with the Denver Capital Leasing Corporation ("DCLC"), a nonprofit corporation organized in accordance with State law to facilitate financing of certain capital projects. D CLC assigned its interest in the MLPA to a t rustee, and certificates of participation in the MLPA were issued. On November 15, 2011 the Board called and redeemed all outstanding COPs, and the MLPA's assets interests were transferred to Denver Water. In 1992, the Board entered into an agreement amending the lease agreement of 1987 with the Colorado River Water Conservation District ("CRWCD") for construction of a dam and reservoir by CRWCD. The project was completed in the fall of 1995. Total minimum lease payments under the lease are $31,500,000 through 2020. The present value of the minimum lease payments as of December 31, 2011, net of interest, was $17,431,000. At the end of the lease term, the CRWCD is to convey to the Board 40% of the storage capacity of the reservoir and 40% of the related water rights.

System Development Charges and Participation Receipts

In addition to operating revenues and bond proceeds, funds are generated from (1) System Development Charges, which are fees received for new connections to Denver Water's system, and (2) Participation Receipts, which are contributions paid by developers for the cost of specific facilities (e.g. distribution and transmission mains, pump stations and clear water reservoirs) to provide their developments with water service.

The System Development Charge (SDC), instituted in 1973, has provided a major source of funds for capital expenditures, although not legally restricted for such use. S ince 1973, Denver Water has collected approximately $686.1 million in SDCs. This charge applies to any applicant who is granted a license to take water through Denver Water's system or through a system deriving its supply from Denver Water. This charge is assessed upon application for a new tap and is based upon the (i) gross square footage of the single-family residential lot, (ii) the number of units in a multiplex building up to five units, or (iii) the size of the connections required. The Board reviews the adequacy of the SDC on an annual basis.

Participation Receipts have been a source of funds since 1974. Developers are required to participate in the front-end financing of facilities necessary to meet their specific needs. Total participation receipts of approximately $150.1 million have been collected since inception.

Table 24
System Development Charges and Participation Receipts

Year	System Development Charges[1]	Participation Receipts
2011	$14,233,334	$7,023,244
2010	14,441,478[2]	1,092,934
2009	8,118,209[2]	10,908,407
2008	18,498,195	2,424,264
2007	26,027,721	3,299,769
2006	22,305,207	2,730,141
2005	26,256,752	1,849,613
2004	24,833,961	2,228,550
2003	19,614,948	2,831,285
2002	36,590,914	5,567,014
1973-2001	401,951,618	110,202,677
Total	$612,872,337	$150,157,898

1 The System Development Charge receipts are permitted to be used to retire bond obligations of the Denver Water Board.

2 In years 2009 through 2011 the economic impacts of the decrease in new housing and commercial construction effected revenue collections.

SYSTEM DEVELOPMENT CHARGES
(As of December 31, 2011)
$/TAP

	Treated Water	
	Inside Denver	**Outside**
Sing1e Family Residential Taps[1]		
Base charge per residence	$2,830	$3,960
Charge gross lot size	$0.59 /SQ ft	$0.82/SQ ft
Multi-family Residential Taps[2]		
Base charge for duplex or first two dwelling units served through a single tap	$8,860	$12,400
Charge for each additional dwelling unit served through a single tap	$1,730	$2,420

All Other Taps[3] (Non-Residential)

	Treated Water Service		Recycled Water Service	
Size of Connection:	Inside City	Outside City	Inside City	Outside City
¾”	$7,180	$10,050	$5,050	$7,070
1”	18,720	26,200	13,490	18,880
1½”	39,540	55,350	29,310	41,030
2”	73,030	102,250	53,870	75,420
3”	137,370	192,320	103,740	145,240
4”	195,200	273,280	144,780	202,690
6”	300,310	420,430	233,030	326,240
8”	408,290	571,600	321,280	449,790
10”	564,070	789,690	409,520	573,330
12”	607,280	850,190	497,770	696,880

Special Contracts, Fixed Volume Contracts, & Large Volume Customers

	Treated Water		Raw Water	
Inside Combined Area	**Inside City**	**Outside City**	**Inside City**	**Outside City**
Acre Foot Conversion ($/AF)	$13,160	$18,430	$9,260	$12,970
1,000 Gallons Conversion ($/1,000 Gallons)	40.40	56.55	28.43	39.80
Outside Combined Area				
Acre Foot Conversion ($/AF)	n/a	23,370	n/a	16,450
1,000 Gallons Conversion ($/1,000 Gallons)		$71.72		$50.48

1 Licenses for single family residential taps within the City and Denver Water Service Areas, including applicable special contracts.
2 Licenses for multi-family residential taps within the City and Denver Water Service Areas, including applicable special contracts.
3 Licenses for all other taps within the City and Denver Water Service Areas, including applicable special contracts.

TABLE 25

HISTORY OF INCREASES OF SYSTEM DEVELOPMENT CHARGES (first implemented in 1973)

Date	Incremental Increase[1]
July 1, 1973	First imposed
April 1, 1975	50.0%
April 16, 1976	50.0%
January 1, 1980	50.0%
February 1, 1982	50.0%
January 1, 1986	7.0%
January 1, 1998	5.0%
January 1, 1999	5.0%
January 1, 2001	9.0%
December 18, 2002	10.0%
October 22, 2003	20.0%
January 31, 2005	9.0%
January 1, 2006	8.0%
January 1, 2007	10.0%
January 1, 2008	7.0%
April 13, 2009	(5.4%)[2]
February 8, 2010	14.1%
March 3, 2011	11.2%
February 1, 2012	4.2%

1 Changes in charge price for ¾" equivalent taps.
2 One time System Development Charge decrease is a result of more efficient use of water in new homes.

RECEIPTS AND EXPENDITURES

BUDGET TO ACTUAL COMPARISON 2007 - 2011 AND 2012 BUDGET (CASH BASIS) - Taken Directly from the Denver Water Comprehensive Annual Financial Report

(amounts expressed in thousands)

	2012	2011		2010		2009		2008		2007	
	Budget	Budget	Actual	Budget	Actual	Budget[1]	Actual	Budget	Actual	Budget	Actual
BEGINNING CASH & INVESTMENTS	$ 187,296	$ 225,410	$ 225,410	$ 194,012	$ 194,012	$ 198,311	$ 198,311	$ 226,160	$ 226,160	$ 149,198	$ 149,198
RECEIPTS FROM:											
Sale of water	261,978	246,079	238,085	223,305	225,493	212,028	188,293	207,219	204,232	189,814	194,225
Drought Surcharge	-	-	-	-	-	-	-	-	-	-	-
Nonoperating, interest & other	18,783	19,532	30,831	16,168	16,474	20,576	18,274	17,865	25,284	17,165	24,074
System development charges	10,714	8,000	14,649	8,000	11,283	8,000	9,013	22,981	19,138	27,843	26,214
Developer participation (new facilities) & Reimbursements & grants	5,367	4,863	6,160	4,863	10,940	11,605	10,938	3,717	5,197	7,672	3,315
	296,842	278,474	289,725	252,336	264,190	252,209	226,518	251,782	253,851	242,494	247,828
Sale of bonds	38,000			39,000	90,000	44,075	44,000	-	1,800	50,000	99,158
Total receipts	334,842	278,474	289,725	291,336	354,190	296,284	270,518	251,782	255,651	292,494	346,986
LESS EXPENDITURES FOR:											
Operations, maintenance & refunds	201,862	198,641	182,180	178,177	184,441	152,021	153,182	139,655	139,813	124,803	118,760
Debt service	39,853	46,374	55,967	50,525	51,234	51,933	50,800	49,495	49,604	54,392	53,909
	241,715	245,015	238,147	228,702	235,675	203,954	203,982	189,150	189,417	179,195	172,669
Capital improvements (new facilities)	47,343	46,344	39,211	52,818	51,105	43,235	32,568	44,932	41,813	61,012	58,793
System replacements	37,271	32,101	26,876	30,755	23,734	31,148	21,653	26,025	24,291	22,318	16,463
Equipment	7,186	8,642	4,652	10,552	7,177	20,954	14,927	16,687	16,693	15,732	7,749
	91,800	87,087	70,739	94,125	82,016	95,337	69,148	87,644	82,797	99,062	83,005
Indirects to capital	14,265	14,791	15,419	15,738	15,551	11,512	15,429	14,637	11,286	12,007	14,350
Total expenditures	347,780	346,893	324,305	338,565	333,242	310,803	288,559	291,431	283,500	290,264	270,024
Cash Balance Adjustment[2]			(3,534)		10,449		13,742				
ENDING CASH & INVESTMENTS	$ 174,358	$ 156,991	$ 187,296	$ 146,783	$ 225,409	$ 183,792	$ 194,012	$ 186,511	$ 198,311	$ 151,428	$ 226,160

GENERAL EXPLANATION OF VARIANCES:

[1]At the request of the Board of Water Commissioners, the 2009 Budget was revised to reflect reductions in operating costs and increased capital expenditures to include accelerating any projects that could have a positive economic impact.

[2]The cash balance adjustment is due to a timing difference between cash payments that were made in January but were accrued for in December.

Variances in operating receipts are generally due to abnormal climatic conditions.

Variances in system development charges are generally related to levels of activity in the home building industry.

Variances in capital improvements are generally due to changes in project scheduling.

Cash and investments do not agree with amounts on the statements of net assets due to differences in valuation methods.

WASTEWATER MANAGEMENT SYSTEM

The Wastewater Management Enterprise Fund ("Wastewater"), a department 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 consist of approximately 1,500 miles of sanitary sewer lines of various compositions, ranging in size from 8" to more than 45" in diameter and over 750 miles of storm drainage. Denver's system uses four sanitary sewer lift stations, three storm sewer lift stations 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 April 2002, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued Wastewater Revenue Bonds in the principal amount of $30,700,000, the proceeds of which were used to finance improvements to the storm drainage facilities. The bonds are not general obligations of the City and are payable solely from revenues derived by the City from its storm drainage and sanitary sewerage facilities. As of December 31, 2011, the outstanding principal amount of these bonds was $20,350,000.

In January of 2012, the City, for and on behalf of the Wastewater Management Division of its Department of Public Works, issued $50,425,000 of Wastewater Revenue Bonds. The proceeds were used to defease the outstanding 2002 series bonds and to finance $32,500,000 capital improvements to storm drainage facilities.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 156,392 sanitary sewer customers. Of this amount, approximately 140,997 (90%) are residential customers; approximately 15,395 (10%) 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 over 40 other 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 26 presents historical data between 2007 and 2011 relating to the Sewage District's total annual charges to Wastewater.

TABLE 26

HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT ANNUAL CHARGES

	2007	2008	2009	2010	2011
Total Enterprise Operating Expense	$75,146,180	$81,003,177	$81,003,177	$84,489,828	$92,200,000
Metro Annual Charge[1]	25,994,957	29,316,360	29,316,360	33,566,435	45,000,000
Metro Annual charge as a Percentage of Total Operating Expense	34.59%	36.19%	36.19%	39.73%	48.81%
Year-to-Year Metro Annual Charge Increase	3.04%	12.78%	0.00%	14.50%	34.06%

1 These figures do not reflect the amounts paid to other sewage treatment and disposal districts.

(Source: Wastewater Enterprise Department of Finance)

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

TABLE 27

HISTORICAL ACCOUNT INFORMATION

Years (December 31)	Storm Drainage Accounts	Sanitary Sewerage Accounts
2002	146,694	145,120
2003	148,755	146,901
2004	150,738	148,165
2005	152,127	149,266
2006	154,605	150,304
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

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. T he 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 Table 28 below for the storm drainage service charges:

TABLE 28

APPROVED CURRENT AND FUTURE RATES

Ratio Group	Rate 2006-2010	Rate 2011(July)	Rate 2012(July)	Rate 2013(July)
0 to .10	$1.44	$1.73	$1.76	$1.80
.11 to .20	1.81	2.17	2.21	2.25
.21 to .30	2.18	2.62	2.67	2.72
.31 to .40	2.58	3.10	3.16	3.22
.41 to .50	2.95	3.54	3.61	3.68
.51 to .60	2.95	3.77	3.85	3.93
.61 to .70	3.34	4.01	4.09	4.17
.71 to .80	3.72	4.46	4.55	4.64
.91 to .90	4.09	4.91	5.01	5.11
.91 to100	4.48	5.38	5.49	5.60

On July 1, 2014 and thereafter, the annual storm drainage service charge is to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

The rate for the lot or parcel's ratio group is multiplied by the square footage of the lot or parcel's impervious area and then divided by 100. The resulting quotient is equal to the annual storm drainage service charge. For example, 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 $113.10 ($3.77 x 3,000/100). However, the minimum annual storm drainage service charge will not be less than $12.31, $12.56 and $12.81 for the rate periods effective July 1st of 2011, 2012 and 2013, respectively. The minimum charge will increase according to the percentage change from the previous year in the United States Consumer Price Index for subsequent years. 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.

In June 2011, the City adopted by ordinance a new fee schedule for sanitary sewage service charges whereby such sanitary sewage service charges were increased 45% effective as of July 1, 2011 and are to be increased an additional 15% effective as of July 1, 2012 and an additional 10% effective as of July 1, 2013. On July 1, 2014 and thereafter, the annual storm Sanitary Sewer Charge is to be adjusted annually based on the percentage change from the previous year in the United States Consumer Price Index.

The following table sets forth the statements of revenues, expenses and changes in net assets for the years ending December 31, 2010 and 2011 and the Approved Budget for 2012.

TABLE 29

WASTEWATER ENTERPRISE BUDGETS

	2010 Adjusted Budget	2011 Approved Budget	2012 Approved Budget
Operating Revenue			
Total Operating Revenue	$76,900,000	$76,674,000[1]	$96,483,000
Operating Expenses			
Personnel Services	23,165,000	23,048,000	23,243,000
Contractual Services	17,530,000	17,420,000	21,220,000
Supplies and Materials	1,684,000	1,725,000	1,884,000
District Water Treatment Charges	34,615,000	45,600,000	45,000,000
Total Operating Expenses	76,994,000	87,793,000	91,347,000
Operating Income (loss)	(94,000)	(11,119,000)	5,136,000
Other Income (Expense)			
Earnings on investments	205,000	300,000	200,000
Debt interest payments	(1,167,300)	(1,365,000)	(1,047,400)[2]
Bond principal payment	(1,300,000)	(1,108,800)	(1,430,000)[2]
Purchase of capital Equipment	(729,000)	(637,746)	(4,384,500)
Total Other Expense	(2,991,300)	(2,811,546)	(6,661,900)
Modified Net Income	($3,085,300)	($13,930,546)	($1,525,900)

1 The rate increases that went into effect on July 1, 2011 are not reflected in the 2011 budget.
2 These amounts do not reflect the debt service on bonds that were issued in January 2012.

(Source: Wastewater Management Enterprise Fund, Basic Financial Statements, 2011)

Operating History

Historical Wastewater Management Fund Information. A five-year comparative statement of Denver's Wastewater Management Fund revenues, expenses and resulting changes in retained earnings as reported in Denver's audited comprehensive annual financial reports for fiscal years 2007 through 2011 is set forth in the following table.

Table 30
WASTEWATER MANAGEMENT FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
For the years ending December 31

	2007	2008	2009	2010	2011
Operating revenues – charges for services					
Sanitary sewer[1]	$47,804,094	$46,936,074	$46,060,753	$45,556,406	$58,279,339
Storm drainage	27,946,403	29,654,347	29,451,253	29,806,256	31,464,231
Total	75,750,497	76,590,421	75,512,006	75,362,662	89,743,570
Operating expenses					
Personnel services	18,923,901	20,454,009	21,202,815	19,340,219	19,031,648
Contractual services	15,251,496	14,400,684	14,714,438	14,577,854	14,425,358
Supplies	1,918,909	1,579,397	1,275,296	1,180,098	870,453
Utilities	130,958	114,198	125,198	142,815	466,812
Depreciation and amortization	11,196,742	12,602,935	14,369,070	15,682,407	16,264,751
Payments To Metro Wastewater Reclamation District	28,777,458	25,994,957	29,316,360	33,566,435	45,010,602
Total	76,199,464	75,146,180	81,003,177	84,489,828	96,069,624
Operating Income (Loss)	(448,967)	1,444,241	(5,491,171)	(9,127,166)	(6,326,054)
Nonoperating revenue (expenses)					
Investment income	4,240,078	1,961,110	377,512	2,185,741	257,876
Interest Expense (amortized bond premium)	4,927	4,927	4,927	4,927	4,927
Gain (loss) on disposition of assets	33,233	5,483	56,321	101,906	(1,781,378)
Total nonoperating revenues	4,278,238	1,971,520	438,760	2,292,574	(1,518,575)
Income before capital contributions and transfers	3,829,271	3,415,761	(5,052,411)	(6,834,592)	(7,844,629)
Capital contributions	9,906,473	7,689,684	15,017,821	13,983,763	11,652,062
Transfers out	(11,400)	(14,500)	(18,800)	(25,200)	(2,106,305)
Change in net assets	13,724,344	11,090,945	9,946,610	7,123,971	1,701,128
Net assets, beginning of year	466,745,151	480,469,495	491,560,440	501,507,050	508,631,021
Net assets, end of year	$480,469,495	$491,560,440	$501,507,050	$508,631,021	$510,332,149

1 The primary reason for the decrease in sanitary sewer operating revenues from 2006-2010 was lower water consumption driven by conservation efforts in the City. The increase in 2011 was mainly the result of increased fees.

(Source: Wastewater Audited Financial Statements 2007 – 2011.)

Historic 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 Bonds, the amounts which would have constituted Net Pledged Revenues available for debt service in each of the past five years would have covered the maximum Debt Service Requirements of the Bonds as follows:

HISTORIC DEBT SERVICE COVERAGE RATIOS

Years	Estimated Net Pledged Revenues	Maximum Debt Service Requirements	Debt Service Coverage Ratio
2007	14,992,780	2,484,444	6.03
2008	16,013,213	2,484,444	6.45
2009	9,260,338	2,484,444	3.73
2010	8,745,909	2,484,444	3.52
2011	10,201,500	2,484,444	4.11

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan.

The 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 Enterprise is continuously implementing the results of this process in its capital improvements plan. T he following schedule provides the Enterprise's currently proposed capital improvements plan expenditures for the years 2012-2017:

PROPOSED CAPITAL IMPROVEMENT PLAN
FOR 2012 THROUGH 2017[1]

Project Description	2012	2013	2014	2015	2016	2017
Storm Drainage	$23,047,592	$22,141,721	$22,621,351	$23,391,334	$20,766,472	$21,350,529
Sanitary Sewerage	6,139,191	6,474,146	6,669,554	6,011,832	7,366,708	6,665,069
Total	$29,186,784	$28,615,867	$29,290,905	$29,403,166	$28,133,180	$28,015,598

1 2011 dollars have been inflated at an annual rate of 3%.

(Source: Wastewater Enterprise Department of Finance)

THE AIRPORT SYSTEM

Description of the Airport

The Municipal Airport System ("Airport System") is owned by the City and the power to operate, maintain, and control the Airport System is vested in its Department of Aviation. The primary asset of the Airport System is Denver International Airport (the "Airport"), which is the primary air carrier airport for the Denver air service region. The Airport is situated approximately 24 miles northeast of Denver's central business district and encompasses approximately 53 square miles. The Airport's passenger complex has a landside terminal and three airside concourses. The airside concourses provide 92 full-service jet gates for large jet aircraft and up to 64 parking positions for regional/commuter airline aircraft. The Airport has six runways – four oriented north-south and two oriented east-west. Five runways are 12,000 feet long and 150 feet wide. The sixth is 16,000 feet long and 200 feet wide and can accommodate fully loaded jumbo jets and large airlines, 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 airline service to more than 160 cities. Denver's natural geographic advantage as a connecting hub location has been enhanced by Denver International Airport's ability to accommodate aircraft landings and takeoffs in virtually all weather conditions. In 2011, 52.8 million passengers traveled through Denver International Airport, of which approximately 50.1% originated or terminated their air journeys in Denver, and 49.9% made flight connections. The Denver Metropolitan Area, with a population of more than 2.9 million, is the primary region served by Airport.

According to the Airports Council International, in 2011 the Airport was ranked as the fifth busiest airport in the nation and the 11th busiest airport in the world based on total passengers. As shown in Table 31, in 2011, enplaned passengers increased to 26.46 million, a 1.7% increase over 2010 and a 5.3% increase over 2008. The totals include activity data for major/national airlines, regional/commuter airlines and charter airlines.

Information contained in Tables 31, 32, and 33 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.

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 31

AIRPORT SYSTEM
HISTORICAL ENPLANED PASSENGERS
BY AIRLINE TYPE[1]
2007-2011

	Major/National Airlines[2]		Regional/Commuter Airlines		Charter/Miscellaneous Airlines		Total Airlines	
Year	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change	Enplaned Passengers	Percent Change
2007	20,774,889	5.6%	3,945,388	4.1%	220,676	10.8%	24,940,953	5.4%
2008	21,514,216	3.6	3,945,641	0.0	190,386	(13.7)	25,650,243	2.8
2009	20,646,529	(4.0)	4,239,139	7.4	242,365	27.3	25,128,033	(2.0)
2010	21,032,064	1.87	4,666,047	10.1	326,811	34.8	26,024,922	3.6
2011	21,709,457	3.2	4,439,844	(4.8)	306,494	(6.2)	26,455,795	1.7

1 Includes revenue and non-revenue enplaned passengers.

2 Includes Ted in 2007-2008 and Lynx in 2007- March 2011.

(Source: Department of Aviation)

The following table shows enplaned passengers for individual airlines serving the Airport System for 2010 and 2011, and comparative market share information based on enplaned passengers for such periods.

Table 32

AIRPORT SYSTEM
PERCENTAGE OF ENPLANED PASSENGERS BY AIRLINE

	Calendar Year	
Airline	2010	2011
United	28.4%	24.2%
United Express	16.0	15.4
Continental	2.1	3.3
Total United Group	46.4	42.9
Frontier and Frontier/Republic	20.2	22.1
Lynx	1.2	0.1
Frontier JetExpress	0.1	-
Total Frontier Group	21.5	22.2
Southwest	18.2	21.8
American Airlines	2.7	2.3
Delta	3.9	3.8
US Airways	2.3	2.4
Other	5.0	4.5
Total Other	13.9	13.6
Total	100.0%	100.0%

(Source: Department of Aviation)

The following table sets forth a summary of selected aviation activity at the Airport for the period of 2007 through 2011.

Table 33
SUMMARY OF AVIATION ACTIVITY - DENVER INTERNATIONAL AIRPORT
(In thousands – Totals may not add due to rounding)

	Calendar Year[1]				
	2007	**2008**	**2009**	**2010**	**2011**
Enplaned Passengers (millions):					
United	8.324	8.361	8.165	7.386	6.400
Ted[2]	1.955	1.105	--	--	--
United Express	3.018	2.906	3.438	4.152	4.087
Continental	0.550	0.520	0.510	0.542	0.863
Total United Group	13.846	12.892	12.113	12.079	11.351
Frontier[3]	5.118	5.812	5.181	5.259	5.859
Lynx[4]	0.017	0.504	0.602	0.311	0.031
Frontier JetExpress[5]	0.533	0.216	--	0.025	--
Total Frontier Group	5.668	6.531	5.782	5.595	5.890
Southwest	1.322	2.379	3.614	4.726	5.756
Other	4.104	3.849	3.619	3.624	3.459
Total	24.941	25.650	25.128	26.025	26.456
Percent Change from Prior Year	5.39%	2.84%	(2.04)%	3.57%	1.66%
Originating Passengers (millions):	14.243	14.335	13.656	14.101	14.595
Percent of Total Enplaned	57.1%	55.9%	54.3%	54.2%	55.2%
Connecting Passengers (millions)	10.698	11.315	11.472	11.923	11.861
Percent Connecting of Total Enplaned	42.9%	44.1%	45.7%	45.8%	44.8%
United Group Passengers: [2]					
Percent Originating	43.8%	42.7%	39.2%	38.2%	39.5%
Percent Connecting	56.2%	57.3%	60.8%	61.8%	60.5%
Frontier Passengers:					
Percent Originating	57.1%	50.5%	49.5%	50.4%	50.0%
Percent Connecting	42.9%	49.5%	50.5%	49.6%	50.0%
Southwest Passengers:					
Percent Originating	95.2%	84.4%	75.5%	71.4%	70.5%
Percent Connecting	4.8%	15.6%	24.5%	28.6%	29.5%
Average Daily Departures:					
Passenger Airlines:					
United and Ted[2]	229	207	171	149	130
United Express	194	192	216	246	246
Frontier	138	167	158	158	152
Frontier JetExpress	29	10	--	1	--
Southwest	39	78	108	124	147
Other	177	160	149	156	157
Total Passenger Airlines	806	814	802	833	832
All-Cargo Airlines	27	26	25	25	25
Total	833	840	827	858	856
Percent Change from Prior Year	4.11%	0.76%	(1.56)%	3.75%	(0.15)%
Landed Weight (billion pounds):					
Passenger Airlines:					
United and Ted[2]	12.808	11.790	10.499	9.568	7.925
United Express	3.636	3.616	4.200	4.999	4.826
Frontier	6.716	7.342	6.768	6.714	6.679
Frontier JetExpress	0.698	0.263	--	0.030	--
Southwest	1.781	3.508	4.817	5.611	6.656
Other	5.831	5.406	5.165	5.131	5.218
Total Passenger Airlines	31.471	31.925	31.449	32.054	31.304
All-Cargo Airlines	1.363	1.325	1.250	1.222	1.207
Total	32.834	33.250	32.699	33.275	32.512
Percent Change from Prior Year	3.11%	1.27%	(1.66)%	1.76%	(2.29)%
Enplaned Cargo (million pounds)[6]	262.724	248.122	221.444	241.710	242.491
Percent Change from Prior Year	(6.35)%	(5.56)%	(10.75)%	9.15%	0.32%
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	451,228	460,311	456,675	468,962	452,223
Air Taxi/Commuter/Military/General Aviation	168,086	165,533	155,302	166,483	182,457
Total	619,314	625,844	611,977	635,445	634,680
Percent Change from Prior Year	1.61%	1.05%	(2.22)%	3.83%	(0.12)%

Footnotes on following page.

Footnotes for Table 33

1 See "Aviation Activity" above

2 Ted commenced service at the Airport in February 2004; however, United discontinued Ted in 2008 and ceased reporting separate enplanement data for Ted commencing with August 2008.

3 Includes Frontier and Frontier/Republic.

4 Lynx commenced service at the Airport in December 2007. In March 2011, however, Republic Holdings discontinued Lynx and transitioned its Q400 turboprop service to the Frontier Express brand. See "Airline Information — *The Frontier Group*" hereafter.

5 Several airlines operated as Frontier JetExpress during this period, the most recent of which was Midwest Express, which ceased operating as such in the fall of 2010.

6 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 2% of Gross Revenues. See Table 35

(Source: Department of Aviation)

Factors Affecting 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 experienced declines in passenger traffic and associated revenues in 2001 and 2002 in the aftermath of the terrorist incidents of September 11, 2001. The Airport was also negatively impacted by the global economic recession that began in late 2007 and the associated weakened demand for air travel and reduced airline passenger capacity. In 2008, although the number of enplaned passengers at the Airport continued to increase, the rate of growth declined from that experienced in previous years and in 2009 the number of enplaned passengers at the Airport actually declined by 2.0%. In 2010, however, the number of enplaned passengers at the Airport rebounded with an increase of 3.6% over 2009 and in 2011 enplaned passengers increased 1.66% over 2010.

Future aviation activity and enplaned passenger traffic at the Airport will depend on many local, regional, national and international factors, including, economic and political conditions, aviation security concerns, the financial health of the airline industry and 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.

United Group (United and Continental)

United is the principal carrier at the Airport. The Airport is a primary connecting hub in United's route system both in terms of passengers and flight operations. Under a Use and Lease Agreement with the City, United currently leases 36 of the existing 90 full service jet gates at the Airport, as well as a 16-gate regional jet facility on Concourse B.

United and Continental Airlines merged ("United/Continental Merger") effective October 1, 2010, under a plan in which United and Continental became wholly-owned subsidiaries of UAL Corporation, which then changed its name to United Continental Holdings, Inc. ("United Continental Holdings"). United Continental Holdings has integrated the two airlines under the United brand effective as of November 30, 2011 and is operating under a single Federal Aviation Administration ("FAA") operating certificate. United, together with its United Express regional commuter affiliates, including Continental Airlines and its Continental Express affiliates (collectively, the "United Group") accounted for approximately 42.9% of passenger enplanements at the Airport in 2011 (39.6% for United/United Express and 3.3% for Continental).

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. The repayment of these bonds is the sole responsibility of United.

Frontier Group (Frontier and Republic Holdings)

Frontier Airlines Inc. ("Frontier") and its affiliates had the second largest market share at the Airport in 2011. The Airport is presently Frontier's only hub and in 2011 was the busiest airport in the Frontier system. Frontier currently leases 18 gates at the Airport under a Use and Lease Agreement with the City. Frontier and Lynx Aviation, Inc. ("Lynx"), which ceased operations in March 2011, are both wholly-owned subsidiaries of Frontier Airlines Holdings Inc. ("Frontier Holdings"), which in turn is a wholly-owned subsidiary of Republic Airways Holdings, Inc. ("Republic Holdings"). Frontier, Republic Airlines (also a Republic Holdings subsidiary) operating as Frontier ("Frontier/Republic"), Lynx and Frontier JetExpress commuter affiliates (collectively, the "Frontier Group") accounted for approximately 22.3% of passenger enplanements at the Airport in 2011.

On October 1, 2009, Frontier Holdings (Frontier and Lynx), following its bankruptcy, was acquired by and became a wholly-owned subsidiary of Republic Holdings. Republic Holdings has integrated the operations of its Midwest Airlines brand under the Frontier brand. In March 2011, Republic Holdings discontinued the operations of Lynx and transitioned its Q400 turboprop service to Frontier Express ("Frontier Express"), a new brand operated by Frontier/Republic and Chautauqua Airlines (also a Republic Holdings subsidiary).

Southwest Airlines

Southwest Airlines ("Southwest") had the third largest market share at the Airport in 2011 and the second largest market share in the first six months of 2012. 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. B ased on scheduled departing seats, the Airport is estimated to be the sixth busiest airport in the Southwest system in 2012. Southwest currently leases 17 gates at the Airport under a Use and Lease Agreement with the City, however, a new Use and Lease Agreement has been forwarded to it and upon execution thereof by Southwest and the City, it will lease 19 gates at the Airport. Southwest accounted for approximately 21.8% of passenger enplanements at the Airport in 2011. In May 2011, Southwest acquired AirTran Holdings, Inc. (the parent of AirTran Airways). Southwest is integrating AirTran Airways into the Southwest brand, and is now operating Southwest and AirTran Airways under a single FAA operating certificate.

Other Passenger Airline Information

Except for the United Group, the Frontier Group and Southwest, no single airline accounted for more than 5% of passenger enplanements at the Airport in 2011 or more than 5% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport System's Gross Revenues in 2011

The 2013-2018 Capital Program

The current capital program for the Airport represents the City's expectations of future Airport's capital needs in order to maintain, reconstruct and expand Airport facilities through 2018.

The Airport capital needs between 2013 and 2018 is summarized in the following table.

TABLE 34

2013-2018 AIRPORT PLANNED CAPITAL PROGRAM PROJECTS
(Amounts expressed in 000's; totals may not add due to rounding)

	2013[1]	**2014**	**2015**	**2016**	**2017**	**2018**	**Total**[2]
Airfield	115,760	$ 23,940	$ 28,200	$24,100	$12,100	$12,100	$ 216,200
Baggage/AGTS	26,275	11,400	0	0	0	0	37,675
Commercial	17,121	14,550	14,000	0	0	0	45,671
Environmental/Utilities	17,549	0	0	0	0	0	17,549
Other CIP	58,596	12,041	4,500	0	0	0	75,137
Roads	12,953	13,250	5,100	8,000	2,100	1,000	42,403
Technologies	31,907	6,035	2,277	2,835	2,415	1,242	46,710
Terminal Complex	49,348	16,000	9,000	4,000	2,000	1,000	81,348
South Terminal Redevelopment Program	349,626	135,000	15,000	0	0	0	499,626
TOTAL	**679,135**	**$232,216**	**$78,077**	**$38,935**	**$18,615**	**$15,342**	**$1,062,319**
South Terminal Redevelopment Program Components:							
Hotel	98,000	70,000	12,000	0	0	0	180,000
Non-Hotel	251,626	65,000	3,000	0	0	0	319,626
TOTAL	**349,626**	**135,000**	**15,000**	**0**	**0**	**0**	**499,626**

1 Payment of certain of these project costs in the total approximate amount of $283 million is budgeted for 2012
2 Expressed in 2012 dollars

(Source: Department of Aviation)

The single largest component of the 2013-2018 Capital Program is an addition to the landside terminal, known as the South Terminal Redevelopment Program, consisting of a variety of projects described below, which are in part under construction.

The Regional Transportation District ("RTD") is in the process of expanding commuter and light rail service throughout the greater Denver metropolitan area, known as the "FasTracks Program." RTD has entered into a Concession Agreement with Denver Transit Partners ("DTP"), under which DTP will design, construct, finance, operate and maintain the Eagle P3 Project, including the "East Corridor" of the program, to consist of a commuter rail line connecting Denver Union Station, located in downtown Denver, with the Airport. The East Corridor rail service currently is planned by RTD to commence in January 2016. Neither the City nor the Department 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, and RTD entered into the Intergovernmental Agreement for the FasTracks East Corridor Project (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, among other things, is required to finance and build a train station and a "terminal-to-station" interface at the Airport (the "DIA Rail Station"). The Department is obligated under the FasTracks East Corridor IGA to have the DIA Rail Station substantially completed by January 1, 2014, allowing RTD complete and uninterrupted access in order that RTD may complete the installation and begin operational testing of the commuter rail line. The Department will be responsible for operating and maintaining only certain portions of the DIA 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 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.

TABLE 35

AIRPORT SYSTEM
HISTORICAL ENPLANED CARGO OPERATIONS
2007-2011
(in pounds)

Year	Air mail	Freight and Express	Total	% Change
2007	5,359,863	257,363,998	262,723,861	
2008	11,783,176	236,339,165	248,122,341	(5.5)
2009	12,918,962	208,524,571	221,443,533	(10.8)
2010	19,663,000	222,047,310	241,710,310	9.2
2011	18,612,677	223,878,051	242,490,728	0.3

(Source: Department of Aviation)

Outstanding Bonds and Notes

Senior and Subordinate Bonds have been issued to fund capital construction and maintenance of the Airport. As of December 31, 2011, the total aggregate amount of all outstanding Bonds is as follows ($ in thousands):

Table 36

AIRPORT SYSTEM – OUTSTANDING BONDS[1]

As of December 31, 2011
(Amounts expressed in 1,000's)

Series	Outstanding
Series 1991D Bonds	$40,005
Series 1992C Bonds	40,080
Series 1992F Bonds	22,200
Series 1992G Bonds	18,400
Series 1995C Bonds	3,770
Series 1997E Bonds	36,450
Series 1998A Bonds	128,695
Series 1998B Bonds	103,395
Series 2002C Bonds	33,900
Series 2002E Bonds	119,390
Series 2003A Bonds	161,965
Series 2003B Bonds	91,460
Series 2005A Bonds	227,665
Series 2006A Bonds	279,585
Series 2006B Bonds	65,690
Series 2007A Bonds	188,350
Series 2007B Bonds	24,250
Series 2007C Bonds	34,635
Series 2007D Bonds	147,815
Series 2007D2 Bonds	29,200
Series 2007E Bonds	47,400
Subseries 2007F1 Bonds	51,650
Subseries 2007F2 Bonds	51,425
Subseries 2007F3 Bonds	51,425
Subseries 2007F4 Bonds	51,525
Subseries 2007G1 Bonds	73,500
Subseries 2007G2 Bonds	73,500
Subseries 2008A1 Bonds	138,765
Series 2008B Bonds	75,100
Subseries 2008C1 Bonds	92,600
Subseries 2008C2 Bonds	100,000
Subseries 2008C3 Bonds	100,000
Series 2009A Bonds	170,190
Series 2009B Bonds	65,290
Series 2009C Bonds	104,655
Series 2010ABonds	171,360
Series 2011A Bonds	349,730
Series 2011B Bonds	198,370
Series 2011C Bonds	15,310
Total Outstanding Bonds	$3,778,695

[1] $54.88 million of economically defeased bonds are legally outstanding but are not reported in this table.

(Source: Department of Aviation Audited Financial Report for 2011)

On April 11, 2011, the Airport issued Airport System Revenue Bonds, Series 2011A, in the amount of $349,730,000. The proceeds were used to refund subseries 2008A3 and 2008A4 Bonds and to purchase portions of the Series 2000A Bonds.

On October 5, 2011, the Airport issued Airport System Revenue Bonds, Series 2011B and 2011C in the amounts of $198,370,000 and $15,310,000, respectively. The proceeds were used to refund all of the remaining 2001A, 2001B and 2001D Bonds.

On July 29, 2011 and August 8, 2011, the 2008B and 2008C1 series, respectively, were privately places with Wells Fargo Bank, N.A. The interest rate mode was changed to a weekly reset that is indexed to a percentage of 1 month LIBOR.

On August 31, 2011, the 2008C1 and 2008C2 series were privately placed with Royal Bank of Canada. The interest rate mode was changed to a weekly reset that is indexed to a percentage of 1 month LIBOR

The Airport has a variety of derivatives, including derivatives with JP Morgan Chase and Wachovia, which derivatives may be impacted by the action styled In re: Municipal Derivatives Antitrust Litigation MDL No. 1950, Master Civil Action No. 0 8-2516 in the U.S. District Court for the Southern District of New York. See "*Management Discussion of 2012 Budget*" above.

Subordinate Commercial Paper Notes. Airport System Subordinate 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. On January 27, 2011, the Airport entered into a Letter of Credit Agreement with Barclays Capital Inc., allowing the Airport to issue Subordinate Commercial Paper Notes. On May 30, 2012 the Airport issued $56,000,000 of Commercial Paper.

Subordinate Hedge Facility Obligations. In 1998, 1999, 2002, 2005, 2006, 2007 and 2008, 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 financial statements of the Airport System for fiscal year 2011.

Installment Purchase Agreements. The Airport System entered into various Master Installment Purchase Agreements. As of December 31, 2011 the following Agreements were outstanding:

Date Entered	Firm	Amount	Interest Rate
8/1/2006	GE Capital Public Finance	$20,000,000	4.6700%
10/26/2006	Koch financial Corporation	$23,000,000	4.3400%
10/26/2006	Koch financial Corporation	$2,000,000	4.2200%
10/26/2006	GE Capital Public Finance	$9,000,000	4.1600%
8/5/2008	Chase Equipment Leasing Inc	$15,300,000	3.3290%

On January 10, 2012, The City entered into an Installment Purchase Agreement for $20.5 million with Sovereign Leasing LLC., to finance capital equipment purchases, at a rate of 1.9595%.

Summary Financial Information

The following table sets forth five years of operating results of the Airport System.

TABLE 37

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

	2007	2008	Restated 2009[1]	2010	2011
Operating revenues	$530,151	$540,760	$564,490	$601,402	$602,769
Operating Expenses	290,773	373,829	379,517	409,865	392,862
Operating income before depreciation	239,378	166,931	184,973	191,537	209,908
Depreciation and Amortization	159,309	168,026	177,583	181,496	179,070
Operating Income	80,069	(1,095)	7,390	10,041	30,838
Non-Operating Revenues (Expenses) net	(49,127)	(44,987)	(59,749)	(87,795)	(75,489)
Capital Contributions	2,426	14,393	38,621	30,200	34,702
Change In Net Assets	$33,368	($31,689)	($13,738)	($47,554)	($9,949)

1 2009 has been restated for adoption of GASB 53. 2007 and 2008 has not been restated for adoption of GASB 53.

(Source: Department of Aviation)

Table 38

HISTORICAL NET REVENUES AND DEBT SERVICE COVERAGE
UNDER THE BOND ORDINANCE
FOR THE FISCAL YEAR ENDED DECEMBER 31
($ in thousands)

	2007	2008	Restated 2009	2010	2011
Gross Revenues	$616,106	$635,607	$631,592	$668,885	$702,157
Operation & Maintenance Expenses	282,746	305,382	309,270	302,881	312,278
Net Revenues	333,360	330,225	322,322	366,004	389,879
Other Available Funds[1]	53,251	53,575	49,288	57,449	57,528
Total amount available for Debt Service Requirements	$386,611	$383,800	$371,610	$423,453	$447,407
Debt Service Requirement[2,3]					
Senior and Subordinate Bonds	$229,923	$240,028	$237,905	$235,244	$235,356
Debt Service Coverage					
Senior and Subordinate Bonds	168%	160%	156%	180%	190%

1 Other Available Funds includes amounts available in the Coverage Account of the Capital Fund to be applied to help fund the rate maintenance covenant of the Ordinance.
2 Excludes debt service on Senior Bonds which are to be paid from certain passenger facility charges.
3 Excludes debt service payable from amounts funded by capitalized interest.

(Source: Airport Financial Statements for 2011)

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2011 Dollars
$11.57[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED (excludes Continental)
2011 Dollars
$14.55[1]

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

(Source: Department of Aviation)

HISTORICAL PASSENGER FACILITY CHARGE REVENUES
($ in thousands)

Year	Revenues
2007	$97,191
2008	96,786
2009	96,865
2010	102,595
2011	103,210

(Source: Department of Aviation)

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CONTACTS FOR FURTHER INFORMATION

Compliance Officer for the City and County of Denver, Colorado 2011 Disclosure Statement:

Cary Kennedy
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
Denver J. Maw
Senior Financial Management Analyst
201 West Colfax Avenue, Dept. 1004
Denver, Colorado 80202
(720) 913-9353 (Phone)
(720) 913-9460 (Fax)
www.denvergov.org/DisclosureStatements

Comprehensive Annual Financial Report:
Beth Machann
Controller
201 West Colfax Avenue
Denver, Colorado 80202
(720) 913-5000 (Phone)
(720) 913-5247 (Fax)
http://denvergov.org/controller

Financial Statements and Supplementary Information - Airport System:
Department of Aviation
Denver International Airport
Patrick Heck
Deputy Manager of Aviation/Finance and Administration
Administration Division
8500 Pena Boulevard
Denver, Colorado 80249-6340
(303) 342-2400 (Phone)
(303) 342-2460 (Fax)
http://business.flydenver.com/stats/index.asp

Financial Statements - Board of Water Commissioners:
Denver Water Board
Usha Sharma
Manager of Treasury Operations
1600 West 12th Avenue
Denver, Colorado 80204
(303) 628-6410 (Phone)
(303) 628-6479 (Fax)
http://www.denverwater.org/AboutUs/FinancialInformation/

The 2012 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2011– available on the City's website or from the Controller's Office. See above.

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

INTRODUCTION

Through much of 2011, employment data suggested Colorado was still lagging the nation in recovery from the "Great Recession." Various explanations seemed plausible: Colorado's economy had relied more heavily on the construction industry than economies in other states, Colorado had entered the downturn later than other states, and Colorado lacked the manufacturing industry base that seemed to be driving solid recoveries in Texas, parts of the Northeast, and the upper Midwest.

A 2012 revision to employment data dramatically changed the perception of Colorado's post-recession economy, however. Where it initially appeared the state was lagging the national recovery in both 2010 and 2011, the revised data show Colorado job growth actually outpaced growth reported nationwide in all but one month of 2011. The revised data also showed Colorado's 2011 annual unemployment rate was slightly lower than previously thought and was considerably lower than the U.S. average. Growth advantages aside, Colorado's economy is not independent of national trends: political conflict, slow growth in nationwide economic output, and unstable foreign economies have had a very real impact on business in the state. Even so, Colorado's recovery is well underway and the state had the sixth highest job growth rate of the 50 states in 2011.

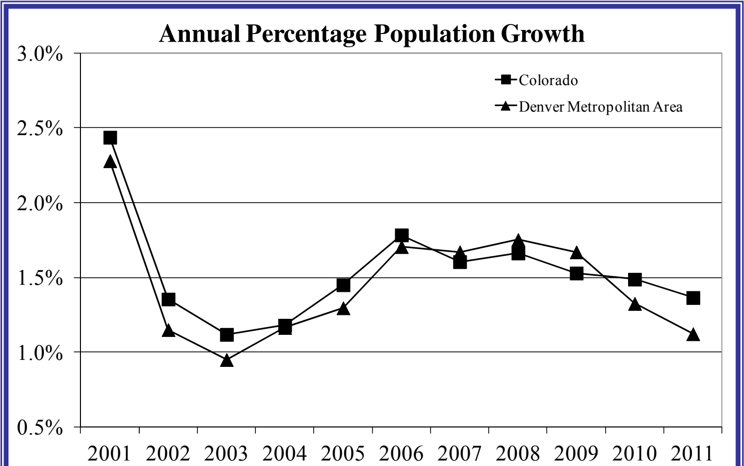
As Colorado's economy thrives, so will the economy in the Denver metropolitan area. The area is comprised of seven counties – Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson. The Denver metropolitan area economy strongly influences the economy statewide as the area accounts for about 60 percent of Colorado jobs and 55 percent of the state's total population. Like the Colorado employment data, data for the Denver metropolitan area underwent a significant annual revision that showed the recovery in 2011 was much stronger than original estimates indicated. This was particularly true of the region's natural resources and construction and information sectors, which ended 2011 with much smaller employment deficits than analysts originally calculated. Four large industry sectors – professional and business services, education and health services, leisure and hospitality, and wholesale and retail trade – accounted for the vast majority of Denver metropolitan area jobs added between 2010 and 2011.

POPULATION

Colorado

Data from the most recent decennial census show Colorado was home to more than five million residents in 2010 and ranked as the 22nd-most populous state in the nation. The state's population growth between 2010 and 2011 reached 1.4 percent, or a rate twice the national average.

Population growth depends on two components – natural increase and net migration. Natural increase is the difference between births and deaths, and it tends to change 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 58 percent of Colorado's total population change between 2001 and 2011, and net migration accounted for 42 percent.



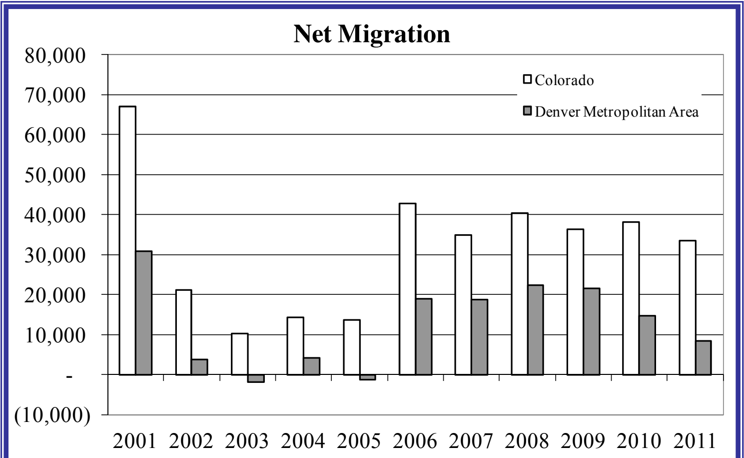
Source: Colorado Division of Local Government, Demography Section.

As Colorado's economy both expanded and contracted over the past decade, single-year net migration has represented as much as 63 percent and as little as 20 percent of the state's total population change. As Colorado's economy recovers and the state continues to attract households seeking good quality of life, demographers expect net migration as a share of total population will gradually increase over the next several years and then flatten. Historically, the largest groups of new Colorado residents have hailed from California, Texas, Arizona, and Florida.

Denver Metropolitan Area

The Denver metropolitan area is a magnet for new Colorado residents, although the two nationwide recessions that occurred over the past decade made net migration's share of regional population growth somewhat smaller than it was during the 1990s and early 2000s. Net migration represented 31 percent of total Denver metropolitan area population growth between 2001 and 2011, and natural increase represented 69 percent of total growth.

Even with slower net migration during recession periods, the Denver metropolitan area's average annual population growth over the past decade – 1.3 percent – was noticeably faster than the national average (0.9 percent). The region's population grew 1.1 percent between 2010 and 2011 and the Denver metropolitan area is now home to more than 2.8 million residents.



Source: Colorado Division of Local Government, Demography Section.

As its total population continues to grow at a faster-than-average pace, the Denver metropolitan area's young adult population is growing quickly as well. A study released by the Brookings Institution in late 2011, for example, showed the Denver-Aurora-Broomfield metropolitan statistical area ranked first among large metro areas for total population growth in the 25- to 34-year age group between 2008 and 2010.[1] The Denver metropolitan area's median age (36.4) is lower than the nationwide median (37.3), and the total share of the region's population age 65 and older (about 11 percent) is somewhat smaller than the comparable share nationwide (13 percent).

[1] William H. Frey. "Young Adults Choose 'Cool' Cities During Recession." The Brookings Institution. October 2011.

Denver Metropolitan Area Population by County

	2001	2006	2011	Avg. Annual Population Growth (%) 2001-2006	2006-2011
Adams	359,437	407,587	451,914	2.5	2.1
Arapahoe	501,671	536,051	582,106	1.3	1.7
Boulder	283,510	286,133	297,814	0.2	0.8
Broomfield	41,387	51,152	57,556	4.3	2.4
Denver	563,300	562,862	612,219	0.0	1.7
Douglas	199,038	257,833	291,077	5.3	2.5
Jefferson	528,067	524,579	537,487	-0.1	0.5
Denver Metropolitan Area	**2,476,410**	**2,626,179**	**2,830,174**	**1.2**	**1.5**
Colorado	**4,444,513**	**4,745,660**	**5,119,779**	**1.3**	**1.5**

Source: Colorado Division of Local Government, Demography Section.

Of the seven Denver metropolitan area counties, Douglas County, the City and County of Broomfield, and Adams County have 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 2006 and 2011.

City and County of Denver

As the table above shows, the City and County of Denver began the 2000s as one of the Denver metropolitan area's slower-growing counties and finished the decade with an average annual population growth rate that exceeded the national and statewide averages. Rapid growth in newer suburbs – including Stapleton and Green Valley Ranch – and, more recently, growth in revitalized downtown neighborhoods has quickened population gains for the City and County of Denver as a whole. In fact, demographers expect net migration will contribute positively to the county's population – as it has done only recently – until the later years of this decade.

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 groups that form 11 industry "supersectors."

Colorado

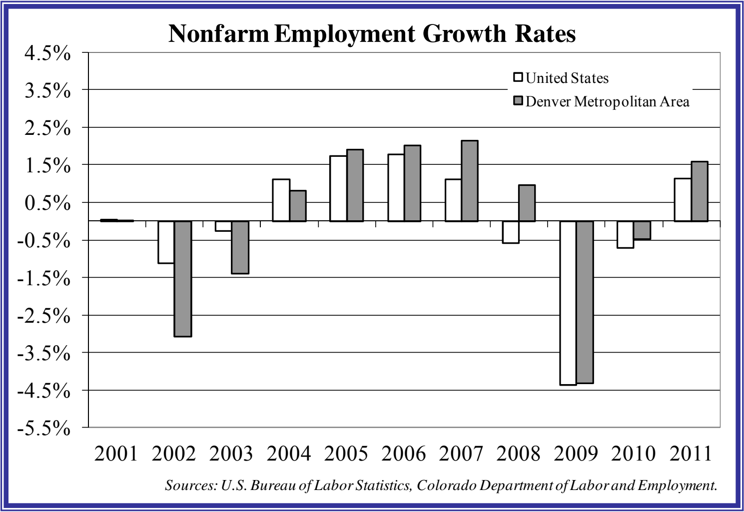
CES data show Colorado average annual employment growth between 2001 and 2011 was a slight 0.1 percent and was hardly faster than the nation's zero percent growth average over the same period. This does not necessarily suggest Colorado's job trends resembled trends in other states during the past decade, which was marked by two nationwide recessions. Rather, Colorado experienced a deeper-than-average 2001 recession, expanded more quickly than many other states following the downturn, and repeated the "deeper decline, sharper rise" pattern during the 2007 recession.

This pattern of amplified employment trends suggests Colorado's industry mix – one with large concentrations of high-tech, natural resource, and construction activity – gave the state unique advantages and exposures in a decade marked by booms and busts in those industries. Colorado also lacks the depth of employment in manufacturing and public-sector healthcare and education that appeared to benefit some states immediately after the recession ended. As a result, Colorado's employment contracted slightly more (-1 percent) between 2009 and 2010 than the national average (-0.7 percent). Colorado was not long in lagging other states' economies, however. In fact, Colorado job growth between 2010 and 2011 (+1.5 percent) ranked as the sixth-highest in the country and was noticeably faster than growth reported nationwide (+1.1 percent). Partly because of this revived growth, Colorado had slightly more jobs in 2011 than in 2001 while the nation lost jobs, on net, over the decade.

Denver Metropolitan Area

The Bureau of Labor Statistics also compiles CES data for a number of Metropolitan Statistical Areas (MSAs), including the Denver-Aurora-Broomfield 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 reflect the Denver MSA and Boulder MSA (Boulder County) combined.

This 11-county region has a nonfarm employment base of nearly 1.4 million workers. Because much of Colorado's high-tech workforce is concentrated in the Denver metropolitan area, the area's job losses in the tech-led 2001 recession were considerably more severe than losses reported statewide and nationwide. The region's economy also took longer than other economies to recover from the 2001 downturn but by 2005 was again adding jobs at a pace that exceeded the national average.

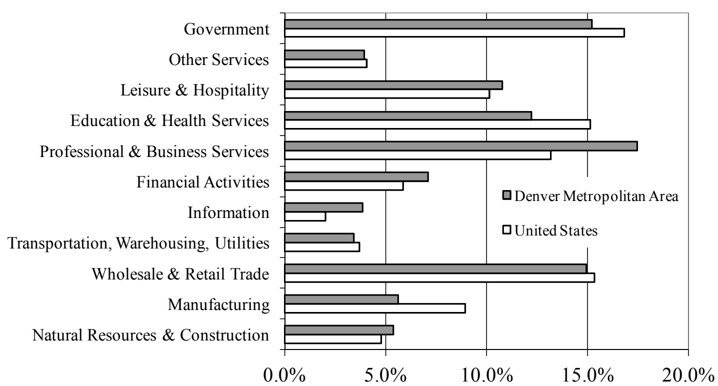


The Denver metropolitan area entered the 2007 recession somewhat later than other areas, but the area's economy ultimately lost jobs at a rate comparable to the rate of job loss reported nationwide. By the second half of 2010, however, Denver metropolitan area employment rose above the year-ago level and continued to recover throughout 2011. While the region had slightly fewer jobs in 2011 than it had in 2001, 2011 employment data suggest the Denver metropolitan area was again poised for growth: the region's total job growth between 2010 and 2011 (+1.6 percent) was noticeably higher than the national average (+1.1 percent).

Four industry supersectors – professional and business services, education and health services, leisure and hospitality, and wholesale and retail trade – accounted for the vast majority of Denver metropolitan area jobs added between 2010 and 2011. 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. Employment in the region's second-largest industry supersector, government, declined slightly (-0.3 percent) between 2010 and 2011 as local, state, and federal agencies struggled to balance lower revenues and higher demands for public services.

Employment in four of the Denver metropolitan area's six remaining supersectors also declined between 2010 and 2011, although losses in percentage terms were generally small with the largest loss (-1.0 percent) in the information supersector. Notably, the natural resources and construction supersector – arguably the hardest hit during the 2007 recession – reported one of the smallest job declines (-0.3 percent) among all Denver metropolitan area supersectors that lost jobs in 2011.

Distribution of Nonfarm Employment by Industry (2011)



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

City and County of Denver

The City and County of Denver is the employment center for the Denver metropolitan area and accounts for about 32 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. Denver had the state's largest job base of roughly 422,800 workers in 2011. The county's average annual employment grew 0.5 percent from 2010 and 2011.

The City and County of Denver's three largest industry supersectors by employment concentration are professional and business services (19 percent), government (16 percent), and education and health services (13 percent). Total employment rose between the fourth quarters of 2010 and 2011 in seven of the 11 industry supersectors with the largest increases in natural resources and construction (+4.3 percent), professional and business services (+4 percent), and leisure and hospitality (+2.7 percent).

Of the four industry supersectors that contracted in the City and County of Denver over-the-year, the steepest decline was in the information supersector (-10.7 percent) resulting from the former Qwest Communications merger with CenturyLink. Employment in the government sector located in the City and County of Denver also experienced a sharp 5.7 percent decline in employment due to budgetary challenges at all levels of government.

LABOR FORCE & UNEMPLOYMENT

Though higher than it was during the late 1990s, the nation's unemployment rate in the early 2000s – between five and six percent in most years – was relatively stable even through the 2001 recession. The 2007 recession, however, drove the U.S. unemployment rate to highs not seen since the early 1980s. Unemployment declined between 2010 (9.6 percent) and 2011 (8.9 percent), but the 2011 rate was still the fifth highest reported in records dating back to 1947.

Colorado

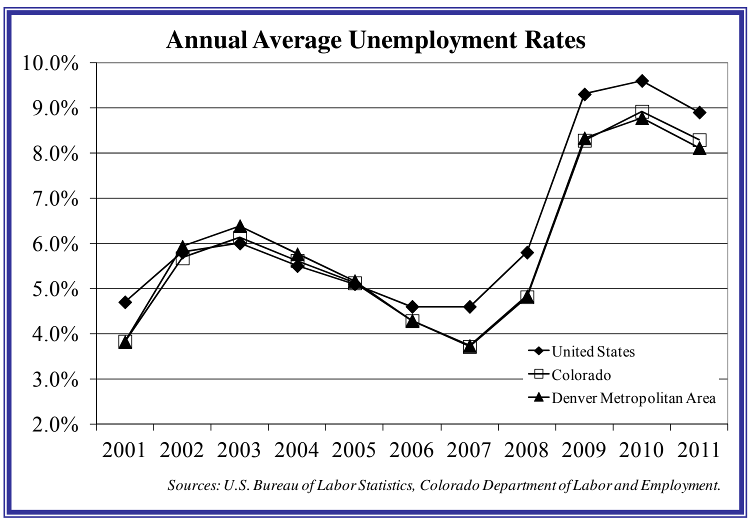
Periods of rapid growth in natural resource- and tech-related employment are partly behind Colorado's long history of lower-than-average unemployment. The state's rate exceeded the national average following the 2001 recession but again fell below the U.S. rate from 2006 forward. Colorado unemployment remained below the U.S. average during and after the 2007 recession as well, but this particular advantage was perhaps not as meaningful as it was in the past: Colorado's 2010 unemployment rate (8.9 percent) was the highest reported for the state in records dating back to 1976, and the 2011 rate (8.3 percent) ranked second highest.

Denver Metropolitan Area

The effects of the 2001 recession kept the region's unemployment rate above the national average until 2006, but Denver metropolitan area unemployment remained below five percent through 2008. While it stayed below the national average throughout the most recent recession, the Denver metropolitan area unemployment rate – 8.8 percent in 2010 and 8.1 percent in 2011 – still reached some of the highest levels seen since the late 1980s.

Even so, the region is a magnet for a young and highly educated workforce. As mentioned previously, the Denver MSA outranked all other large MSAs for total in-migration of young adults between 2008 and 2010. Furthermore, the seven-county region's 2010 share of adults age 25 and older with a bachelor's or higher-level degree (40.2 percent) ranked fourth highest among shares for the 25-largest metros. Colorado had the nation's second-highest rate of bachelor's degree attainment (36.4 percent) in 2010.

Combined, the data suggest employers in the Denver metropolitan area will have access to significant workforce resources as the region's economy continues to recover.



City and County of Denver

The City and County of Denver is an urban center, so its unemployment rate tends to be higher than that of the greater Denver metropolitan area. Following the 2001 recession, unemployment in the City and County of Denver remained above the national average until 2007. The rate stayed below the U.S. average until 2010, when it reached 9.7 percent. The 2011 average, 9.1 percent, was one of the highest rates reported for the region since the late-1980s but was still within a few tenths of a percentage point of the national average rate.

MAJOR EMPLOYERS

Metro Denver Largest Private Sector Employers

Company	Product/Service	Employment
King Soopers Inc.	Grocery	12,540
Wal-Mart	General Merchandise	10,550
HealthONE Corporation	Healthcare	10,280
Exempla Healthcare	Healthcare	7,260
Safeway Inc.	Grocery	7,150
Lockheed Martin Corporation	Aerospace & Defense Systems	7,030
Centura Health	Healthcare	6,920
CenturyLink	Telecommunications	6,850
Kaiser Permanente	Healthcare	6,170
Target Corporation	General Merchandise	5,350
Comcast Corporation	Telecommunications	5,000
United Airlines	Airline	4,600
DISH Network	Satellite & TV Equipment	4,420
Children's Hospital Colorado	Healthcare	4,400
University of Colorado Hospital	Healthcare, Research	4,400
Wells Fargo Bank	Financial Services	4,400
University of Denver	University	4,310
IBM Corporation	Computer Systems & Services	4,200
United Parcel Service	Parcel Delivery	3,430
Frontier Airlines	Airline	3,360

Source: Development Research Partners, April 2012

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 2009, more than 98 percent of Colorado businesses 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 fourth-largest share of total jobs linked to sole proprietorship in 2010.

While small businesses and the self-employed are vitally important to the Denver metropolitan area economy, larger firms are also key providers of jobs and income. Census Bureau data show approximately 115 firms with 1,000 or more employees were operating in Colorado in 2009 and more than half of these large businesses were located in the Denver metropolitan area.

Nine companies headquartered in Colorado were included on the 2012 *Fortune 500* list. Arrow Electronics (130th) was the highest-ranked Colorado company, followed by DISH Network (191st), Liberty Interactive (230th), Newmont Mining (257th), Liberty Global (261st), Ball Corporation (297th), DaVita Inc. (359th), CH2M Hill (440th), and Western Union (445th).

Private sector businesses account for a 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 14,000 federal government employees, 19,700 state government employees, and 33,300 employees in local government entities including Denver Public Schools (13,100 employees) and the City and County of Denver (10,900 employees).

INTERNATIONAL TRADE

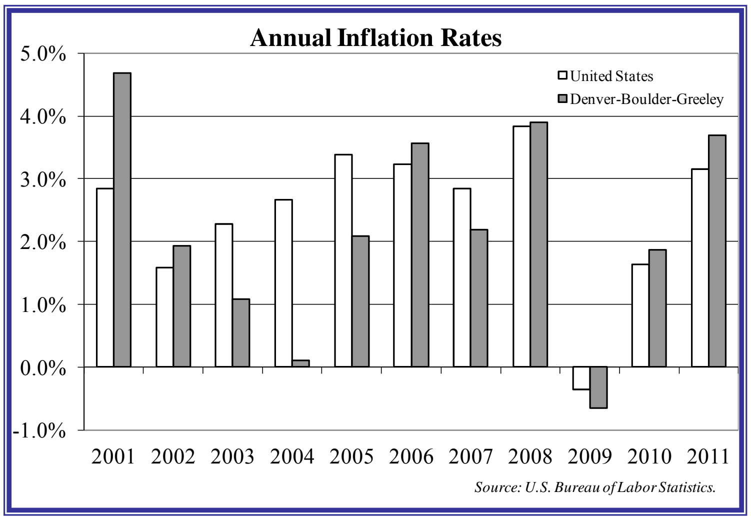
The Denver metropolitan area is located just west of the nation's geographic center and at the exact midpoint between Tokyo and Frankfurt. As a result, it serves as an ideal hub for businesses focused on interstate and international commerce. Shipping businesses can access the Denver metropolitan area via all transportation modes except water, and the region's location midway between Canada and Mexico – U.S. partners under the North American Free Trade Agreement (NAFTA) – is another asset for trade-focused companies. About 31 percent of the total dollar value of export shipments from Colorado went to Canada and Mexico in 2011; others of the state's largest trading partners include China, Japan, the Netherlands, and Germany.

The most recent recession took a significant toll on Colorado's exports, which fell sharply (-23.9 percent) between 2008 and 2009. Over that period, the decline in exports of computers and electronic products – Colorado's largest export commodity – was significantly sharper in Colorado (-41.3 percent) than it was nationwide (-15.6 percent). The state's total exports increased between 2009 and 2010 (+14.6 percent) and between 2010 and 2011 (+9 percent), but the gains in both periods were smaller than increases reported nationwide. A decline in chemicals exports and falling natural gas prices appear to have played a role in the state's slower-than-average export growth.

While Colorado's export base still relies heavily on computers and electronics, its range of traded commodities has grown significantly more diverse: computers and electronics represented 56 percent of the state's total export value in 2001 but only 28 percent in 2011. The state's next three-largest commodities by export value – food products, machinery, and chemicals – represented more than one-third of total Colorado export value in 2011.

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 Denver-Boulder-Greeley CPIs have varied over the past decade. Slow economic growth following the 2001 recession and a milder-than-average home price boom meant the Denver-Boulder-Greeley CPI rose at a slower-than-average pace between 2003 and 2005. Oil prices – which tend to drive CPI when they are most volatile – rose in 2005 and brought the local and national inflation rates closer together.

Fallout from the 2007 recession caused a rare decline in both the Denver-Boulder-Greeley and U.S. CPIs in 2009, but variation in housing trends – slightly stronger trends in Denver and weaker trends elsewhere – again drove the CPIs apart in the following years. The Denver-Boulder-Greeley CPI rose 1.9 percent in 2010 and 3.7 percent in 2011, while the U.S. measure rose 1.6 percent and 3.2 percent, respectively.

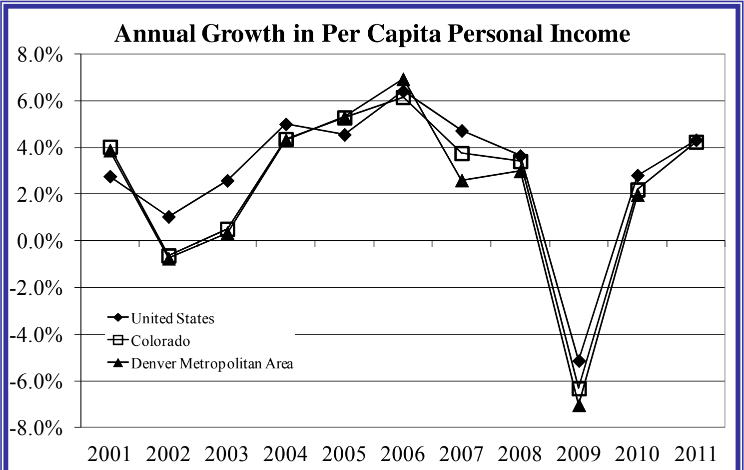
Denver-Boulder-Greeley prices for housing, transportation, recreation, food, and apparel rose more quickly than national averages in 2011, and the region's prices for education and communication, medical care, and all other goods and services rose more slowly.

INCOME

Colorado

Because earnings from work are by far the largest component of personal income, growth trends in Colorado personal income over the past decade have reflected trends in the state's major industries. Slower-than-average growth in Colorado personal income following the 2001 recession partly reflected deep job losses in the high-tech sector, and faster-than-average growth in 2005 and 2006 reflected a boom in energy and natural gas exploration. Personal income in both Colorado and the nation as a whole declined in 2009 as the most recent recession took a steep toll on jobs and household assets, but the income measures for both geographies grew at a modest pace in 2010. In 2011, Colorado's faster-than-average job growth meant its annual personal income gain (+5.7 percent) exceeded the national average (+5.1 percent).

Growth in per capita personal income – or total personal income divided by population – is often slower-than-average in Colorado as the state's population has long grown at a rate faster than the national average. Still, Colorado per capita personal income in 2011 ($44,088) was 106 percent of the U.S. average.



Source: U.S. Bureau of Economic Analysis.

Denver Metropolitan Area

Personal income in the Denver metropolitan area has roughly followed the statewide trend over the past decade. Income growth slowed after the 2001 recession, accelerated between 2004 and 2006, and slowed – and eventually declined – with the most recent recession. The decline in Denver metropolitan area personal income between 2008 and 2009 (-5.4 percent) was steeper than the decline reported nationwide (-4.3 percent), but the region's personal income grew at the national average rate of increase (+3.7 percent) in 2010.

Denver metropolitan area per capita personal income in 2010 ($47,295) was 118 percent of the U.S. average. (Note that sub-state personal income data are not yet available past 2010.)

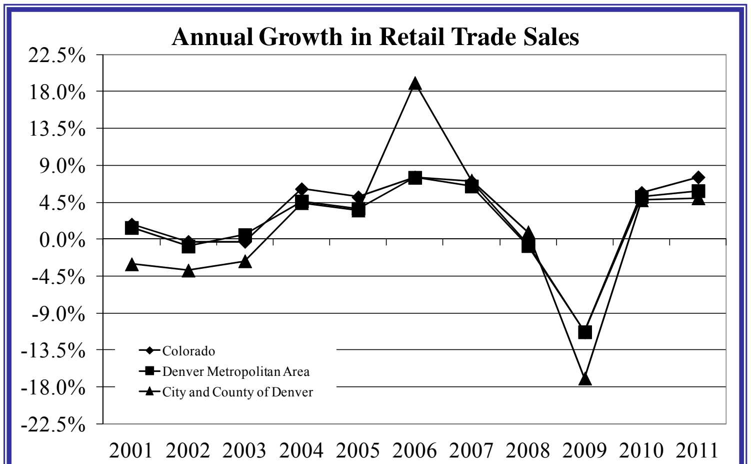
City and County of Denver

Per capita personal income in the City and County of Denver has equaled 130 percent or more of the U.S. average for much of the past decade. The county's income differential peaked in 2006, when its per capita personal income ($53,034) reached 141 percent of the national average. Denver per capita personal income fell sharply (-10.6 percent) between 2008 and 2009 but recovered modestly in 2010 and reached $50,568, or 127 percent of the U.S. average.

Comparatively high wage rates tend to keep per capita personal income in the Denver metropolitan area and the City and County of Denver above the national average. Denver metropolitan area average annual pay in 2011 ($54,590) was up 2.5 percent over the 2010 annual average. The comparable average annual pay for the City and County of Denver ($59,400) in 2011 was 2.6 percent higher than the previous year.

RETAIL TRADE

Household spending represents a large portion of the nation's total economic output, and retail sales are a valuable indicator of consumer health. Retail sales activity has fluctuated over the past decade: the home refinance boom helped sustain and accelerate retail sales during and after the 2001 recession, but the most recent recession brought spending growth to an abrupt halt. U.S. retail sales fell 1.2 percent in 2008 and seven percent in 2009 as many households grappled with job loss, heavy debt loads, and a weak housing market that all but prohibited refinance activity.



Note: City and County of Denver sales data for 2006 was skewed by a geographic revision.
Source: Colorado Department of Revenue.

A modestly better economic outlook encouraged recession-weary households in 2010, and retail sales for the year – while still lower than they were before the recession began – rose 6.4 percent over spending in 2009. Retail spending continued to increase throughout 2011, and while some of the gain reflected rising prices for essentials including food and gasoline, consumers were also buying more cars, clothes, and furniture. Total 2011 retail sales were 7.7 percent higher than sales reported in 2010.

Colorado

Economic growth – partly fueled by an energy boom – and a solid housing market contributed to faster-than-average growth in Colorado retail trade sales in 2006 and 2007. Statewide sales rose 7.6 percent in 2006 and seven percent in 2007, while sales nationwide rose 5.4 percent and 3.3 percent, respectively. With the onset of recession, however, Colorado households sharply curtailed their spending. Statewide retail trade sales decreased an average of 6.1 percent per year between 2007 and 2009, while sales nationwide declined by an average of 4.1 percent.

The state's retail trade sales recovered throughout 2010, and total sales in 2011 were up 7.6 percent over-the-year.

Denver Metropolitan Area Retail Trade Sales ($000s)

Industry	2010	2011	Percentage Change
Retail Trade:			
Motor Vehicle / Auto Parts	$6,841	$7,860	14.9
Furniture and Furnishings	$1,240	$1,308	5.4
Electronics and Appliances	$1,258	$1,400	11.3
Building Materials / Nurseries	$2,512	$2,573	2.4
Food/Beverage Stores	$7,715	$8,130	5.4
Health and Personal Care	$1,352*	$1,410*	-------
Service Stations	$2,235	$2,606	16.6
Clothing and Accessories	$2,116	$2,262	6.9
Sporting/Hobby/Books/ Music	$1,376	$1,458	6.0
General Merchandise/ Warehouse	$5,953	$6,266	5.3
Misc. Store Retailers	$1,472	$1,772	20.4
Non-Store Retailers	$1,025*	$713*	-------
Total Retail Trade	$35,907	$37,977	5.8
Food / Drinking Services	$4,987	$5,340	7.1
TOTAL	$40,894	$43,317	5.9

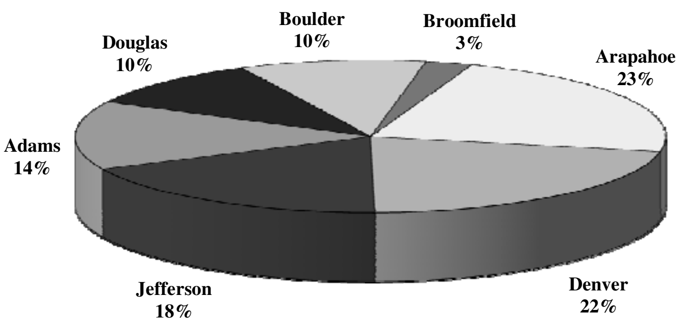
Note: Data are not adjusted for inflation. Sales by industry may not add to totals due to rounding and data suppression.
**total does not include data that have been suppressed.*
Source: Colorado Department of Revenue.

Denver Metropolitan Area

Like sales in Colorado, retail 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 sales. 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.

While consumer confidence data suggest many households are still worried about jobs and income, consumers have noticeably increased their spending since the recession. Denver metropolitan area retail trade sales rose 5.2 percent in 2010 and 5.9 percent in 2011, and while higher prices for food and gasoline drove some of the gains, household spending on non-essentials also increased. Sales of motor vehicles and auto parts, for example, rose 14.9 percent between 2010 and 2011, and sales of electronics, appliances, and furniture also rose. Sales for two of the largest contributors to total Denver metropolitan area retail trade sales – grocery stores and general merchandise stores – rose 5.4 percent and 5.2 percent between 2010 and 2011, respectively.

Distribution of 2011 Retail Trade Sales by County



Source: Colorado Department of Revenue.

City and County of Denver

Retail trade sales in the City and County of Denver represented 22 percent – the second-largest share – of total sales in the Denver metropolitan area in 2011. Total 2011 sales in the City and County of Denver were up five percent over-the-year and sales gains in the remaining counties ranged from 0.8 percent in Adams County to 10.9 percent in Arapahoe County.

RESIDENTIAL REAL ESTATE

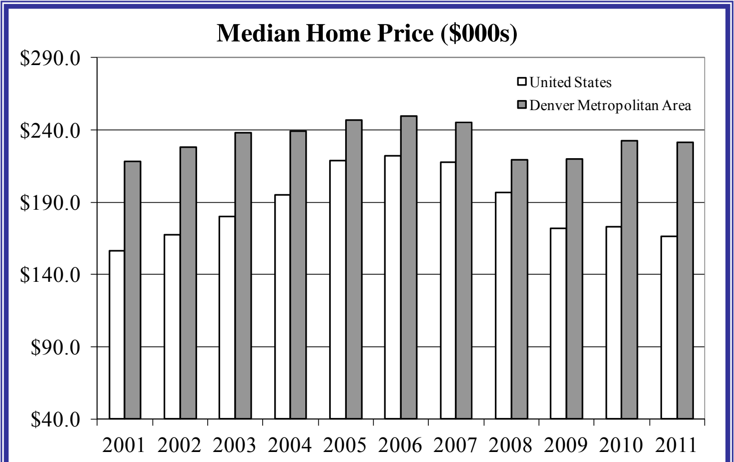
Combined, all aspects of the housing market – from new home construction to money spent on mortgage and rental payments, furnishings, and home improvements – contribute significantly to the nation's economy. Housing's large role in the economy explains why the market collapse helped trigger such a deep recession in 2007.

While housing markets appear to be recovering, the makeup and function of markets has clearly changed. Census data show the U.S. homeownership rate fell from 69.1 percent in the first quarter of 2005 to a first quarter 2012 rate of 65.4 percent, the lowest rate reported since 1997. The shift in homeownership for individual states has been even more profound: Colorado's homeownership rate fell from 72.1 percent in the first quarter of 2005 to 64.5 percent in the first quarter of 2012. In fact, Colorado ranked second only behind Arizona and Minnesota for largest percentage-point decline in homeownership over the seven-year period.

Despite a large decline in homeownership, Colorado's housing markets appear to be recovering more quickly than markets elsewhere. Foreclosures and slow price appreciation are still risks to the market's stability, but the balance between housing supply and demand has shifted in a way that should ultimately support healthier price and sales trends.

Residential Home Prices

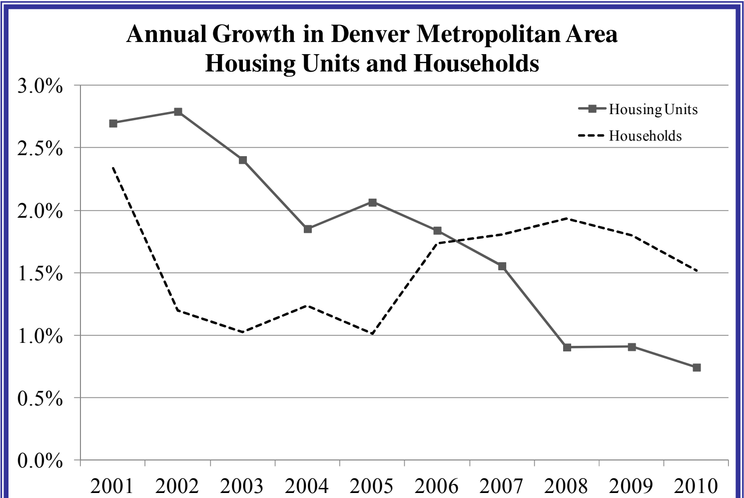
While home prices in the Denver metropolitan area appreciated noticeably over the past decade, the region's home price increase was much smaller than the gain reported elsewhere. The nationwide median home price rose a swift 7.1 percent per year between 2000 and 2006, while Denver metropolitan area prices appreciated at a little more than half of that rate (four percent annually). Because the region's price appreciation occurred at a slower rate, the subsequent collapse in prices was much milder for the Denver metropolitan area than it was in many



Source: National Association of Realtors.

other parts of the country. The Denver metropolitan area median home price in 2011 ($231,400) was 7.3 percent lower than the median at the 2006 peak, while the nationwide median in 2011 ($166,200) was more than 25 percent below the 2006 price.

Other home price measures also suggest the Denver metropolitan area housing market is in better health than many other metro markets. The Federal Housing Finance Agency's Home Price Index for the fourth quarter of 2011 shows the Denver-Aurora-Broomfield MSA ranked 93rd among 276 metro areas for smallest over-the-year decline in home prices. A different data source, the S&P/Case-Shiller Home Price Index, suggests Denver was one of just five cities where home prices rose over-the-year in February 2012. While the two data sources give slightly different portrayals of home prices – variation that partly reflects different methodologies – they are consistent in an over-arching theme: home prices in the Denver metropolitan area continue to be more stable than prices elsewhere.



Source: Colorado Division of Local Government, Demography Section.

Demographic data suggest Denver metropolitan area home prices might even be poised for appreciation in the coming years. Growth in housing units throughout the region significantly outpaced growth in households until 2006, when the sharp pullback in new home construction and a slower rate of household formation helped rebalance housing supply and demand. The rate of household formation across the region now surpasses growth in new housing units – this scenario should ultimately support higher home prices and more housing unit construction over the longer term.

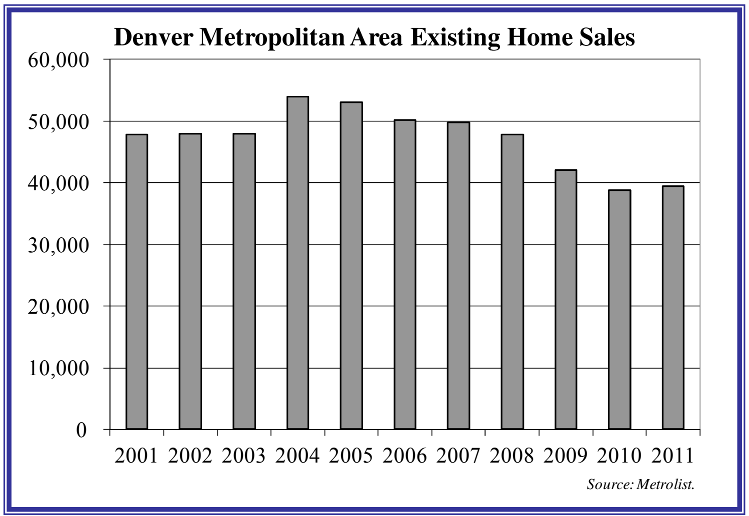
Foreclosures

While defaults on subprime and other "exotic" home loans may have triggered the foreclosure crisis, high unemployment and plunging home prices sustained the flow of foreclosures during the recession. By 2011, foreclosure assistance programs, a slowly improving economy, and the inevitable "dying-down" of the default wave were becoming apparent in lower foreclosure rates: the total count of new Denver metropolitan area foreclosures filed in 2011 (16,744) was 28.4 percent lower than the number filed in 2010. Despite the significant decline, the 2011 filings total was still almost four-times the total reported ten years earlier in 2001. The foreclosure trend clearly needs more time to subside, and foreclosure processing delays related to litigation in 2010 could mean filing activity actually rises for a short time before declining more noticeably.

The count of new filings reported in the City and County of Denver in 2011 (3,434) was 32 percent lower than the 2010 count.

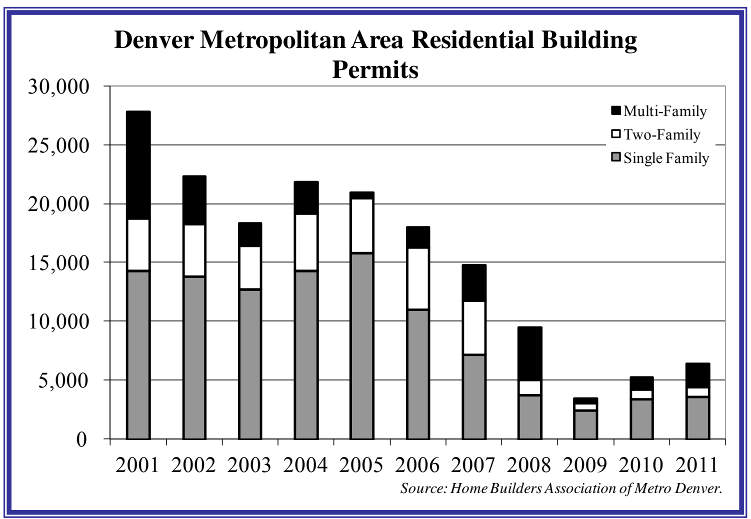
Residential Home Sales

Denver metropolitan area existing home sales reached a peak (54,012) in 2004. Sales ratcheted down in the following years before dropping more noticeably in 2009 and 2010. With high unemployment, tight housing credit, falling home prices, and the whiplash effect of homebuyers' stimulus programs – an initial boost in demand followed by a sharp drop in home buying – sales in 2010 fell more than 28 percent below the 2004 peak.



By mid-2011, however, home sales totals were consistently rising above year-ago totals. The sales count for the year (39,387) was still substantially below pre-recession averages, but a gradual upswing in sales activity appeared increasingly entrenched. Furthermore, the unsold inventory of existing homes available at the end of 2011 (just under 11,000 homes) was the smallest unsold inventory reported for the region in more than a decade. Some local brokers say tight inventory has boosted competition among buyers in some parts of the Denver metropolitan area, and that competition should ultimately encourage hesitant home sellers and boost home prices.

Residential Building Permits



Denver metropolitan area new home construction trends met both extremes over the past decade: the total count of residential permits pulled in 2001 (27,794) was one of the highest reported since the early 1980s, while the total pulled at the bottom of the market crash in 2009 (3,436) was the lowest reported in at least three decades. Permit issuance notched upwards in 2010 and 2011 – when permit counts rose 50.5 percent and 23.1 percent over-the-year, respectively – but large gains over 2009's extremely low permit count still made for some of the most sluggish homebuilding activity reported in years.

Still, demographic data and anecdotal reports suggest housing demand is growing. Colorado and the Denver metropolitan area continue to attract new residents, and stronger-than-average job growth over the past year has added to the areas' appeal for relocating households. Housing demand will also rise as families that lost a home or shared housing during the downturn seek new living arrangements.

While these shifts suggest housing demand will continue to strengthen as the economy improves, demand may rise for different property types – specifically, smaller homes and rental housing – than those commonly sought before the downturn. The 2011 Denver metropolitan area permit data show evidence of these shifts already occurring: an increase in multi-family construction accounted for more than 84 percent of the total increase in permit issuance between 2010 and 2011. The 2011 counts of detached home permits and permits for condominiums and townhomes each rose 4.5 percent from the 2010 counts, while the 2011 count of apartment permits more than doubled.

With its revitalized urban core, growing public transit hub, and recent suburban growth, the City and County of Denver has proven an attractive location for multi-family development. In fact, well more than 50 percent of the multi-family permits pulled throughout the Denver metropolitan area in 2011 were pulled in the City and County of Denver. Total building permit issuance in the City and County of Denver rose almost 75 percent between 2010 and 2011 as issuance for detached homes increased 16.4 percent and apartment permit issuance almost tripled. Permit issuance for townhomes and condominiums fell 1.4 percent between 2010 and 2011.

Like the building permit data, data on apartment vacancy and rental rates suggest many households – at least for now – are favoring rental properties. The *Denver Metro Apartment Vacancy and Rent Survey* shows the seven-county vacancy rate in the first quarter of 2012 (4.9 percent) was the lowest first quarter rate reported since 2001 (4.5 percent). First quarter vacancy rates throughout the seven-county region were lowest in Jefferson County (3.8 percent), the Boulder/Broomfield area (3.9 percent), and the City and County of Denver (4.2 percent).

Rising apartment demand and falling vacancy rates have driven average lease rates higher: the first quarter 2012 average for the Denver metropolitan area ($953) was up 4.5 percent over-the-year. The Boulder/Broomfield area and the City and County of Denver reported the largest first quarter rent increases – 6.7 percent and 6.3 percent over-the-year, respectively – of the region's seven counties.

COMMERCIAL REAL ESTATE

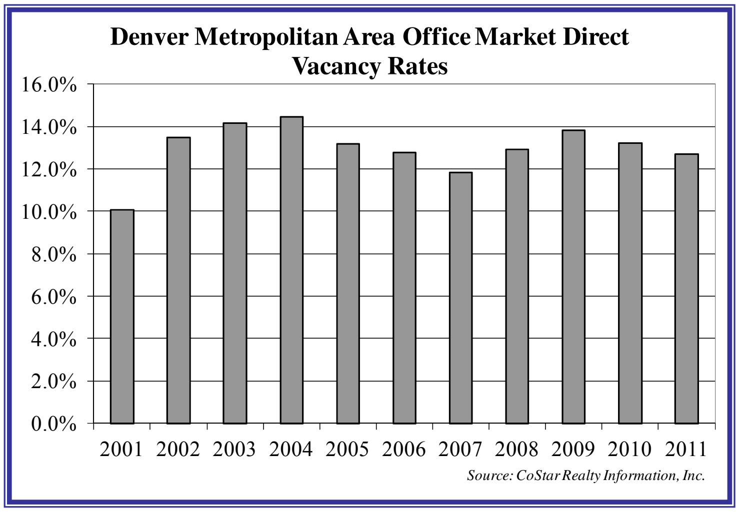
Prior to the 2001 recession, commercial developers were highly active in the Denver metropolitan area: in 2000 and 2001 alone, builders completed almost 20 million square feet of new office and industrial space. Once the nationwide recession took hold, the large inventory of new space weighed on the market and pushed lease rates steadily lower until 2004.

After a few years of recovery, the region's commercial real estate markets faced another recession. While defaults, a near disappearance of commercial real estate credit, and a drop in property demand put Denver metropolitan area markets under heavy strain, this latest round of recession was arguably more manageable for many submarkets and property types. Without the overbuilding that came before the 2001 recession, vacancy rates in many areas did not rise to the levels reported earlier in the decade.

As 2011 ended, the Denver metropolitan area's commercial real estate markets appeared to have settled in a pattern of slow – but steady – improvement, and the market remained highly attractive to national tenants and investors.

Office Activity

Data from CoStar Realty Information, Inc. show the direct office market vacancy rate in the Denver metropolitan area fell in 2011 to 12.7 percent, the lowest rate reported since mid-2008. Because vacancy still exceeded the rates reported just before the recession began – rates in the high 11 percent range – direct average lease rates continued to drift downward: the fourth quarter average rate ($19.78 per square foot) was 6.7 percent lower than the average reported just before the recession began ($21.20 per square foot in the fourth quarter of 2007). The decline in average office market lease rates that occurred in 2010 and 2011, however, was much shallower than the sharp drops reported in 2008 and 2009.



As job growth continues and office market property demand revives, the region's rental rates should stabilize and will eventually prompt new development. In the meantime, most of the office market construction has been build-to-suit. Some of the largest projects underway as 2011 ended included the Denver Police Crime Lab and a new headquarters for DaVita Inc., and plans for another major headquarters project – a building for IMA Financial near Union Station in downtown Denver – were gaining momentum. Notably, office market fundamentals in the northwest metro area had improved enough by late 2011 to support construction of a speculative building in Broomfield.

Industrial and Flex Activity

The most recent recession drove direct vacancy rates in the Denver metropolitan area industrial market above seven percent in 2009, but rates have since fallen almost to the levels reported before the recession. CoStar data show the direct industrial vacancy rate in the fourth quarter of 2011 (6.4 percent) was just a few tenths of a percentage point higher than the rate reported in the fourth quarter of 2007 (6.1 percent). The region's industrial market has perhaps benefitted the most from limited pre-recession construction, and reports from local brokers indicate large blocks of high-quality industrial space are in increasingly short supply. Average rents, however, have been somewhat slow to respond to the market's favorable balance of supply and demand: the fourth quarter direct average lease rate ($4.56 per square foot) was 9.9 percent lower than the average reported before the recession began ($5.06 per square foot in the fourth quarter of 2007). Out of caution, some landlords are leaving lease rates unchanged but are scaling back the generous incentives they offered during the downturn.

Like lease rates in the industrial market, flex market rates have not yet responded to lower vacancy: the Denver metropolitan area direct flex market lease rate in the fourth quarter of 2011 ($8.85 per square foot) was 3.9 percent lower than the fourth quarter 2007 average. Direct flex market vacancy in the fourth quarter (13 percent) was almost a full percentage point below the year-ago level but was still above the pre-recession low of 11.5 percent. Bargain-priced office, industrial, and retail properties made stiff competition for flex properties during the recession and have likely contributed to a slower flex market recovery.

While builders completed very little new industrial or flex property in 2011, several projects – including work at the National Renewable Energy Laboratory campus in Jefferson County and several manufacturers' expansion projects in Adams County – should support more construction activity in 2012.

Retail Activity

Because the recession dealt a direct blow to consumers, it also took a large toll on retail real estate. The market's subsequent recovery, then, is all the more impressive: CoStar data show the direct average vacancy rate for the region's retail market in the fourth quarter of 2011 (7.3 percent) was less than one percentage point above the rates – between 6.5 and seven percent – that prevailed just before the recession began. As in the other property markets, average rents in the retail market have not yet responded to lower vacancy: the fourth quarter direct average lease rate ($14.58 per square foot) was 12.9 percent below the rate reported for the fourth quarter of 2007. Cautious retail landlords are likely still more concerned with retaining tenants than raising lease rates, although concessions available during the height of the recession are disappearing.

Retail construction projects underway in late 2011 and planned for 2012 – including several grocery and general merchandise stores – were mostly small and targeted towards essentials-focused households. This sort of development is likely to continue in the near term: Walmart Inc., for example, recently announced plans to expand in the Denver metropolitan area with five of its smaller-format, "Neighborhood Market" stores. Outdoor gear retailer Cabela's also plans to build its first two Denver metropolitan area stores in 2012.

These new facilities will add to the large array of thriving retail establishments already operating in the Denver metropolitan area. Nine retail centers across the region offer close to or more than one million square feet of space, and two of those centers – Park Meadows in Lone Tree and Southlands in Aurora – offer at least 1.7 million square feet. Other major retail centers throughout the region include Cherry Creek Shopping Center in Denver, FlatIron Crossing in Broomfield, and Colorado Mills in Lakewood.

Medical Facilities

A rapidly growing – and aging – population demands more healthcare, and the healthcare sector continues to be one of the Denver metropolitan area's most active in construction activity. St. Anthony Central Hospital opened its new Lakewood campus in mid-2011, and the hospital is spurring adjacent medical office development. Builders are completely redeveloping Exempla St. Joseph Hospital in downtown Denver, and several healthcare providers are responding to rapid growth in the southeast metro area with planned development. For example, phase one of Centura Health's Castle Rock Adventist Health Campus opened in fall 2011, and Centura will open a 50-bed hospital in a second phase in 2013. HealthOne is planning a $107 million expansion for Sky Ridge Medical Center in Douglas County, and Kaiser Permanente is building its 275,000-square-foot Multi-Specialty Center nearby.

The Fitzsimons Life Science District in Aurora is another of the Denver metropolitan area's most active healthcare developments. The district includes the Colorado Science + Technology Park, where builders are working on an $8 million business accelerator facility that will add to the six million square feet of bioscience research and incubator space already available. The district also includes the growing Anschutz Medical Campus, where a $230 million expansion for Children's Hospital is underway and builders recently finished work on the Colorado Center for Health and Wellness at the University of Colorado. Nearby, builders are working on a 180-bed, full-service Department of Veterans Affairs hospital scheduled to open in 2015.

TRANSPORTATION

With access by road, rail, and air, the Denver metropolitan area is one of the country's most important transportation hubs. The region's national and international connectivity both reflects and supports its dynamic economy.

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. In 2010, the entire network supported more than 46.9 billion vehicle-miles of travel.

The Denver metropolitan area is at the crossroads of three major Interstate highways. Motorists can access I-25 for north-south travel and both I-70 and I-76 for east-west routes. More than three-quarters of the Denver metropolitan area beltway – E-470, C-470, and the Northwest Parkway – has been completed to date. In 2008, Jefferson County, the City and County of Broomfield, and the city of Arvada formed the Jefferson Parkway Public Highway Authority to complete the remaining portion of the beltway.

Improvement and maintenance of a high quality transportation system contributes to the state's long-term economic well-being. In 2009, Colorado legislators approved a bill – Funding Advancements for Surface Treatment and Economic Recovery (FASTER) – which added an average of $61 per year to the cost of each Colorado vehicle registration to fund bridge repairs and highway improvements. FASTER encompasses four programs that focus separately on bridge safety and repair, highway safety, highway funding, and transit and rail. FASTER revenues totaled $168.3 million in fiscal year 2011.

As the state's largest economic hub, the Denver metropolitan area receives a significant portion of the Colorado Department of Transportation (CDOT) annual funding allocation. In fiscal year 2011, the highway regions that encompass the Denver metropolitan area received $233.8 million in CDOT funding that went towards construction (62 percent of funds), maintenance (29 percent), and traffic and safety work (eight percent).

Transportation funds received through FASTER, gasoline taxes, and other means will be increasingly important as funding activity under the American Recovery and Reinvestment Act (ARRA) continues to wind down. Federal data show that, as of the first quarter of 2012, total ARRA transportation awards to Colorado agencies approached $611 million.

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 almost 1,000 buses on 148 fixed routes and 172 light rail vehicles on five light rail lines (C, D, E. F, and H). The District operates 74 Park-n-Rides, 36 light rail stations, and almost 9,700 bus stops. RTD also operates 36 hybrid-electric buses along the 16th Street Mall in downtown Denver and transports visitors from one end of the mile-long pedestrian mall to the other free of charge. System-wide ridership for 2011 resulted in more than 98 million boardings.

As the Denver metropolitan area continues to grow, RTD is working to expand its capacity and satisfy transit demand through FasTracks, a $7.4 billion plan for the buildout of a comprehensive, multi-modal metro transit system. When completed, FasTracks will add 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, and more than 21,000 new parking spaces at rail and bus stations. FasTracks will also redirect bus service to better connect communities throughout the Denver metropolitan area and will add 57 new transit stations.

Perhaps the most prominent of these stations, Union Station, will combine state-of-the-art facilities for buses, light rail, regional rail, and commuter rail with office, residential, and retail development on nearly 20 acres of space in the heart of downtown Denver. Builders are currently working to redevelop the historic Union Station and have made progress on a regional bus facility, a light rail plaza, and support systems for a commuter rail line to Denver International Airport. The completed Union Station project will also include several public plazas and a privately operated boutique hotel.

Rail lines that will connect with Union Station are also underway. The West Corridor – which will run between Union Station and the Jefferson County Government Center – was the first FasTracks corridor to begin full construction and is currently on-track for completion in 2013. In 2010, builders broke ground on Eagle P3, a multi-pronged project that includes the East Corridor commuter rail line between Union Station and the airport, the Gold Line light rail between Union Station and Wheat Ridge, and a portion of the Northwest Rail Corridor. The Eagle P3 corridors will be funded, built, and managed by a first-of-its-kind public-private partnership, and construction should be complete in 2016.

Other FasTracks projects currently underway include an extension of the I-225 Corridor light rail line, which will eventually connect to commuter rail on the East Corridor. RTD staff is also planning work on four other corridors or extensions to existing corridors.

Air

Denver International Airport (DIA) provides an invaluable link between the Denver metropolitan area and the global community. Located on a 53-square mile parcel northeast of downtown Denver, DIA has six runways – one of which is the longest commercial runway in North America – plus three concourses, 95 gates, and 62 regional aircraft positions. Fifteen commercial carriers offer almost 170 nonstop flights from DIA to destinations worldwide. Partly because three of those carriers – United Airlines, Southwest Airlines, and Frontier Airlines – have Denver hubs, the airport has developed a reputation for some of the nation's most competitive fares. DIA ranked among the 20 major U.S. airports with the lowest airfares in the third quarter of 2011, and it reported the third largest decline in average fairs between the third quarters of 2000 and 2011.

DIA is the only major U.S. airport constructed in the past 25 years. As a relatively new facility, DIA was designed around sustainability and has become one of the nation's models for green operations. The airport's ISO 14001 certified environmental management system provides a comprehensive framework for reducing waste, protecting natural resources, and conserving energy, and airport officials aim to make DIA a zero-waste, carbon-neutral facility by 2020. Progress towards that goal is already evident: with three large solar arrays, DIA is the largest distributed generation photovoltaic energy producer in the state.

The airport's location and relative youth also make it one of the few facilities nationwide that still have room enough for growth, and expansion capacity has become an asset as the airport serves progressively larger numbers of passengers. In 2011, DIA and airline staff managed almost 1,740 flight operations and more than 144,790 passengers every 24 hours. Total airport passenger traffic rose 1.7 percent between 2010 and 2011 and reached a record 52.8 million, while passenger traffic nationwide rose 1.3 percent. DIA ranks as the nation's fifth-busiest airport by passenger traffic and is the tenth busiest airport worldwide.

Like cargo totals nationwide, the total amount of cargo shipped through DIA declined slightly between 2010 and 2011. Still, air freight activity remains a dynamic part of the airport's daily operations. Nine cargo airlines and 14 major and national carriers currently provide DIA cargo service, and the carriers handled roughly 547 million pounds of shipments – including 512 million pounds of freight and express and 35 pounds of air mail – in 2011.

With a dynamic freight business and record passenger growth, DIA is poised to expand. Builders have started work on the $500 million South Terminal redevelopment project, which includes train and baggage system upgrades, a new public plaza, a station for the commuter rail line that will connect DIA with Union Station, and a 500-room Westin Hotel. The train station should be ready for preliminary testing in 2014, and the hotel will open in 2015.

The airport's growth is also galvanizing development activity on surrounding property. Officials with DIA and the City and County of Denver recently unveiled plans for Airport City Denver, a large, mixed-use development that could occupy surplus airport land. The plan includes six individual districts: the first district, Airport City Center, would include a cluster of hotels, stores, and office buildings and would locate near DIA. Another district, Airport City Gateway, would include parking structures, an automobile and RV mall, and several transit-oriented developments. Airport City Tech would house companies focused on renewable energy, aerospace, and bioscience, while Airport City Agro would support food and biofuels manufacturing. Airport City Logistics would offer warehousing and distribution space, and Airport City Aero would focus on military and aviation uses.

Three reliever airports complement DIA's expanding role in the Denver metropolitan area economy. Centennial Airport serves the southeast metro area; Front Range Airport is located six miles southeast of DIA 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 14 freight railroads operating on more than 2,680 miles of track, and the Denver metropolitan area serves as a major hub for the Burlington Northern Santa Fe and Union Pacific railroads. Coal accounts for almost three-quarters of rail shipments originating in Colorado and almost 60 percent of shipments ending in the state.[2]

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. Almost 206,430 travelers passed through Colorado Amtrak stations in fiscal year 2011, and more than half (56 percent) of those travelers either boarded or alighted from trains in the Denver metropolitan area.

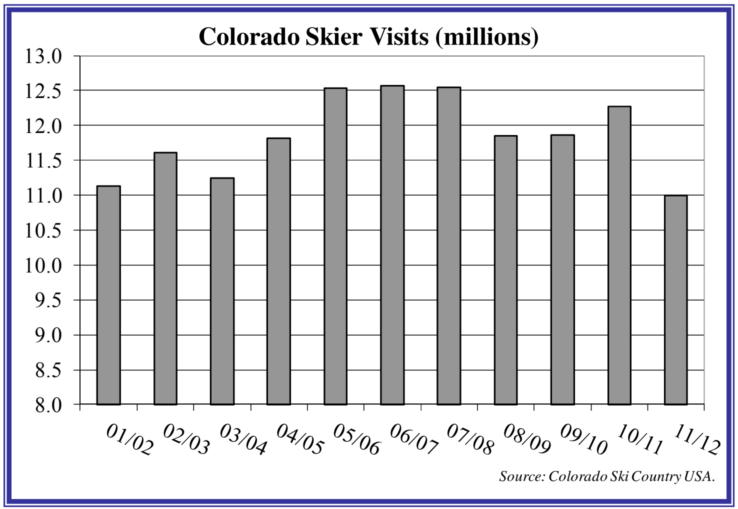
TOURISM

Denver's many recreational opportunities, cultural attractions, and entertainment and convention venues make the region a favorite of business and leisure travelers. According to the most recent study by Longwoods International, Denver tourism activity increased to a record 13.2 million overnight visitors spending $3.3 billion in 2011, representing a four percent increase in visitors and a 10 percent increase in spending over 2010. Business travelers were responsible for a large portion of the increase, registering a 17 percent increase in visits and a 15 percent increase in spending. Top Denver attractions for visitors included the 16th Street Mall and the Cherry Creek Shopping District, as well as the LoDo Historic District and numerous other cultural facilities.

In addition to excellent cultural attractions and amenities, the Denver metropolitan area is also home to a variety of professional sports teams and some of the newest sports venues in the nation. Denver sports fans enjoy seven professional sports franchises – the NFL Denver Broncos, the NBA Denver Nuggets, the MLB Colorado Rockies, the NHL Colorado Avalanche, the MLS Colorado Rapids, the NLL Colorado Mammoth, and the MLL Denver Outlaws. Each of these teams plays in a venue constructed within the past 20 years. Coors Field – a 76-acre ballpark – hosted two sold-out games of the 2007 World Series, and the 76,125-seat Sports Authority Field at Mile High hosts Denver Broncos football and Denver Outlaws games as well as large public events. Located nine miles northeast of downtown Denver, Dick's Sporting Goods Park opened in spring 2007 and hosts the Colorado Rapids soccer team. With an 18,000-seat stadium and a fully-lit, 24-field complex, the park is considered to be one of the largest of its kind in the world. Finally, the Pepsi Center hosts three professional sports teams and numerous special events throughout the year.

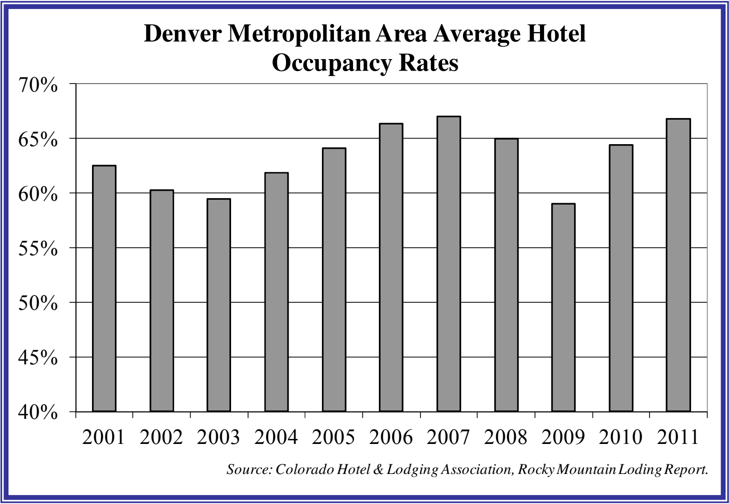
[2] The most recent rail shipments data available (2009) from the Association of American Railroads.

In addition to professional athletics, Denver metropolitan area residents and visitors also enjoy year-round outdoor recreation. The City and County of Denver maintains more than 200 city and mountain parks, and eight state parks are located in or immediately outside of the seven-county Denver metropolitan area. The region is also the gateway to the Rocky Mountains, which attract hikers, bikers, rafters, and climbers during the summer and winter sports enthusiasts during colder months. In fact, Colorado is one of the nation's most-favored destinations for skiing: 11 of the 20 top resorts in *Ski* magazine's "2011-2012 Resort Rankings" are located in the Colorado Rocky Mountains.[3]



Twelve Colorado ski resorts – including several in the top resorts ranking – are located within two hours of the Denver metropolitan area. Data from Colorado Ski Country USA and Vail Resorts, Inc. indicate that the preliminary count of skier visits at Colorado resorts during the 2011/2012 season fell to about 11 million, a 10.3 percent decline. Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – declined in response to extreme weather impacting Colorado resorts. Although abundant snowfall occurred in the fall, prompting some resorts to open early, the record low levels of snowfall during the remainder of the season halted the momentum.

Already magnets for recreational visitors, Colorado and the Denver metropolitan area are increasingly recognized as ideal locations for business travel. A Metropoll survey released in early 2012, for example, showed meeting planners nationwide rank Denver as the nation's fifth-best city for hosting a convention.[4] Increased convention activity confirms the region's growing popularity among meeting planners and attendees: the Colorado Convention Center reported a 5.8 percent increase in convention delegates between 2010 and 2011 and an equivalent increase in delegate spending. As one of the largest public meeting facilities in the west, the Colorado Convention Center is poised to accommodate more and larger gatherings. In fact, 11 planned conventions between May 2012 and the end of October 2012 are expected to attract at least 5,000 delegates each.



Growth in convention activity – and visitor activity more generally – has supported more hotel development throughout the Denver metropolitan area. Development has been particularly brisk in downtown Denver, where multiple new or remodeled hotels – including the Four Seasons Hotel Denver, the Embassy Suites

[3] SKImag.com. "2011-2012 Resort Rankings." www.skinet.com
[4] *Denver Business Journal*. "Denver Ranked 5th-Best City for Conventions." January 30, 2012.

Denver-Downtown Convention Center, and the Ritz-Carlton, Denver – have opened within the past several years. Plans for at least three other downtown hotels are also moving forward, and work on the Metropolitan State University of Denver's Hotel Learning Center, which includes a functioning 150-room hotel, will end in late 2012.

New hotel openings – particularly the launch of luxury establishments – are one reason why average room rates for the Denver metropolitan area have recently increased. Some of the gain, however, also reflects a strengthening economy and increased business and consumer willingness to travel. Data from the *Rocky Mountain Lodging Report* show the region's average nightly room rate for 2011 ($109.94) was two percent higher than the 2010 average, and the average occupancy rate for 2011 (66.8 percent) was noticeably higher than the comparable 2010 rate (64.4 percent).

SUMMARY

Employment data for the Denver metropolitan area underwent a significant annual revision that showed the recovery in 2011 was much stronger than original estimates indicated. The region's total population and its young adult population have also grown at a faster-than-average pace. Given accelerating job growth and a growing population of highly educated, working-age residents, the Denver metropolitan area appears poised for solid growth.

While the region's foreclosure crisis is not yet resolved, the Denver metropolitan area housing market has recently strengthened. Low unsold inventory, better-than-average price trends, and a favorable balance between housing unit development and new household formation should ultimately support a healthier market. As housing demand continues to revive, Denver metropolitan area home construction will accelerate but may result in more apartment units and smaller-format homes than the region has had in the past.

The region's commercial real estate markets are recovering at a slow but steady pace, and several businesses are building new headquarters. Evolving plans for Airport City Denver will leverage the region's attractiveness for national tenants and property investors and one of its strongest transportation assets, Denver International Airport. Rising airport passenger traffic reflects the region's continued appeal for business and leisure travelers, as does increased convention activity.

Prepared By:

Development
Research Partners

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
POPULATION (July 1)											
United States (thousands)	284,969	287,625	290,108	292,805	295,517	298,380	301,231	304,094	306,772	309,330	311,592
Colorado	4,444,513	4,504,709	4,555,084	4,608,811	4,662,534	4,745,660	4,821,784	4,901,938	4,976,853	5,050,870	5,119,779
Denver Metropolitan Area	2,476,410	2,504,883	2,528,665	2,558,106	2,582,177	2,626,197	2,670,038	2,716,819	2,762,164	2,798,766	2,830,174
City and County of Denver	563,300	559,090	560,348	560,230	559,459	562,862	570,437	581,903	595,573	605,722	612,219
POPULATION GROWTH RATE											
United States	1.0%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.7%
Colorado	2.4%	1.4%	1.1%	1.2%	1.4%	1.8%	1.6%	1.7%	1.5%	1.5%	1.4%
Denver Metropolitan Area	2.3%	1.1%	0.9%	1.2%	1.3%	1.7%	1.7%	1.8%	1.7%	1.3%	1.1%
City and County of Denver	1.2%	-0.7%	0.2%	0.0%	0.1%	0.6%	1.3%	2.0%	2.3%	1.7%	1.1%
NET MIGRATION											
Colorado	67,121	21,251	10,313	14,300	13,779	42,896	35,000	40,469	36,267	38,106	33,488
Denver Metropolitan Area	30,829	3,818	(1,917)	4,263	(1,367)	18,864	18,704	22,326	21,639	14,762	8,448
City and County of Denver	575	(10,044)	(4,912)	(6,069)	(6,929)	(2,537)	1,625	5,480	7,620	4,662	(229)
NONAGRICULTURAL EMPLOYMENT											
United States (millions)	131.8	130.3	130.0	131.4	133.7	136.1	137.6	136.8	130.8	129.9	131.4
Colorado (thousands)	2,226.9	2,184.2	2,152.8	2,179.6	2,226.0	2,279.1	2,331.3	2,350.3	2,245.6	2,222.3	2,255.3
Denver Metropolitan Area (thousands)	1,375.2	1,332.8	1,314.0	1,324.7	1,349.9	1,377.2	1,406.8	1,420.4	1,359.1	1,352.5	1,374.0
City and County of Denver	461,996	438,891	425,474	423,446	424,641	432,416	442,750	449,257	423,329	420,592	422,764
NONAGRICULTURAL EMPLOYMENT GROWTH RATE											
United States	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.6%	-4.4%	-0.7%	1.1%
Colorado	0.6%	-1.9%	-1.4%	1.2%	2.1%	2.4%	2.3%	0.8%	-4.5%	-1.0%	1.5%
Denver Metropolitan Area	0.0%	-3.1%	-1.4%	0.8%	1.9%	2.0%	2.1%	1.0%	-4.3%	-0.5%	1.6%
City and County of Denver	-1.5%	-5.0%	-3.1%	-0.5%	0.3%	1.8%	2.4%	1.5%	-5.8%	-0.6%	0.5%

DATA APPENDIX

2011 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area	City & County of Denver
Natural Resources & Construction	4.8%	6.2%	5.4%	4.9%
Manufacturing	8.9%	5.7%	5.6%	4.4%
Wholesale & Retail Trade	15.4%	14.7%	15.0%	12.0%
Transportation, Warehousing, Utilities	3.7%	3.1%	3.4%	5.4%
Information	2.0%	3.2%	3.9%	3.0%
Financial Activities	5.8%	6.4%	7.1%	7.9%
Professional & Business Services	13.2%	15.1%	17.5%	18.9%
Education & Health	15.1%	12.1%	12.2%	12.8%
Leisure & Hospitality	10.1%	12.0%	10.8%	11.5%
Other Services	4.1%	4.1%	3.9%	3.4%
Government	16.8%	17.4%	15.2%	15.6%

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
UNEMPLOYMENT RATE											
United States	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%	8.9%
Colorado	3.8%	5.7%	6.1%	5.6%	5.1%	4.3%	3.7%	4.8%	8.3%	8.9%	8.3%
Denver Metropolitan Area	3.8%	5.9%	6.4%	5.8%	5.2%	4.3%	3.7%	4.8%	8.3%	8.8%	8.1%
City and County of Denver	4.4%	6.7%	7.2%	6.6%	5.8%	4.8%	4.1%	5.4%	9.2%	9.7%	9.1%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)											
United States	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3	214.5	218.1	224.9
Denver-Boulder-Greeley	181.3	184.8	186.8	187.0	190.9	197.7	202.0	209.9	208.5	212.4	220.3
INFLATION RATE											
United States	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.8%	3.8%	-0.4%	1.6%	3.2%
Denver-Boulder-Greeley	4.7%	1.9%	1.1%	0.1%	2.1%	3.6%	2.2%	3.9%	-0.6%	1.9%	3.7%

DATA APPENDIX

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
TOTAL PERSONAL INCOME (millions, except as noted)											
United States (billions)	$8,879	$9,055	$9,369	$9,929	$10,477	$11,257	$11,901	$12,452	$11,917	$12,354	$12,982
Colorado	$156,468	$157,752	$159,918	$168,587	$179,695	$194,390	$205,242	$216,030	$205,787	$213,494	$225,591
Denver Metropolitan Area	$99,605	$99,903	$100,934	$106,176	$113,046	$123,018	$128,512	$134,768	$127,505	$132,226	N/A
City and County of Denver	$23,469	$23,834	$23,933	$25,031	$26,593	$29,534	$30,036	$31,699	$29,003	$30,515	N/A
TOTAL PERSONAL INCOME GROWTH RATE											
United States	3.8%	2.0%	3.5%	6.0%	5.5%	7.4%	5.7%	4.6%	-4.3%	3.7%	5.1%
Colorado	6.4%	0.8%	1.4%	5.4%	6.6%	8.2%	5.6%	5.3%	-4.7%	3.7%	5.7%
Denver Metropolitan Area	6.2%	0.3%	1.0%	5.2%	6.5%	8.8%	4.5%	4.9%	-5.4%	3.7%	N/A
City and County of Denver	6.6%	1.6%	0.4%	4.6%	6.2%	11.1%	1.7%	5.5%	-8.5%	5.2%	N/A
PER CAPITA PERSONAL INCOME											
United States	$31,157	$31,481	$32,295	$33,909	$35,452	$37,725	$39,506	$40,947	$38,846	$39,937	$41,663
Colorado	$35,355	$35,131	$35,312	$36,849	$38,795	$41,181	$42,724	$44,180	$41,388	$42,295	$44,088
Denver Metropolitan Area	$40,352	$40,049	$40,187	$41,925	$44,148	$47,208	$48,436	$49,884	$46,379	$47,295	N/A
City and County of Denver	$41,761	$42,806	$43,310	$45,448	$48,203	$53,034	$53,219	$55,060	$49,240	$50,568	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE											
United States	2.8%	1.0%	2.6%	5.0%	4.5%	6.4%	4.7%	3.6%	-5.1%	2.8%	4.3%
Colorado	4.0%	-0.6%	0.5%	4.4%	5.3%	6.1%	3.7%	3.4%	-6.3%	2.2%	4.2%
Denver Metropolitan Area	3.9%	-0.8%	0.3%	4.3%	5.3%	6.9%	2.6%	3.0%	-7.0%	2.0%	N/A
City and County of Denver	5.4%	2.5%	1.2%	4.9%	6.1%	10.0%	0.3%	3.5%	-10.6%	2.7%	N/A
RETAIL TRADE SALES											
United States (billions)	$3,386	$3,467	$3,618	$3,841	$4,091	$4,310	$4,454	$4,401	$4,093	$4,353	$4,689
Colorado (millions)	$59,014	$58,850	$58,689	$62,288	$65,492	$70,437	$75,375	$74,911	$66,454	$70,233	$75,551
Denver Metropolitan Area (millions)	$35,657	$35,355	$35,548	$37,197	$38,589	$41,491	$44,177	$43,829	$38,882	$40,894	$43,317
City and County of Denver (millions)	$7,860	$7,564	$7,364	$7,691	$7,963	$9,480	$10,162	$10,252	$8,517	$8,925	$9,373

DATA APPENDIX

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
RETAIL TRADE SALES GROWTH RATE											
United States	2.9%	2.4%	4.3%	6.2%	6.5%	5.4%	3.3%	-1.2%	-7.0%	6.4%	7.7%
Colorado	1.8%	-0.3%	-0.3%	6.1%	5.1%	7.6%	7.0%	-0.6%	-11.3%	5.7%	7.6%
Denver Metropolitan Area	1.4%	-0.8%	0.5%	4.6%	3.7%	7.5%	6.5%	-0.8%	-11.3%	5.2%	5.9%
City and County of Denver[1]	-3.0%	-3.8%	-2.6%	4.4%	3.5%	19.1%	7.2%	0.9%	-16.9%	4.8%	5.0%
MEDIAN HOME PRICE											
United States (thousands)	$156.6	$167.6	$180.2	$195.2	$219.0	$221.9	$217.9	$196.6	$172.1	$173.1	$166.2
Denver Metropolitan Area (thousands)	$218.3	$228.1	$238.2	$239.1	$247.1	$249.5	$245.4	$219.3	$219.9	$232.4	$231.4
EXISTING HOME SALES											
Denver Metropolitan Area	47,832	47,919	47,966	54,012	53,106	50,244	49,789	47,837	42,070	38,818	39,387
NEW RESIDENTIAL UNITS DENVER METROPOLITAN AREA											
Single Family	14,262	13,793	12,656	14,260	15,778	10,952	7,082	3,686	2,397	3,372	3,525
Two-Family	4,442	4,425	3,755	4,843	4,642	5,311	4,632	1,330	601	798	834
Multi-Family	9,090	4,085	1,858	2,681	459	1,727	3,015	4,413	438	1,002	2,008
Total Units	27,794	22,303	18,269	21,784	20,879	17,990	14,729	9,429	3,436	5,172	6,367
OFFICE VACANCY RATE											
Denver Metropolitan Area	10.1%	13.5%	14.2%	14.5%	13.2%	12.8%	11.8%	12.9%	13.8%	13.2%	12.7%
HOTEL OCCUPANCY RATE											
Denver Metropolitan Area	62.5%	60.3%	59.5%	61.9%	64.1%	66.4%	67.0%	65.0%	59.0%	64.4%	66.8%
SKIER VISITS	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**	**10/11**	**11/12**
Colorado (millions)	11.1	11.6	11.3	11.8	12.5	12.6	12.5	11.9	11.9	12.3	11.0

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; Metrolist, Inc.; Home Builders Association of Metro Denver; CoStar Realty Information, Inc.; Rocky Mountain Lodging Report; and Colorado Ski Country USA.

APPENDIX B
EXECUTIVE ORDER NO. 114

EXECUTIVE ORDER NO. 114

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

FROM: **Mayor**

DATE: **May 4, 2012**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Approved for Legality:

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

Approve:

Michael B. Hancock
MAYOR

Kim Day
Manager of Aviation

Doug Linkhart
Manager of Environmental Health

Adrienne Benavidez
Manager of General Services

Lauri J. Dannemiller
Manager of Parks & Recreation

Jose Cornejo
Manager of Public Works

Cary Kennedy
Manager of Finance

Alex J. Martinez
Manager of Safety

Penny L. May
Manager of Human Services

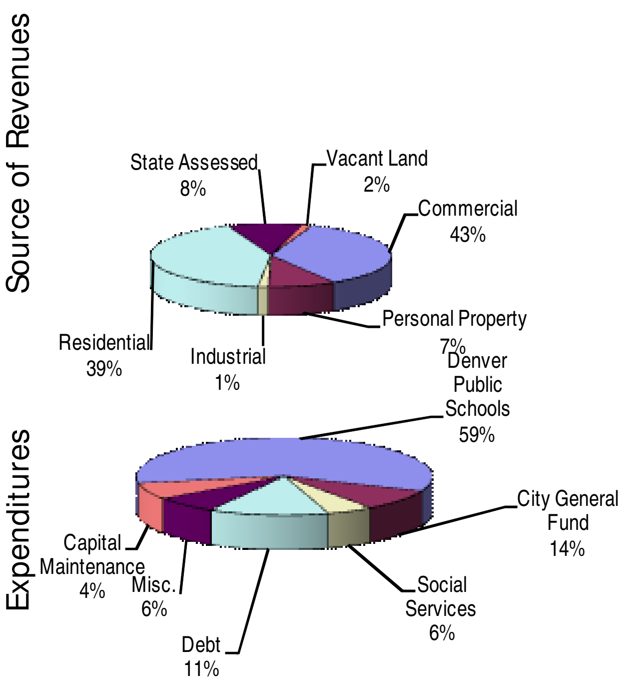
Molly Urbina
Manager of Community Planning and Development

APPENDIX C
2011 ABSTRACT OF ASSESSMENT

2012 Assessment Calendar

January 1—All taxable property is listed and valued based on its status as of this date.
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 16 to August 6—Assessor hears protests to business personal property valuations.
By August 27—Initial Certifications of Value are sent to each of the taxing entities in the county.
By December 17—Taxing entities certify mill levies to Assessor.
By December 24—Final mill levies are approved for the following year's tax collections.

2011 Property Tax Dollars



General Information

The Division of Assessment 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 the assessment rolls.

Please Note

- The Assessor does **not** set tax rates (mill levies).
- City & County taxes are established each year under Amendment 1 (TABOR) guidelines and are approved by the Mayor and City Council.
- School taxes are levied by the Denver School District 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 & Special Districts) establish Mill Levies (tax rates).

In 2011, the State set the following assessment rates:
Residential property…………………………...7.96%
Natural Resources..…...………………………87.50%
Commercial………..…………………………29.00%

Each charge or line on a Tax Bill is calculated as follows:
(Actual Value — Exemption) x Asmt Rate x Millage = Charge

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 2012 must be paid by February 29th 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

2011

Total
Assessed Valuation
$10,937,453,830

Michael B. Hancock
Mayor

Paul H. Jacobs
Assessor

2011 Abstract of Assessment

	Total Assessed Value	Total Actual Value
Vacant Land		
Residential	$ 80,755,910	$ 278,468,600
Commercial	61,835,960	213,227,500
Industrial	21,918,830	75,582,200
Agricultural	119,500	412,000
PUD	7,772,050	26,800,200
All Others	21,768,250	75,062,900
Possessory Interest	0	0
Total	**$ 194,170,500**	**$ 669,553,400**
Residential		
Single Family	$ 3,154,901,940	$ 39,634,446,500
Condominiums	671,846,890	8,440,287,500
Duplexes/Triplexes	83,140,260	1,044,475,600
Multi Unit (4 to 8)	33,842,170	425,152,800
Multi Unit (9 & up)	378,657,870	4,757,008,400
Manufactured Homes	476,750	5,989,300
Partial Exempt	2,880,940	36,192,700
Total	**$ 4,325,746,820**	**$ 54,343,552,800**
Commercial		
Merchandising	$ 632,460,250	$ 2,180,897,400
Lodging	222,970,810	768,864,900
Offices	1,937,880,570	6,682,346,800
Recreation	112,205,890	386,916,900
Commercial Condos	124,745,760	430,157,800
Possessory Interest	29,664,630	102,291,800
Special Purpose	601,060,160	2,072,621,200
Warehouses	834,801,400	2,878,625,500
Multi-Use	123,102,240	424,490,500
Partial Exempt	36,372,810	125,423,500
Total	**$ 4,655,264,520**	**$ 16,052,636,300**
Industrial	**147,433,350**	**508,390,800**
Personal Property		
Residential	$ 9,482,990	$ 32,700,000
Commercial	616,695,340	2,126,535,700
Industrial	100,175,510	345,432,800
Prod. Oil & Gas	0	0
Total	**$ 726,353,840**	**$ 2,504,668,500**
State Assessed	**888,484,800**	**3,063,740,700**
Grand Total	**$ 10,937,453,830**	**$ 77,142,542,500**

Exempt Properties	**Total Assessed Value**	**Total Actual Value**
Federal Government	$ 125,912,710	$ 434,181,800
State Government	408,284,340	1,410,097,600
County Government	1,714,062,560	6,235,777,600
Political Subdivision	942,252,580	3,304,844,400
Religious Entities	190,838,390	706,360,100
Private Schools	113,155,880	390,679,900
Charitable Entities	290,783,520	1,354,467,700
All Others	193,456,430	719,421,800
Total	**$ 3,978,746,410**	**$ 14,555,830,900**

Special Taxing Districts

	Assessed Value	Mill Levy	Tax Revenue
Bowles Metropolitan	$ 25,528,880	42.000	$ 1,072,213
Broadway Station Metro Dist 3	4,287,000	6.000	25,722
Central Platte Valley Metro (1)	34,733,250	53.000	1,840,862
Central Platte Valley Metro (debt)	48,726,530	18.000	877,078
Cherry Creek North B.I.D.	155,166,940	17.642	2,737,455
Cherry Creek Subarea B.I.D. (2)	18,915,400	0.793	15,000
Clear Creek Valley Water	901,790	2.791	2,517
Colfax B.I.D.	45,204,250	8.165	369,093
Colo. Int. Center Metro No 14	8,492,060	60.000	509,524
Denargo Market Metro No 2	120	40.000	5
Denver Gateway Center Metro	2,987,980	36.992	110,531
Denver High Point at DIA Metro	630,170	15.000	9,453
Denver Intl. Bus. Center No 1	17,082,570	40.000	683,303
Denver Suburban Water	234,656,030	0.325	76,263
DUS Metro District No 2 (3)	1,670,030	30.000	50,101
DUS Metro District No 3	720	10.000	7
Ebert Metropolitan	56,128,260	75.000	4,209,620
Ebert Metropolitan (debt)	1,345,840	58.000	78,059
Fairlake Metropolitan	15,035,050	37.914	570,039
Fairlake Metropolitan (debt)	8,706,050	25.000	217,651
First Creek Metropolitan	12,480	10.845	135
Gateway Regional Metro	37,285,650	16.000	596,570
Gateway Regional Metro (debt)	9,119,820	2.577	23,502
Gateway Village G.I.D.	16,404,830	32.500	533,157
Goldsmith Metropolitan	234,656,030	15.871	3,724,226
Goldsmith Metropolitan (debt)	22,603,440	4.650	105,106
Greenwood Metropolitan	1,931,960	16.815	32,486
GVR Metropolitan	63,092,430	27.083	1,708,732
Holly Hills Water & Sanitation	14,825,050	2.716	40,265
Madre Metropolitan Dist. No. 2	3,480,770	50.000	174,039
Mile High Business Center Metro	18,265,500	35.000	639,293
North Washington Fire District	6,865,270	17.318	118,893
North Washington Street Water	6,865,270	0.943	6,474
Old South Gaylord B.I.D.	5,107,820	4.212	21,514
Sand Creek Metropolitan	22,547,220	32.750	738,421
Sand Creek Metropolitan (debt)	8,153,120	20.000	163,062
SBC Metropolitan (4)	51,190,590	35.000	1,791,671
Section 14 Metro	7,611,320	23.290	177,268
Section 14 Metro (debt Raccoon)	2,859,060	20.020	57,238
Section 14 Metro (debt Fairmark)	2,528,880	16.472	41,656
Sheridan Sanitation Dist No. 2	410,620	0.555	228
South Denver Metropolitan	40,446,790	7.000	283,128
Southeast Public Improvement	234,898,000	2.151	505,266
Town Center Metropolitan	430,250	75.000	32,269
Town Center Metro Subdistrict 1	698,010	50.000	34,901
Valley Sanitation	9,563,790	2.493	23,843
Westerly Creek Metro (5)	268,574,240	55.334	14,861,287
Total			**$ 39,889,121**

(1) $277,020 of the tax for Central Platte Valley is distributed directly to Downtown DDA
(2) $4,145 of the tax for Cherry Creek Subarea BID is distrusted directly to Downtown DDA
(3) $37,086 of the tax for DUS Metro No 2 is distributed directly to Downtown DDA
(4) $1,388,835 of the tax for SBC Metropolitan is distributed directly to Stapleton TIF
(5) $10,773, 745 of the tax for Westerly Creek is distributed directly to Stapleton TIF

Tax Increment Finance Districts

District	Assessed Value Increment
Alameda Square	$ 3,048,520
American National	3,362,334
California St. Parking Garage	577,609
Cherokee	6,210,244
City Park South	15,115,983
Downtown Denver	137,501,826
Executive Tower Hotel	8,737,826
Guaranty Bank	1,301,275
Highlands Garden Village	7,312,042
Lowenstein Theater	2,731,230
Lowry	141,443,800
Mercantile Square	1,033,983
Northeast Park Hill	3,949,765
Pepsi Center	34,933,863
Point Urban	972,810
South Broadway	15,594,376
St. Luke's #1	10,838,844
St. Luke's #2	10,592,196
Stapleton	310,991,613
Westwood	6,465,562
York Street	4,366,360
Total	**$ 727,082,061**

Summary of Levies and Taxes

	Mill Levy	Tax Revenue
City & County of Denver		
General Fund	9.805	$ 107,241,735
Bond Principal	3.980	43,531,066
Bond Interest	3.600	39,374,834
Social Services	4.101	44,854,498
Developmentally Disabled	1.030	11,265,577
Fire Pension	1.519	16,613,992
Police Pension	1.812	19,818,666
Capital Maintenance	2.572	28,131,131
Total	**28.419**	**$ 310,831,499**
School District #1		
General Fund	34.307	$ 375,231,229
Bond Redemption	7.958	87,040,258
Total	**42.265**	**$ 462,271,487**
Urban Drainage & Flood Control District	**0.623**	**$ 6,814,034**
Total General Taxes	**71.307**	**$ 779,917,020**
Total Special District Taxes		**39,889,121**
Grand Total of All Taxes		**$ 819,806,142**
Taxes Distributed to DURA (Denver Urban Renewal Authority)		**$ 51,846,041**
Tax Distributed to DDA (Denver Downtown Development Authority)		**$ 681,325**