DENVER
THE MILE HIGH CITY

CITY AND COUNTY OF DENVER, COLORADO
2011 DISCLOSURE STATEMENT

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

For the year ended December 31, 2010

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

2011 DISCLOSURE STATEMENT
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DENVER
THE MILE HIGH CITY

MICHAEL B. HANCOCK
Mayor

DEPARTMENT OF FINANCE

CARY KENNEDY
CHIEF FINANCIAL OFFICER

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September 23, 2011

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 2010 financial condition. It also contains certain post 2010 information as noted. The Disclosure Statement for the Year Ended December 31, 2010 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 2010 for the purpose of refunding certain Airport obligations. In March 2010, The City issued for and on behalf of the Airport $171,360,000 of Series 2010A bonds in a fixed rate mode for the purpose of purchasing and retiring portions of outstanding Series 2008A2, A3 and A4 bonds.

In June, 2010 the City issued $37,910,000 and $312,055,000 Series 2010A and 2010B General Obligation Bonds respectively. In October, the City issued $44,650,000 Series 2010D General Obligation Bonds. The proceeds of the 2010A, 2010B and 2010D bonds were used to provide funding for the Better Denver Bond project 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, 2010, 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, 2010

Mayor
John W. Hickenlooper

City Council
Chris Nevitt, President

Carol Boigen	Douglas D. Linkhart
Charles V. Brown Jr.	Paul D. Lopez
Jeanne Faatz	Carla Madison
Michael B. Hancock	Judy H. Montero
Marcia M. Johnson	Jeanne Robb
Peggy A. Lehman	Paula Sandoval

Auditor
Dennis J. Gallagher

CABINET OFFICIALS

Derek Brown	Manager of the Department of General Services
Kim Day	Manager of the Department of Aviation
David Fine, Esq.	City Attorney
Mary Malatesta	Manager of the Department of Safety
Peter J. Park	Manager of Community Planning and Development
Kevin Patterson	Manager of the Department of Parks and Recreation
Claude Pumilia	Manager of Finance/Chief Financial Officer/*Ex Officio* Treasurer
Nancy J. Severson	Manager of the Department of Environmental Health
Guillermo "Bill" V. Vidal	Deputy Mayor, Manager of the Department of Public Works
Patricia Wilson Pheanious	Manager of the Department of Human Services

Clerk and Recorder
Stephanie O'Malley

BOARD OF WATER COMMISSIONERS

John R. Lucero	President
Greg Austin	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 600,158 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. The current City Auditor is Dennis J. Gallagher. Powers to conduct financial and performance audits are carried out by the City Auditor in that office's audit capacity.

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. Claude J. Pumilia, the initial Manager of Finance, Chief Financial Officer and Ex Officio Treasurer, served during all of 2010.

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.

In May 2011, The City held its municipal election and Michael B. Hancock was elected Mayor. The Mayor has made appointments to serve as his cabinet officials, but some positions are filled with interim appointees. As of September 21, 2011, Mayor Hancock's cabinet officials are:

Adrienne Benavidez	Manager of the Department of General Services
Kim Day	Manager of the Department of Aviation
Doug Friednash, Esq.	City Attorney
Ashley Kilroy (Interim)	Manager of the Department of Safety
Molly Urbina (Interim)	Manager of Community Planning and Development
Dody Erickson (Interim)	Manager of the Department of Parks and Recreation
Cary Kennedy	Manager of Finance/Chief Financial Officer/*Ex Officio* Treasurer
Robert MacDonald (Interim)	Manager of the Department of Environmental Health
George Delaney (Interim)	Manager of the Department of Public Works
Penny May (Interim)	Manager of the Department of Human Services

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 number 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 is to be maintained a 15% reserve, 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 Recalibrations

In April 2010, two of the three major credit rating agencies, Moody's Investor Service, Inc. ("Moody's"), and Fitch, Inc. ("Fitch"), undertook recalibrating the ratings on U.S. municipal long-term bond issues and issuers to a global rating scale. The recalibration was an effort to bring municipal bond ratings into line with global ratings scales for corporate bonds and sovereign debt. The agencies stated that the recalibration of the ratings represents a change in scale only and does not represent a change in the credit quality, or credit opinion, of the affected issuers.

After the ratings recalibration, the City and County of Denver has the highest possible general obligation bond ratings from all three major credit ratings agencies, including Standard and Poor's ("S&P"). 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.

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 2009, 2010 and 2011, 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, 2010, 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 Revenue. Collection started January 1, 2007. The general use tax, at the end of December 31, 2010, 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. The General Fund net property tax mill levy was as follows for the related tax collection years: 8.854 mills for 2006; 9.323 mills for 2007; 6.306 mills for 2008; 6.389 mills for 2009, 5.867 mills for 2010 and 6.174 mills for taxes being collected in 2011. In collection years 2008, 2009, 2010 and 2011, 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. The redirected property tax mills were 2.285, 2.350, 2.170, and 2.281for the years 2008 through 2011. 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 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 and 2010. For 2010, the property taxes reallocated from the General Fund to the CIP Fund are $23,965,962.

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 2010 Budget (50.9%) was allocated to Public Safety, which is primarily responsible for administering police, fire and sheriff's department services. For the 2011 Budget, Public Safety represents 49.5% of the General Fund.

Management Discussion of 2011 Budget

The 2011 Budget, adopted in November 2010, projected revenue growth of 0.7% over 2010. The low growth rate was not indicative of the expected growth in the economy, but rather due to some large one-time revenue items in 2010, which raised the base in calculating the year over year change. The projected growth in revenues would have been 2.8% without the use of the one-time items in 2010. 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 4.1% over 2010, due to natural growth in expenditures and the operation and maintenance of new facilities constructed with bond dollars, including the City's new Justice Center, a new recreation center and 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 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 158 budgeted positions in 2011.

Revised projections for 2011 anticipate an increase of 4.1% in sales and use tax collections and a total revenue increase of 2.2% over 2010. For 2012, the projected deficit was $100 million. The preliminary 2012 budget closes that gap through $62.4 million of reductions in expenditures and $37.6 million in increases in revenues and improved projections.

At the beginning of 2011, the City created a 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.

A lawsuit has 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 alleges damages in excess of $200 million and includes (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, is expected to be conducted in phases with the liability portion of the case not expected to be completed until sometime in 2012. The City is vigorously defending against all claims. However, as with any litigation, the outcome of this complex case is impossible to predict with any accuracy. Pursuant to State law and subject to constitutional limitations, if a monetary judgment is rendered against the City, and the City fails to provide for the payment of such judgment, the City Council must levy a tax (not to exceed 10 mills per annum) upon all of the taxable property within the City for the purpose of making provision for the payment of the judgment. The City is required to continue to levy such tax until the judgment is discharged. Such mill levy is in addition to all other mill levies for other purposes. The 2011 and proposed 2012 budgets do not include any funding for this lawsuit.

TABLE 1

GENERAL FUND BUDGET SUMMARY
2010 ACTUAL RESULTS, 2010 REVISED BUDGET AND 2011 BUDGET
Prepared in Budgetary Format
($ in thousands)

	2010 Actual Results[1]	2010 Revised Budget	2011 Budget
REVENUES			
Taxes			
Property	$ 80,913[2]	$65,386	$67,993
Sales and Use	409,817	407,004	418,765
Other	74,757	71,771	72,860
Licenses and Permits	28,571	20,965	20,112
Intergovernmental Revenues	28,378	25,084	24,072
Charges for Services	145,667	184,030	178,279
Investment Income	6,476	3,012	4,538
Fines and Forfeitures	44,322	50,256	56,350
Other Revenues	50,747	37,959	28,529
TOTAL FINANCIAL SOURCES	$869,648	$865,467	$871,498
EXPENDITURES			
General Government	$179,936	$212,585	$218,117
Public Safety	431,060	422,706	443,176
Public Works	75,962	78,327	82,162
Health	42,924	43,664	43,726
Parks and Recreation	41,800	45,768	46,507
Cultural Activities	30,203	30,087	30,959
Other Financing and Adjustments	800	--	-968
Transfers to other City Funds	44,122	28,452	32,474
Additional cuts in operating expenditures	--	-21,904	--
TOTAL EXPENDITURES BUDGET	$846,807	$839,685	$896,153
FUND BALANCES			
Excess (Deficit) Financial Resources	$22,841	$25,782	($24,655)
Fund Balance - January 1	$92,991	92,991	$118,773
Fund Balance - December 31	$115,832	$118,773	$94,118
Prepaid Items and other Reserves	$20,230	$20,230	$20,230
Unrestricted Fund Balance – December 31	$136,061	$139,003	$114,348

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

2 Includes fire pension mill levy funds as described under "Management Discussion of Recent Financial Results-2010."

TABLE 2

GENERAL FUND BUDGET SUMMARY
2010 ACTUAL RESULTS, 2010 REVISED BUDGET AND 2011 BUDGET
(by percentage)

	2010 Actual Results	2010 Revised Budget	2011 Budget
REVENUES			
Taxes			
Property	9.3%	7.6%	7.8%
Sales and Use	47.1	47.0	48.1
Other	8.6	8.3	8.4
Licenses and Permits	3.3	2.4	2.3
Intergovernmental Revenues	3.3	2.9	2.8
Charges for Services	16.8	21.3	20.5
Investment Income	0.7	0.3	0.5
Fines and Forfeitures	5.1	5.8	6.5
Other Revenues	5.8	4.4	3.3
TOTAL FINANCIAL SOURCES	100%	100%	100%
EXPENDITURES			
General Government	21.2%	25.3%	24.3%
Public Safety	50.9	50.3	49.5
Public Works	9.0	9.3	9.2
Health	5.1	5.2	4.9
Parks and Recreation	4.9	5.5	5.2
Cultural Activities	3.6	3.6	3.5
Other Financing and Adjustments	0.1	0.0	-0.1
Transfers to other City Funds	5.2	3.4	3.6
Estimated Unspent Appropriations	--	--	-2.1
Additional cuts in operating expenditures	--	-2.6	--
TOTAL EXPENDITURES BUDGET	100%	100%	100%

Management Discussion of Recent Financial Results

2006. In the first half of 2006, the City's economy outperformed the national economy and the City experienced above-average growth in employment, compensation and retail activity. As a result of significant snow storms in the City during the last few weeks of 2006 and early 2007, retail sales were negatively impacted as stores were forced to close some days prior to Christmas, which would normally have been among the busiest sales days of the year for the retail market. Sales and use tax revenues were 1.9% higher in 2006 as compared with 2005.

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 "RETIREMENT PLANS." With this contribution, total General Fund revenues increased by 6.9% over 2009 (See Table 1). 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. Total General Fund expenditures, including transfers out, decreased 2.3% from 2009.

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 2006 through 2010.

TABLE 3

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

	2006	2007	2008	2009	2010
ASSETS					
Cash and cash equivalents	$ 91,178	$ 94,691	$ 94,089	$ 28,021	$ 72,894
Cash on hand	2	2	30	34	31
Receivables (net of allowances for uncollectibles):					
Taxes	128,385	113,616	117,668	116,253	123,142
Notes	--	25	25	23	70
Accounts	11,494	14,292	13,737	19,760	18,929
Accrued interest	1,537	1,111	781	542	515
Due from other funds	26,711	289	31,596	44,001	--
Interfund receivable	97	30,977	215	224	23,752
Prepaid items and other assets	1	--	861	--	453
Restricted assets:					
Cash and cash equivalents	42,608	40,817	21,001	20,207	19,952
TOTAL ASSETS	$301,512	$295,820	$280,003	$229,065	$259,738
LIABILITIES					
Vouchers payable	$ 13,135	$ 13,576	$ 10,672	$ 10,639	$ 12,284
Accrued liabilities	10,177	12,168	19,160	21,781	25,520
Due to other funds	3,413	2,776	3,450	3,873	31
Interfund Payable	--	--	--	--	2,934
Deferred revenue	89,131	71,706	75,252	79,552	82,757
Advance	--	3	--	--	151
TOTAL LIABILITIES	$115,856	$100,229	$108,554	$115,845	$123,677
FUND BALANCE					
Reserved for emergency use	$ 19,663	$ 20,101	--[1]	--	--
Reserved for encumbrances	14,635	--	--	--	--
Reserved for prepaid items and other assets	22,544	20,716	21,001	20,230	20,475
Unreserved:					
Undesignated	128,814	154,774	150,448	92,990	115,586
TOTAL FUND BALANCE	$185,656	$195,591	$171,449	$113,220	$136,061
TOTAL LIABILITIES AND FUND BALANCE	$301,512	$295,820	$280,003	$229,065	$259,738

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

(Source: City and County of Denver's Comprehensive Annual Financial Reports, 2006 -2010)

TABLE 4

CITY AND COUNTY OF DENVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2006-2010
($ in thousands)

	2006	2007	2008	2009	2010
REVENUES					
Taxes:					
Property	$75,158	$79,232	$ 62,703[1]	$ 64,396[1]	$ 80,913[1]
Sales and Use	397,163	418,177	430,928	387,838	409,817
Other	51,760	73,531	80,284[1]	72,123[1]	74,757[1]
Licenses and Permits	26,123	28,094	27,763	23,229	28,571
Intergovernmental Revenues	31,527	32,861	32,107	31,955	28,378
Charges for Services	120,694	107,519	137,160	138,563	145,667
Investment Income	11,571	18,717	11,692	4,512	6,476
Fines and Forfeitures	34,246	34,253	38,416	41,389	44,322
Other Revenues	7,863	11,165	8,663	11,863	10,194
TOTAL REVENUES	$756,105	$803,549	$829,716	$775,868	$829,095
EXPENDITURES					
Current:					
General Government	$165,154	$156,040	$175,817	$165,897	$165,018
Public Safety	374,829	400,469	423,136	429,718	431,060
Public Works	73,463	84,310	81,710	79,506	75,962
Health	41,745	41,783	42,438	43,750	42,924
Parks and Recreation	45,210	47,003	49,516	46,183	41,800
Culture and Entertainment	29,780	31,386	32,531	32,222	30,203
Community Development	--	17,499	17,209	16,343	14,918
Obligation Retirement	0	3,308	4,425	2,071	800
TOTAL EXPENDITURES	$730,181	$781,798	$826,782	$815,690	$802,685
Excess of Revenues Over Expenditures	25,924	21,751	2,934	(39,822)	26,410
OTHER FINANCING SOURCES (USES)					
Other	106	14	9,784	1,594	2,590
Operating Transfers In	24,725	32,333	30,731	30,577	37,963
Operating Transfers Out	(43,668)	(44,163)	(67,591)	(50,578)	(44,122)
TOTAL OTHER FINANCING SOURCES (USES)	($18,838)	($11,816)	($27,076)	($18,407)	($3,569)
Net Change in Fund Balances	7,086	9,935	(24,142)	(58,229)	22,841
Fund Balance – January 1	178,570	185,656	195,591	171,449	113,220
FUND BALANCE – December 31	$185,656	$195,591	$171,449	$113,220	$136,061

1 From 2008 through 2010, 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.

(Source: City and County of Denver's Comprehensive Annual Financial Reports, 2006 - 2010)

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 2010

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 2010 reflects the City's total tax rate of 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
2001 – 2010
($ in thousands)

Year	Revenues[1]	Percent Change[1]
2001	$388,171	(1.37)%
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

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 2001 through 2010.

TABLE 6

STATE PROPERTY APPRAISAL SYSTEM

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2002	2001	July 1, 2000	January 1, 1999 to June 30, 2000
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

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 2010. For assessment years 2001 and 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 2010, this capital maintenance levy generated approximately $27.9 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	2006	2007	2008	2009	2010
City and County of Denver:					
General Fund	9.323	6.306[3]	6.389[3]	5.867[3]	6.174[3]
Bond Principal Fund	6.933	4.750	4.470	4.470	4.470
Bond Interest Fund	1.500	3.683	3.110	3.110	3.110
Social Services	3.992	3.630	3.698	3.394	3.556
Developmentally Disabled	1.012	1.013	1.011	1.013	1.019
Fire Pension	1.480	1.345	1.371	1.258	1.317
Police Pension	1.767	1.607	1.636	1.502	1.572
Capital Maintenance	--	2.500	2.500	2.524[2]	2.544[2]
Capital Improvement	--	2.285[3]	2.350[3]	2.170[3]	2.281[3]
TOTAL DENVER MILL LEVY	26.007	27.119	26.535	25.308	26.044
School District No. 1	40.333	39.210	39.657	39.262	39.972
Urban Drainage and Flood Control District	0.608	0.568	0.591	0.569	0.576
TOTAL MILL LEVY:	66.948	66.897	66.783	65.139	66.592

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.

3 The City reduced its General Fund mill levy and applied Capital Improvement mill levies in these years, because occupational privilege taxes previously used to fund capital improvements were redirected to the General Fund. See "FINANCIAL INFORMATION CONCERNING THE CITY--General Fund."

(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

	2006	2007	2008	2009	2010
ACTUAL AND ASSESSED VALUATION:			($ in millions)		
Statutory Actual Valuation (est.)[1]	$66,999	$ 74,348	$ 78,564	$ 82,844	$ 83,151
Assessed Valuation:					
Real Property – Land	$ 2,348	$ 3,145	$ 3,042	$ 3,434	$ 3,546
Real Property – Improvement	5,221	5,952	6,191	6,944	6,839
Personal Property	715	780	792	813	739
Public Utilities	751	784	838	822	836
Total Assessed Valuations[2]	$ 9,035	$ 10,660	$ 10,863	$ 12,012	$ 11,960
Total Assessed Valuation Percentage Change[3]	1.0%	17.9%	1.9%	10.58%	(0.44)%
LEVIES AND COLLECTIONS:[4]			($ in millions)		
Taxes Levied:	$ 194,857	$ 242,269	$ 239,658	$ 254,135	$258,519
Total Collections	$ 192,997	$ 239,283	$ 236,709	$ 249,884	N/A
Percent of Total Collections of from Levy to Date:	99.05%	98.77%	98.77%	98.33%	N/A

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.

(Source: Department of Finance)

Assessed Valuation of Major Taxpayers

Table 9 lists the ten major property taxpayers based on assessed valuations for the 2010 assessment year.

TABLE 9

CITY AND COUNTY OF DENVER
MAJOR PROPERTY TAXPAYERS - ASSESSED VALUATIONS 2010
(FOR COLLECTION 2011)
($ in thousands)

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation[1]
Qwest Corp[2]	Utility	$ 201,904,000	1.69%
Public Service Co.	Utility	186,368,190	1.56
Callahan Capital Partners	Real Estate	126,062,930	1.05
LBA Realty Fund	Real Estate	100,259,320	0.84
Brookfield Properties	Real Estate	100,168,380	0.84
United Airlines Inc.	Airline	92,569,100	0.77
Frontier Airlines[3]	Airline	92,248,100	0.77
UBS Realty Investors	Real Estate	91,404,130	0.76
Broadreach Capital Partners	Real Estate	91,235,500	0.76
MPG Office Trust Inc.	Real Estate	86,276,250	0.72
TOTALS		$1,168,495,900	9.77%

1 Based on a December 31, 2010 certified assessed valuation of $11,960,083,760. 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 Qwest has merged with CenturyLink and is now operates as CenturyLink.

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, 2010, the City had outstanding general obligation bonds in the aggregate principal amount of $969,229,000, which does not include accrued interest of $3,869,514 on compound interest bonds. In addition there were outstanding general obligation bonds issued by the Denver Water Board in the aggregate principal amount of $28,090,000.

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 2010, the City issued General Obligation Bonds of which $394,615,000 was applied to the authorized Better Denver Bonds Projects. In July of 2011, the City issued $16,455,000 of General Obligation Bonds for the Better Denver Bonds Projects. Upon the issuance of the 2011

General Obligation Bonds, $60,660,000 remains 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, 2010.

COMPUTATION OF THE GENERAL OBLIGATION DEBT MARGIN

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2010	$83,151,295,000
Maximum general obligation debt, limited to 3% of actual valuation	2,494,538,850
Less outstanding bonds chargeable to limit	969,229,000
LEGAL DEBT MARGIN – December 31, 2010	$ 1,525,309,850

General Obligation Bonded Debt

The following table lists the City's outstanding general obligation bonded debt as of December 31, 2010.

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	28,760
General Obligation Auditorium Theatre and Zoo Bonds, Series 2003A	35,000	5,985
General Obligation Medical Facilities Bonds, Series 2003B	148,000	87,800
General Obligation Justice System Facilities and Zoo Bonds, Series 2005	77,000	60,785
General Obligation Justice System Facilities Bonds, Series 2006	125,000	114,940
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	159,635
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	92,500
General Obligation Various Purpose Bonds, Series 2009B	14,415	12,215
General Obligation Better Denver Bonds, Series 2010A	37,910	37,910
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	312,055
General Obligation Better Denver Bonds, Series 2010D	44,650	44,650
Subtotal	1,137,159	969,229
General Obligation Water Bonds[3]	161,730	28,090
TOTAL:	$1,298,889	$997,319

1 Amount excludes $2,183,924 of compound interest on the Series 1999A bonds.
2 Amount excludes $1,675,590 of compound interest on the Series 2007 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, 2010 (excluding general obligation bonds issued by the Denver Water Board).

Year Ending December 31	**Debt Service[1] ($ in thousands)**
2011	$ 93,757
2012	91,574
2013	91,407
2014	91,084
2015	90,891
2016 through 2030 totaling	$ 1,053,727
TOTAL:	$ 1,512,440

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, 2010.

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

Total Direct General Obligation Bonded Debt	$ 997,319
Less General Obligation Water Bonds	28,090
Net Direct General Obligation Bonded Debt	969,229
Overlapping General Obligation Bonded Debt[1]	1,037,805
Net Direct and Overlapping General Obligation Bonded Debt	2,007,034
Actual Valuation	$83,151,295
Assessed Valuation[2]	$11,960,084

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita[3]
Total Direct G.O. Bonded Debt	1.20%	8.34%	$1,662
Net Direct G.O. Bonded Debt	1.17	8.10	1,615
Net Direct and Overlapping G.O. Bonded Debt[1]	2.41	16.78	3,344

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 2010 population estimate of 600,158.
(Sources: Department of Finance; Office of the County Assessor; Denver Regional Council of Governments)

Excise Tax Revenue Bonds Debt Service Coverage

Excise Tax Revenue bonds are special and limited obligations of the City, payable from a specific, 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. Of 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 2001-2010 ($ 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]
2001	$9,099	$7,804	$6,164	$10,642	$1,381	$35,090	$23,998	1.46%
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	2.10
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

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 2001 through 2010:

TABLE 12
TOTAL SEAT TAX COLLECTIONS AND PAYMENTS IN LIEU OF SEAT TAXES
FOR 2001 THROUGH 2010
($ in thousands)

Bond Year	Seat Tax Collections	Payments in Lieu of Seat Taxes[1]	Total
2001	$6,668	$2,700	$9,368
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

1 In 2001, the Denver Broncos Football Club ceased playing games at a City-owned facility and began to play at Invesco 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 2001 through 2010:

TABLE 13

TOTAL HEAD TAX COLLECTIONS FOR EACH BOND YEAR ENDING 2001 THROUGH 2010 ($ in thousands)

Year	Head Tax Collections
2001	$43,021
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

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 2001 through 2010:

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
2001	$49,689	$2,700	$329	$52,718	$6,027	8.75%
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

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 2006 through 2010:

TABLE 15[1]

Historical Coverage

	2006	2007	2008	2009	2010
Operating Revenues	$8,053,000	$8,157,324	$8,399,251	$8,352,842	$8,743,774
Rate Maintenance Account	240,403	240,403	240,403	240,403	240,403
Golf Enterprise Fund Gross Revenue	8,293,403	8,397,727	8,639,654	8,593,245	8,984,177
Operation and Maintenance Expenses[2]	7,425,000	5,567,734	7,285,941	6,577,389	5,930,265
Net Pledged Revenue	868,403	2,829,993	1,353,712	2,015,856	3,053,912
Series 2005 Maximum Annual Debt Service	$686,865	$686,865	$686,865	$686,865	$686,865
Coverage	1.27%	4.13%	1.98%	2.95%	4.45%

1 Figures vary from the 2009 and 2010 CAFR, Table 15 represent revised and corrected results for the years 2009 and 2010.
2 Excludes depreciation
(Source: Denver Parks and Recreation)

The following table sets forth comparative, unaudited operating results of the Enterprise for Fiscal Years 2006 through 2010.

TABLE 16

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

	2006	2007	2008	2009	2010
Operating Revenues					
Golf Charges	$8,055,000	$8,141,979	$8,395,666	$8,324,567	$8,743,774
Other	(2,000)	15,345	3,584	28,275	--
Total Operating Revenues	8,053,000	8,157,324	8,399,251	8,352,842	8,743,774
Operating Expenses					
Personnel Services	4,079,000	4,291,415	4,563,226	4,335,102	4,225,271
Contractual Services	660,000	528,139	256,903	205,940	71,000
Supplies and Materials	810,000	722,975	1,067,259	868,216	731,000
Depreciation Expense	649,000	658,000	667,771	1,045,412	1,683,000
Other Operating Expenses	1,876,000	25,205	1,398,554	1,168,131	902,994
Total Operating Expenses	8,074,000	6,225,734	7,953,713	7,622,801	7,613,265
Operating Income (Loss)	(21,000)	1,931,590	445,538	730,041	1,130,509
Non-Operating Revenue (Expenses)					
Investment and Interest Income	319,000	455,000	225,803	28,959	41,003
Interest Expenses	(259,000)	(312,000)	(298,322)	(275,000)	(295,657)
Income(Loss)	39,000	2,074,590	373,018	484,000	875,855
Net Assets – January 1	10,393,202	10,432,202	12,506,792	12,879,810	13,363,100
Net Assets – December 31	$10,432,202	$12,506,792	$12,879,810	$13,363,100	$14,238,954

1 Figures vary from the 2009 and 2010 CAFR, Table 16 represent revised and corrected results for the years 2009 and 2010.

(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, 2010.

TABLE 17

Total Rounds Played

	2006	**2007**	**2008**	**2009**	**2010**
Aqua Golf[1]	N/A	N/A	N/A	20,520	16,314
City Park	55,280	55,874	54,312	51,040	41,228
Evergreen	22,843	24,677	24,319	22,714	20,655
Harvard Gulch	30,471	33,025	33,504	30,909	30,043
Kennedy[2]	100,814	97,688	103,156	93,325	86,966
Overland	51,903	51,350	53,751	49,773	46,760
Wellshire	57,442	54,906	54,390	54,836	49,580
Willis Case	48,809	52,063	47,953	45,530	49,134
Total	367,562	369,583	371,385	368,647	340,680

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, 2010 – Denver Golf Courses

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

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, 2010, the School District had $1,037,805,175 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in connection with which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2010, the aggregate principal amount of such certificates outstanding was $772,267,160. 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 $33,566,435 for 2010. The Sewage District had outstanding $290,328,254 aggregate principal amount of bonds as of December 31, 2010.

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 in 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, 2010, approximately $1.74 billion has been issued and $1,405,048,000 of principal is currently outstanding. RTD also has $549,480,000 of principal outstanding certificates of participation in 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, this expansion being known as 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 (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 "terminal-to-station" interface at the Airport (see Table 35). 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 operation 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.

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 has issued $260 million of bonds, of which $56,485,176 was outstanding as of December 31, 2010. The bonds are scheduled to be retired (paid in full) by December 31, 2012.

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, 2010

Taxing District	2010 Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2010 Bond Mill Levy
Bowles Metro[1]	$ 27,482,540	0.230%	21.878
Central Platte Valley Metro	96,708,370	0.809	41.000
Cherry Creek North B.I.D.	188,980,290	1.580	6.700
Colorado Intl. Cntr. Metro No. 14[1]	10,211,900	0.085	35.000
Denver Gateway Center Metro	4,627,410	0.039	26.992
Denver Intl. Bus. Center Metro No. 1	22,713,810	0.190	23.320
Ebert Metro	61,269,010	0.512	58.000
Fairlake Metro	28,939,760	0.242	25.000
Gateway Regional Metro	59,719,920	0.499	10.554
Gateway Village G.I.D.	17,701,310	0.148	20.000
Goldsmith Metro[1]	331,038,650	2.768	8.000
Greenwood Metro[1]	1,855,530	0.016	5.350
GVR Metro	64,346,490	0.538	8.863
Madre Metro No. 2	4,028,600	0.034	40.000
Mile High Business Ctr. Metro.	15,565,890	0.130	29.000
North Washington Fire[1]	6,115,060	0.051	1.196
Sand Creek Metro[1]	39,734,140	0.332	45.000
SBC Metro	57,930,950	0.484	28.600
Section 14 Metro[1]	15,361,740	0.128	17.666
South Denver Metro	53,823,640	0.450	7.000
Westerly Creek Metro	292,671,840	2.447	53.395
Special District Total Assessed Value	$ 1,400,826,850	11.71%	
Denver Total Assessed Value[2]	$11,960,083,760		

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") has 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**
December 1, 2011	$4,375,000
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.

City Employees. DERP is a defined benefit plan. Its purpose is to provide retirement benefits to qualified members of the City and County of Denver and 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 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, 2009 and 2010:

	2009	2010
Retirees and beneficiaries currently receiving benefits	7,416	7,606
Terminated employees entitled to benefits but not yet receiving such benefits	3,326	3,343
Current employees:		
Vested	5,864	5,912
Non-vested	2,750	2,491
TOTAL	19,356	19,352

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 July1, 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 the recent changes in DERP contribution requirements.

	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, 2010, the total net plan assets were $1,802,143,029.[(1)] Per DERP's independently audited 2010 Comprehensive Annual Financial Report, as of January 1, 2010, the most recent actuarial valuation, 88.4% 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 provides health insurance 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 2010 Comprehensive Annual Financial Report, as of January 1, 2010, the most recent valuation, 63.8% of the plan's accrued liabilities were covered by valuation assets.

1 (Source: Denver Employees Retirement Plan (unaudited).)

Fire and Police Pension Plan. All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978 ("New Hires") participate in the Statewide Defined Benefit Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the 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 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, 2010, 2009, and 2008 the City contributed a combined amount of $13,367,000, $13,387,000 and $12,443,683 respectively, in connection with the New Hire Plan. As of the January 1, 2010 actuarial report, under current law benefits and assuming no cost of living adjustments, the New Hire Plan is funded at 100%.

The City is required to pay a minimum of $27,894,000 to the Old Hire Plans each year until there is no longer any actuarial liability. The City's contributions to the Old Hire Plans for the years ended December 31, 2010, 2009 and 2008 were $22,384,000, $16,417,000 and $30,135,266, respectively. Contributions in 2009 and 2010 were under the required amount because the funding level for the Old Hire Fire Plan had been met. Because of impacted asset values due to the economic slowdown, contribution to the Old Hire Fire Plan will again be required in 2011. As of January 1, 2010, the Old Hire Police Plan and Old Hire Fire Plan were actuarially funded at 85% and 76%, respectively.

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, 2010 are summarized in Table 21.

TABLE 21

SCHEDULE OF LEASE PURCHASE TRANSACTIONS AND RELEASE DATES

Series	Principal Amount (as of December 31, 2010)	Leased Property	Date Lease Property Scheduled to be Acquired
1995A	$230,000	City Office Building for Information and other City Departments	January 1, 2014
2002A-B	11,245,000	Denver Cultural Center Parking Garage	December 1, 2021
2003A	2,945,000	Cherry Creek North Parking Garage	December 1, 2017
2003B	44,715,000	Buell Theatre, Jail Dorm Building	December 1, 2023
2005A	36,555,000	Human Services Campus	May 1, 2020
2008A1-A3	257,310,000	Wellington E. Webb Office Building	December 1, 2031
2008B	17,735,000	Denver Botanic Gardens Parking Facility	December 1, 2028
2010A	22,600,000	Central Platte Campus	December 1, 2030
2010B	36,120,000	Wastewater Office Building/Roslyn Maintenance Facility	December 1, 2021
TOTAL	$429,455,000		

DENVER WATER BOARD

The following section has been taken from the 2010 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 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. As of December 31, 2008, wholesale water distributor contracts accounted for 24.08% of total water consumption

- 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.

Total square mileage served by Denver Water as of December 31, 2010 was as set forth below.

DENVER WATER DISTRIBUTOR CONTRACT SERVICE AREA

(SQUARE MILES)

The number of customer accounts served by Denver Water and its master meter customers as of December 31, 2010 was as follows:

	Total Miles
Outside City	
Total Service	40.8
Read & Bill	50.0
Master Meter	90.7
Inside City	
City and County	111.3
DIA	43.3
Total	336.1

NUMBER OF CUSTOMER ACCOUNTS – ACTIVE TAPS[1]

	Number of Accounts
Inside City	159,592
City and County	1,277
Outside City - Read and Bill	36,477
Outside City - Total Service	36,376
Outside City - Master Meter	75,840
Total Active Taps	309,562

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 3.59% of treated water sales revenue received in fiscal year 2010.

TABLE 22

TOTAL TREATED WATER CONSUMPTION FOR THE PERIOD 2001-2010
Millions of Gallons

Year	Annual	Daily Average	Daily Maximum	Estimate of Population Served July 1[1]	Average Daily Gallons Per Capita
2001	81,054.72	222.07	488.71	1,052,000	211
2002	75,221.18	206.09	419.20	1,076,000	192
2003	65,399.47	179.18	370.05	1,081,000	166
2004	60,578.77	165.52	340.92	1,104,000	150
2005	68,473.70	187.60	424.80	1,115,000	168
2006	74,724.98	204.73	425.68	1,124,000	182
2007	70,479.84	193.10	425.70	1,143,000	169
2008	71,975.87	196.66	426.16	1,154,000	170
2009	62,106.90	170.16	341.80	1,173,000	145
2010	69,695.45	190.95	365.81	1,174,000	163

1 Population estimates are for treated water customers only and are interpolated from an analysis of the 2000 census.

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.

On September 28, 2010, The Water Board issued $90,000,000 of Build America Revenue Bonds for the acquisition of various capital improvements. These taxable bonds, created by the American Recovery and Reinvestment Act of 2009, carry a 35 percent federal tax subsidy on interest costs.

The following table shows outstanding General Obligation and Water Revenue Bonds as of December 31, 2010.

TABLE 23

BOARD OF WATER COMMISSIONERS
GENERAL OBLIGATION AND WATER REVENUE BONDS
Outstanding at December 31, 2010
($ in thousands)

Date of Issue	Interest Rates on Bonds Outstanding	Issued	Outstanding
General Obligation Bonds			
Series 1999	5.50-6.00%	$14,530	$12,710
Series 2000	4.80-5.50%	12,700	3,245
Series 2001A	4.125-4.70%	11,215	5,105
Series 2002	3.25-4.50%	11,610	7,030
		$50,055	28,090
Less net discount			(165)
Total General Obligation Bonds			$27,925
Water Revenue Bonds			
Series 2003A	3.00–5.00%	$50,000	$49,300
Series 2003B	3.75-5.00%	77,155	42,660
Series 2004	4.125-5.50%	43,655	25,550
Series 2005	3.50-5.25%	30,000	24,715
Series 2007A	3.00-5.00%	100,000	100,000
Series 2008A	0.75%	1,800	1,440
Series 2009	4.65%- 6.15%	44,000	44,000
Series 2010	2.625-5.17%	90,000	90,000
Total		$436,610	377,665
Plus Premium			2,072
Less deferred amount on refunding			(254)
Total Revenue Bonds			$379,483

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. DCLC assigned its interest in the MLPA to a trustee, and certificates of participation in the MLPA were issued. As of December 31, 2010, the aggregate principal components of the lease payments remaining under the MLPA were $21.630,000, payable through 2016.

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, 2010, net of interest, was $20,790,000. 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. Since 1973, Denver Water has collected approximately $584.1 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 $143.1 million have been collected since inception.

TABLE 24

	System Development Charges[1]	Participation Receipts
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
2001	22,186,342	7,026,906
2000	25,525,391	6,392,360
1973-1999	354,239,885	96,783,411
Total	$598,639,003	$143,134,654

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

2 The decrease in System Development Charges and Participation Receipts for 2009 and 2010 reflects the economic impact of the decrease in new housing and commercial construction.

SYSTEM DEVELOPMENT CHARGES
(As of December 31, 2010)
$/TAP

	Treated Water	
	Inside Denver	**Outside**
Sing1e Family Residential Taps[1]		
Base charge per residence	$2,550	$3,570
Charge gross lot size	$0.52 /SQ ft	$0.73/SQ ft
Multi-family Residential Taps[2]		
Base charge for duplex or first two dwelling units served through a single tap	$7,950	$11,130
Charge for each additional dwelling unit served through a single tap	$1,570	$2,200

All Other Taps[3]	Treated Water Service		Recycled Water Service	
Size of Connection:	Denver	Outside City	Inside	Outside City
¾”	$6,450	$9,020	$4,600	$6,440
1”	16,820	23,550	12,290	17,210
1½”	35,570	49,800	26,700	37,390
2”	65,690	91,970	49,080	68,710
3”	123,680	173,150	94,520	132,320
4”	175,620	245,870	131,910	184,670
6”	270,640	378,900	212,310	297,230
8”	368,150	515,410	292,710	409,790
10”	507,100	709,950	373,110	522,350
12”	548,460	767,840	453,510	634,910
Acre Foot Conversion ($/AF)				
Inside the Combined Area	$11,820	$16,550	$8,440	$11,820
Outside the Combined Area	n/a	$20,990	n/a	$14,980

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	14.03%
March 8, 2011	11.35%

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 2006 - 2010 AND 2011 BUDGET (CASH BASIS)

(amounts expressed in thousands)

	2011	2010		2009		2008		2007		2006	
	Budget	Budget	Actual	Budget[1]	Actual	Budget	Actual	Budget	Actual	Budget	Actual
BEGINNING CASH & INVESTMENTS	$ 225,410	$ 194,012	$ 194,012	$ 198,311	$ 198,311	$ 226,160	$ 226,160	$ 149,198	$ 149,198	$ 159,276	$ 159,276
RECEIPTS FROM:											
Sale of water	246,079	223,305	225,493	212,028	188,293	207,219	204,232	189,814	194,225	164,333	195,054
Drought Surcharge	-	-	-	-	-	-	-	-	-	-	-
Nonoperating, interest & other	19,532	16,168	16,474	20,576	18,274	17,865	25,284	17,165	24,074	14,976	25,254
System development charges	8,000	8,000	11,283	8,000	9,013	22,981	19,138	27,843	26,214	25,654	22,389
Developer participation (new facilities) & Reimbursements & grants	4,863	4,863	10,940	11,605	10,938	3,717	5,197	7,672	3,315	7,683	4,321
	278,474	252,336	264,190	252,209	226,518	251,782	253,851	242,494	247,828	212,646	247,018
Sale of bonds		39,000	90,000	44,075	44,000	-	1,800	50,000	99,158	40,000	-
Total receipts	278,474	291,336	354,190	296,284	270,518	251,782	255,651	292,494	346,986	252,646	247,018
LESS EXPENDITURES FOR:											
Operations, maintenance & refunds	198,641	178,177	184,441	152,021	153,182	139,655	139,813	124,803	118,760	116,770	114,980
Debt service	46,374	50,525	51,234	51,933	50,800	49,495	49,604	54,392	53,909	47,398	46,264
	245,015	228,702	235,675	203,954	203,982	189,150	189,417	179,195	172,669	164,168	161,244
Capital improvements (new facilities)	46,344	52,818	51,105	43,235	32,568	44,932	41,813	61,012	58,793	50,400	59,246
System replacements	32,101	30,755	23,734	31,148	21,653	26,025	24,291	22,318	16,463	21,289	17,431
Equipment	8,642	10,552	7,177	20,954	14,927	16,687	16,693	15,732	7,749	13,853	7,083
	87,087	94,125	82,016	95,337	69,148	87,644	82,797	99,062	83,005	85,542	83,760
Indirects to capital	14,791	15,738	15,551	11,512	15,429	14,637	11,286	12,007	14,350	11,990	12,092
Total expenditures	346,893	338,565	333,242	310,803	288,559	291,431	283,500	290,264	270,024	261,700	257,096
Cash Balance Adjustment[2]			10,449		13,742						
ENDING CASH & INVESTMENTS	$ 156,991	$ 146,783	$ 225,409	$ 183,792	$ 194,012	$ 186,511	$ 198,311	$ 151,428	$ 226,160	$ 150,222	$ 149,198

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 2009 cash budget adjustment is due to a timing difference between cash payments that were made in January 2010 but were accrued for in December 2009.

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.

(Source: Denver Water Comprehensive Annual Report, 2010)

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 composition, ranging in size from 6" to 60" in diameter and over 550 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, 2010, the outstanding principal amount of these bonds is $21,715,000.

Wastewater Financial Information

Customer Information. Denver's Wastewater Management Division estimates that Wastewater serves approximately 159,932 sanitary sewer customers. Of this amount, approximately 149,390 (93%) are residential customers; approximately 10,542 (7%) 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 2006 and 2010 relating to the Sewage District's total annual charges to Wastewater.

TABLE 26

HISTORICAL METRO WASTEWATER RECLAMATION DISTRICT ANNUAL CHARGES

	2006	2007	2008	2009	2010
Total Sewage District Annual Charges for Service	$66,818,454	$75,146,180	$81,003,177	$81,003,177	$84,489,828
Sewage District Annual Charge to Wastewater [1]	25,227,259	25,994,957	29,316,360	29,316,360	33,566,435
Sewer District Annual Charge as a Percentage of Total Operating Expense	37.75%	34.59%	36.19%	36.19%	39.73%
Year-to-Year Sewage District Annual Charge Increase	--	3.04%	12.78%	0.00%	14.50%

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
2001	146,413	144,115
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	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. The ratio of these figures is then matched to the appropriate ratio group determined by the City, with each ratio group assigned a corresponding rate. In June 2011, the City adopted by ordinance the fee schedule set forth in 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 to 100	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 Denver-Boulder-Greeley 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.

The following table sets forth the statements of revenues, expenses and changes in net assets for the years ending December 31, 2009 and 2010 and the Approved Budget for 2011.

TABLE 29

WASTEWATER ENTERPRISE BUDGETS

	2009 Adjusted Budget	2010 Adjusted Budget	2011 Approved Budget
Operating Revenue			
Total Operating Revenue	$76,340,000	$76,900,000	$76,674,000
Operating Expenses			
Personnel Services	22,499,000	23,165,000	23,048,000
Contractual Services	16,903,000	17,530,000	17,420,000
Supplies and Materials	1,096,000	1,684,000	1,725,000
Payments To Metro			
Wastewater and Other Districts	29,316,000	34,615,000	45,600,000
Total Operating Expenses	69,814,000	76,994,000	87,793,000
Operating Income (loss)	6,526,000	(94,000)	(11,119,000)
Other Income (Expense)			
Earnings on investments	691,000	205,000	300,000
Debt interest payments	(1,209,000)	(1,167,300)	(1,365,000)
Bond principal payment	(1,235,000)	(1,300,000)	(1,108,800)
Purchase of capital Equipment	(1,676,349)	(729,000)	(637,746)
Total Other Expense	(3,429,349)	(2,991,300)	(2,811,546)
Modified Net Income	$3,096,651	$(3,085,300)	$(13,930,546)

(Source: Wastewater Management Enterprise Fund, Basic Financial Statements, 2010)

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 2006 through 2010 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

	2006	2007	2008	2009	2010
Operating revenues – charges for services					
Sanitary sewer[1]	$47,895,998	$47,804,094	$46,936,074	$46,060,753	$45,556,406
Storm drainage	25,855,498	27,946,403	29,654,347	29,451,253	29,806,256
Total	73,751,496	75,750,497	76,590,421	75,512,006	75,362,662
Operating expenses					
Personnel services	18,967,146	18,923,901	20,454,009	21,202,815	19,340,219
Contractual services	9,644,898	15,251,496	14,400,684	14,714,438	14,577,854
Supplies	2,231,597	1,918,909	1,579,397	1,275,296	1,180,098
Utilities	92,858	130,958	114,198	125,198	142,815
Depreciation and amortization	10,654,696	11,196,742	12,602,935	14,369,070	15,682,407
Payments To Metro Wastewater Reclamation District	25,227,259	28,777,458	25,994,957	29,316,360	33,566,435
Total	66,818,454	76,199,464	75,146,180	81,003,177	84,489,828
Operating Income (loss)	6,933,042	(448,967)	1,444,241	(5,491,171)	(9,127,166)
Nonoperating revenue (expenses)					
Investment income	5,292,272	4,240,078	1,961,110	377,512	2,185,741
Investment expense	4,927	4,927	4,927	4,927	4,927
Gain (loss) on disposition of assets	68,837	33,233	5,483	56,321	101,906
Total nonoperating revenues	5,366,036	4,278,238	1,971,520	438,760	2,292,574
Income before capital contributions and transfers	12,299,078	3,829,271	3,415,761	(5,052,411)	(6,834,592)
Capital contributions	37,772,915	9,906,473	7,689,684	15,017,821	13,983,763
Transfers out	(8,000)	(11,400)	(14,500)	(18,800)	(25,200)
Change in net assets	50,079,993	13,724,344	11,090,945	9,946,610	7,123,971
Net assets, beginning of year	416,681,158	466,745,151	480,469,495	491,560,440	501,507,050
Net assets, end of year	$466,761,151	$480,469,495	$491,560,440	$501,507,050	$508,631,021

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.

(Source: Wastewater Audited Financial Statements 2006 – 2010.)

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
2006	22,884,937	2,484,444	9.21
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

(Source: Wastewater Enterprise Department of Finance)

Capital Improvement Plan.

The Enterprise continuously reviews its capital needs through staff observation and customer and community feedback. Once needs are identified, a study is initiated which may result in a recommendation for a capital improvements project. Recommended projects are incorporated into the Six-Year Capital Needs Assessment. The timing and priority for implementation of recommended projects within the Six-Year Capital Needs Assessment 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 improvement plan. The following schedule provides the Enterprise's currently proposed capital improvements plan expenditures for the years 2011-2017. The City currently expects to fund the 2011-2017 capital improvement plan primarily through Wastewater revenue bonds and rates and charges. To the extent that the City cannot obtain the necessary funding from these sources, the City intends to either defer certain projects or reduce projects scopes, as appropriate.

PROPOSED CAPITAL IMPROVEMENT PLAN
FOR 2011 THROUGH 2017

Project Description	2011	2012	2013	2014	2015	2016	2017
Storm Drainage	$16,480,000	$21,218,000	$21,854,540	$22,510,176	$23,185,481	$23,881,046	$24,938,477
Sanitary Sewerage	10,300,000	5,304,500	5,436,635	5,627,544	5,796,370	5,970,261	13,695,119
Total	26,780,000	26,522,500	27,291,175	28,137,720	28,981,851	29,851,307	38,633,596

(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 passenger terminal complex consists of (1) a landside terminal, (2) three airside concourses providing 92 full service jet gates and 64 commuter aircraft parking positions including 34 regional jet positions and (3) the Airport Administration Building. 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 2010, 52.2 million passengers traveled through Denver International Airport, of which approximately 53.3% originated or terminated their air journeys in Denver, and 46.7% 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 2010 the Airport was ranked as the fifth busiest airport in the nation and the 10th busiest airport in the world based on total passengers. As shown in Table 31, in 2010, enplaned passengers increased to 26 million, a 3.6% increase over 2009 and a 1.5% increase over 2008, the previous high. 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 MAJOR AIRLINE CATEGORY[1]
2006-2010

Year	Major/ National Airlines[2]	Percent Change	Regional/ Commuter Airlines	Percent Change	Charter/ Misc. Airlines	Percent Change	Totals	Percent Change
2006	19,674,467	7.6%	3,791,642	17.70%	199,203	-1.5%	23,665,312	9.0%
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[3]	21,032,064	1.9	4,666,047	10.1	326,811	34.8	26,024,922	3.6

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1 Includes revenue and non-revenue enplaned passengers.

2 Includes Ted in 2006-2008 and Lynx in 2006-2010.

3 The number of enplaned passengers at the Airport for 2010 is approximately 0.4% lower than the number previously reported and set forth in the 2010 DIA CAFR because of a reporting error made by one of the airlines. As a result, the increase in the number of enplaned passengers at the Airport for 2010 over 2009 is 3.6% rather than the 4.0% previously reported.

(Source: Department of Aviation)

The following table shows enplaned passengers for individual airlines serving the Airport System for 2009 and 2010, 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	**2009**	**2010**
United	32.5%	28.4%
United Express[1]	13.7	16.0
Total United Group	46.2	44.3
Frontier and Frontier/Republic	20.6	20.2
Lynx[2]	2.4	1.2
Frontier JetExpress[3]	--	0.1
Total Frontier Group	23.0	21.5
Southwest	14.4	18.2
American Airlines[4]	2.8	2.7
Continental[4]	2.0	2.1
Delta[4,5]	2.4	3.9
Northwest[5]	1.8	--
US Airways	2.2	2.3
Other[3]	5.2	5.0
	16.4	16.0
Total	100.0%	100.0%

1 Several airlines have operated as United Express during this period.

2 Lynx commenced service at the Airport in December 2007; however, Republic Holdings discontinued Lynx in March 2011.

3 Several airlines have 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.

4 Does not include commuter affiliates.

5 Delta Airlines, Inc. ("Delta") and Northwest Airlines, Inc. ("Northwest") merged on October 29, 2008, with Northwest becoming a wholly owned subsidiary of Delta. Since January 1, 2010, the two airlines have operated under a single FAA operating certificate.

(Source: Department of Aviation)

The following table sets forth a summary of selected aviation activity at the Airport for the period of 2006 through 2010.

TABLE 33
SUMMARY OF AVIATION ACTIVITY - DENVER INTERNATIONAL AIRPORT
(In millions – Totals may not add due to rounding)
Calendar Year[1]

	2006	2007	2008	2009	2010[2]
Enplaned Passengers (millions):					
United	8.365	8.324	8.361	8.165	7.386
Ted[3]	2.011	1.955	1.105	--	--
United Express	2.971	3.018	2.906	3.438	4.152
Total United Group	13.347	13.297	12.372	11.603	11.537
Frontier[4]	4.427	5.118	5.812	5.181	5.259
Lynx[5]	--	0.017	0.504	0.602	0.311
Frontier JetExpress[6]	0.478	0.533	0.216	--	0.025
Total Frontier Group	4.904	5.668	6.531	5.782	5.595
Southwest	0.79	1.322	2.379	3.614	4.726
Other	4.624	4.654	4.369	4.129	4.166
Total	23.665	24.941	25.65	25.128	26.024
Percent Change from Prior Year		5.40%	2.80%	-2.00%	3.60%
Originating Passengers:					
Total Originating Passengers (millions)	13.25	14.243	14.335	13.656	14.101
Percent of Total Enplaned	56.00%	57.10%	55.90%	54.30%	54.20%
United Group Percent of Total Originating	41.20%	38.90%	34.90%	31.20%	29.4
Frontier Group Percent of Total Originating	21.00%	22.70%	23.00%	21.00%	20
Southwest Percent of Total Originating	5.80%	8.80%	14.00%	20.00%	23.9
Connecting Passengers:					
Total Connecting Passengers (millions)	10.415	10.698	11.315	11.472	11.923
Percent Connecting of Total Enplaned	44.00%	42.90%	44.10%	45.70%	45.80%
United Group Percent of Total Connecting	75.70%	72.50%	65.20%	64.00%	61.90%
Frontier Group Percent of Total Connecting	20.30%	22.70%	28.60%	25.40%	23.30%
Southwest Percent of Total Connecting	0.20%	0.60%	3.30%	7.70%	11.30%
United Group Passengers:[3]					
Percent Originating	40.90%	41.60%	40.40%	36.80%	36.00%
Percent Connecting	59.10%	58.40%	59.60%	63.20%	64.00%
Frontier Group Passengers:					
Percent Originating	56.80%	57.10%	50.50%	49.50%	50.40%
Percent Connecting	43.20%	42.90%	49.50%	50.50%	49.60%
Southwest Passengers:					
Percent Originating	97.90%	95.20%	84.40%	75.50%	71.40%
Percent Connecting	2.10%	4.80%	15.60%	24.50%	28.60%
Average Daily Departures:					
Passenger Airlines:					
United and Ted[3]	230	229	207	171	149
United Express	191	194	192	216	246
Frontier, Frontier/Republic and Lynx	125	137	167	158	158
Frontier JetExpress	24	28	10	--	1
Southwest	24	39	78	108	124
Other	179	179	160	149	156
Total Passenger Airlines	772	806	814	802	833
All-Cargo Airlines	28	27	26	25	25
Total	801	833	840	827	858
Percent Change from Prior Year		4.10%	0.80%	-1.60%	3.80%
Landed Weight (billion pounds):					
Passenger Airlines:					
United and Ted[3]	13.364	12.808	11.79	10.499	9.568
United Express	3.512	3.636	3.616	4.2	4.999
Frontier, Frontier/Republic and Lynx	6.087	6.695	7.342	6.768	6.714
Frontier JetExpress	0.617	0.699	0.263	--	0.03
Southwest	1.058	1.781	3.508	4.817	5.611
Other	5.776	5.851	5.406	5.165	5.13
Total Passenger Airlines	30.415	31.471	31.925	31.449	32.053
All-Cargo Airlines	1.43	1.363	1.325	1.25	1.222
Total	31.844	32.834	33.25	32.699	33.275
Enplaned Cargo (million pounds)[7]	280.534	262.724	248.122	221.444	241.71
Percent Change from Prior Year		-6.40%	-5.60%	-10.80%	9.20%
Total Aircraft Operations (Landings/Take-Offs):					
Air Carriers	428,794	451,228	460,311	456,675	468,962
Air Taxi/Commuter/Military/General Aviation	180,723	168,086	165,533	155,302	166,483
Total	609,517	619,314	625,844	611,977	635,445
Percent Change from Prior Year		1.60%	1.10%	-2.20%	3.80%

Footnotes on following page.

Footnotes for Table 33

1 See "Aviation Activity – *Passengers and Revenue Information*" above.

2 The number of enplaned passengers at the Airport for 2010 is approximately 0.4% lower than the number previously reported and set forth in the 2010 DIA CAFR because of a reporting error made by one of the airlines. As a result, the increase in the number of enplaned passengers at the Airport for 2010 over 2009 is 3.6% rather than the 4.0% previously reported.

3 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.

4 Includes Frontier and Frontier/Republic.

5 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.

6 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.

7 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.

(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.

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, one of the world's largest airlines is the principal air carrier operating at Denver International Airport. United Airlines operates a major connecting hub at Denver International Airport under a use and lease agreement with the City that expires in 2025. United leases 35 of the Airport's 92 full-service jet gates and all 16 gates at Concourse B's regional jet facility.

At Denver International Airport, United, together with its United Express commuter affiliate, accounted for approximately 44.3% of passenger enplanements in 2010.

The UAL Corporation, Inc. (the parent company of United) and Continental merged effective October 1, 2010, under a plan in which United and Continental became wholly-owned subsidiaries of UAL, which then changed its name to United Continental Holdings, Inc. United Continental Holdings, Inc. is integrating the two airlines under the United brand to operate under a single Federal Aviation Administration (FAA) operating certificate, by the end of 2011. Continental currently leases three gates on Concourse B under a use and lease agreement and accounted for approximately 2.1% of the Airport's passenger enplanements in 2010.

The United Group (United and Continental) accounted for approximately 46.4% of Denver passenger enplanements at the Airport in 2010. In addition, the Airport would rank as the 4th busiest airport in the combined route network of United and Continental based on enplaned passenger data for 2010.

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 and its affiliates have the second largest market share at the Airport. Denver International Airport is one of Frontier's three hubs and, in 2010, the busiest airport in the Frontier system. Frontier currently leases 18 of the 30 full-service gates on Concourse A, constituting approximately 19.6% of the current 92 full-service gates at the Airport. The Frontier Group accounted for 21.5% of passenger enplanements at the Airport in 2010.

Frontier filed for bankruptcy protection in April 2008, received approval of a plan of reorganization in September 2009, and emerged from bankruptcy on October 1, 2009, as a subsidiary of Republic Holdings, which purchased Midwest Airlines in July 2009. Republic Holdings has announced its intention to integrate the operations of its Midwest Airlines brand, with Frontier operations, by the end of 2011. On February 4, 2010, Republic Holdings announced that it planned to discontinue the operations of Lynx service. Lynx service stopped operation on March 30, 2011.

As part of its bankruptcy proceedings and pursuant to the Frontier Stipulated Order, Frontier assumed its Denver International Airport use and lease agreement, as well as certain ground service and cargo leases, as part of its reorganization proceedings. To cure their debt owed to the Airport prior to filing for bankruptcy, Frontier issued and delivered its $3.0 million promissory note payable in three equal installments, plus interest thereon at 3% per annum. The use and lease agreement was amended to reduce Frontier's gate commitment to eliminate some administrative space leases such as those for ticket counters and office space.

Southwest Airlines

Southwest Airlines (Southwest) has the third-largest market share at the Airport. Southwest began service at the Airport in January 2006 and since that time has experienced strong and continued growth at Denver International Airport which is the airline's fifth busiest station in its system. Southwest currently leases 17 gates under a use and lease agreement. Southwest accounted for approximately 18.2% of passenger enplanements at the Airport in 2010.

Southwest has entered into a definitive merger with AirTran Holdings, Inc. that provides for Southwest acquiring AirTran Holdings Inc. Southwest then plans to integrate AirTran Airways into the Southwest brand and operate as one airline within two years.

Other Passenger Airline Information

Except for the United Group, the Frontier Group and Southwest, no single airline accounted for more than 5% of the passenger enplanements at the Airport in 2009 or 2010, or more than 5% of either the airline rentals, fees and charges component of the Airport System's operating revenues or the Airport.

Airport System Aviation Activity

The table below shows total aircraft operations (landings and take-offs) for the Airport System for the period 2006 through 2010.

TABLE 34

AIRPORT SYSTEM
HISTORICAL AIRCRAFT OPERATIONS
2006-2010

Year	Air Carrier	Air Taxi/ Commuter	General Aviation	Military	Total	Percent Change
2006	428,794	167,975	11,415	1,333	609,517	--%
2007	451,228	162,319	5,620	147	619,314	1.6
2008	460,311	160,746	4,610	177	625,844	1.1
2009	456,675	151,659	3,513	130	611,977	-2.2
2010	468,962	162,646	3,721	116	635,445	3.8

(Source: Department of Aviation)

TABLE 35

2011-2016 AIRPORT PLANNED CAPITAL PROGRAM PROJECTS As Of April 7, 2011
(Amounts expressed in 000's; totals may not add due to rounding)

	2011	2012	2013	2014	2015	2016	Total
South Terminal Redevelopment Program:							
Terminal renovation	$4,502	$237	$ --	$ --	$ --	$ --	$4,739
Terminal extension	8,571	8,282	39,869	5,839	--	--	62,561
Airport Hotel	9,471	39,182	89,697	14,504	--	--	152,854
FasTracks train station[1]	8,119	28,652	49,589	11,506	--	--	97,866
Foundations/podiums	30,902	29,361	--	--	--	--	60,263
FasTracks bridges[2]	5,691	5,509	3,271	155	--	--	14,625
Utility relocation	49,444	--	23,209	--	--	--	72,654
Roadway improvements	350	581	1,005	--	--	--	1,937
	117,051	111,804	206,640	32,005	--	--	467,500
Airfield	27,658	9,599	9,488	15,016	15,995	8,660	86,416
Baggage/AGTS	1,600	12,700	19,700	13,000	16,500	16,500	80,000
Cargo/Support	4,977	700	5,106	--	--	--	10,783
Commercial	1,500	--	--	--	--	--	1,500
Environmental/Utilities	19,113	95	--	--	--	--	19,208
Miscellaneous/Public Art Program	6,031	6,098	5,203	4,561	3,866	3,795	29,554
Roads	9,352	4,510	3,325	1,125	1,125	1,125	20,562
Technologies	22,882	4,085	1,690	990	3,550	3,850	37,047
Terminal Complex	82,354	21,449	4,920	12,118	16,128	19,833	156,801
	$292,517	$171,040	$256,073	$78,814	$57,164	$53,763	$909,371

1 See "Regional Transportation District" discussion under "Overlapping Debt and Taxing Entities" above.
2 The FasTracks bridges in the 2011-2016 Capital Program are now to be funded entirely by RTD, and the Airport's contribution to the cost of these bridges is planned to be reallocated to other projects in the 2011-2016 Capital Program.

(Source: Department of Aviation)

The Department of Aviation has established a budget for the South Terminal Redevelopment Program of approximately $500 million (in 2011 dollars). The Department currently expects that, if any reduction in the currently planned size or scope of the South Terminal Redevelopment Program becomes necessary due to cost constraints, it would likely occur in non-revenue producing portions of the proposed facilities. Further, based on projections of the Department's hospitality consultant, the Airport Hotel is expected to be financially self-sustaining when it opens, and therefore material changes to the size and scope of the Airport Hotel are not currently anticipated. Final design of the South Terminal Redevelopment Program is still ongoing, and, although one of the architectural firms contracted by the Program Manager to provide architectural and structural engineering design services for the South Terminal Redevelopment Program has recently provided notice of its intent to withdraw, the Program Manager does not expect this to materially affect the construction timetable. In addition, the Department expects that the South Terminal Redevelopment Program will be completed within the established budget.

TABLE 36

AIRPORT SYSTEM
HISTORICAL ENPLANED CARGO OPERATIONS
2006-2010
(in pounds)

Year	Air mail	Freight and Express	Total	Percent Change
2006	22,127,087	258,407,346	280,534,433	
2007	5,359,863	257,363,998	262,723,861	-6.3%
2008	11,783,176	236,339,165	248,122,341	-5.8
2009	12,918,962	208,524,571	221,443,533	-10.8
2010	19,663,000	222,047,310	241,710,310	9.2

(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, 2010, the total aggregate amount of all outstanding Bonds is as follows ($ in thousands):

TABLE 37

AIRPORT SYSTEM – OUTSTANDING BONDS

As of December 31, 2010
(Amounts expressed in 1,000's)

Series 1991D Bonds	$57,875
Series 1992C Bonds	40,080
Series 1992F Bonds	23,100
Series 1992G Bonds	19,200
Series 1995C Bonds	7,305
Series 1997E Bonds	54,470
Series 1998A Bonds	128,695
Series 1998B Bonds	103,395
Series 2000A Bonds	173,095
Series 2001A Bonds	225,830
Series 2001B Bonds	16,675
Series 2001D Bonds	46,940
Series 2002C Bonds	35,500
Series 2002E Bonds	131,390
Series 2003A Bonds	161,965
Series 2003B Bonds	91,460
Series 2005A Bonds	227,740
Series 2006A Bonds	279,585
Series 2006B Bonds	90,365
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	51,825
Subseries 2007F2 Bonds	51,600
Subseries 2007F3 Bonds	51,575
Subseries 2007F4 Bonds	51,525
Subseries 2007G1 Bonds	73,700
Subseries 2007G2 Bonds	73,700
Subseries 2008A1 Bonds	161,100
Subseries 2008A3 Bonds	122,060
Subseries 2008A4 Bonds	72,350
Series 2008B Bonds	75,700
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 2010A Bonds	171,360
Total Outstanding Principal	$3,975,545

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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 2010)

On April 7, 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.

The City intends to issue Series 2011B-D refunding bonds in the fall of 2011. The proceeds will be used to refund, redeem and defease all or a portions of certain series of outstanding Senior Bonds in order to achieve debt service savings.

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. Currently, the Airport does not have Subordinate Commercial Paper Notes outstanding.

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.

On January 12, 2010, the Airport terminated the 1999 and 2002 Swap Agreements with RFPC, Ltd. due to the deterioration in credit ratings of AMBAC, credit support provider for the swap. The 2002 swap agreement was not replaced. The Airport entered into a replacement of the 1999 swap with Loop Financial Products I LLC, with credit support provided by Deutsche Banks.

Installment Purchase Agreements. The Airport System entered into two Master Installment Purchase Agreements on March 15, 2004, one with Siemens Financial Services for $20 million and one with GE Capital Public Finance Inc. for $13 million, to finance various capital equipment purchases at rates and terms of 3.46% and 3.6448%.. Payments are due semiannually to Siemens Financial Services and quarterly to GE Capital Public Finance. The Airport System entered into three Master Installment Purchase Agreements on October 26, 2006, and one on August 1, 2006. These include two agreements with Koch Financial Corporation for $23.0 million and $2.0 million, for a total of $25.0 million, and two agreements with GE Capital Public Finance for $9.0 million and $20.0 million for a total of $29.0 million. These transactions will finance capital equipment purchases at rates and terms of 4.34%, 4.22%, 4.16% and 4.67%. The Airport System entered into a $15.3 million Master Installment Purchase Agreement with Chase Equipment Leasing Inc. on August 5, 2008, to finance capital equipment purchases, at a rate of 3.329%.

The City has recently requested to receive bids by September 20, 2011, for the financing of similar types of vehicles and equipment using an installment purchase agreement in the maximum principal amount of $21,000,000. This financing transaction is expected to close in November 2011.

Summary Financial Information

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

TABLE 38

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

	Restated[1]			Restated[2]	
	2006	**2007**	**2008**	**2009**	**2010**
Operating revenues	$508,307	$530,151	$540,760	$564,490	$601,402
Operating expenses	262,514	290,773	373,829	379,517,	409,865
Operating income before depreciation	245,792	239,378	166,931	184,973	191,537
Depreciation and Amortization	151,506	159,309	168,026	177,583	181,496
Operating Income	94,286	80,069	(1,095)	7,390	10,041
Non-Operating Revenues (Expenses)	(67,772)	(49,127)	(44,987)	(59,749)	(87,795)
Capital Contributions	29,188	2,426	14,393	38,621	30,200
Change In Net Assets	$55,702	$33,368	($31,689)	($13,738)	($47,554)

1 The figures for 2006 include several prior period adjustments that are reflected in the 2007 financial statements. The adjustments were made to reflect: (1) an increase of approximately $10.7 million in aviation fuel tax receipts discovered as the result of an audit of State aviation fuel tax receipts; (2) the re-categorization of approximately $14.6 million of capital expenditures to operation and maintenance expenses; and (3) the addition of approximately $196.8 million of assets financed with Special Facilities Bonds, and associated depreciation, to the Airport financial statements.

2 2009 has been restated for adoption of GASB 53. 2008 has not been restated for adoption of GASB 53.

(Source: Department of Aviation)

TABLE 39

HISTORICAL NET REVENUES AND DEBT SERVICE COVERAGE UNDER THE BOND ORDINANCE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010 ($ in thousands)

	Restated 2006	2007	2008	Restated 2009	2010
Gross Revenues	$592,110	$616,106	$635,607	$631,592	$668,885
Operation & Maintenance Expenses	256,191	282,746	305,382	309,270	302,881
Net Revenues	335,919	333,360	330,225	322,322	366,004
Other Available Funds[1]	50,791	53,251	53,575	49,288	57,449
Total amount available for Debt Service Requirements	$386,710	$386,611	$383,800	$371,610	$423,453
Debt Service Requirement[2,3]					
Senior and Subordinate Bonds	$220,001	$229,923	$240,028	$237,905	$235,244
Debt Service Coverage					
Senior and Subordinate Bonds	176%	168%	160%	156%	180%

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 2010)

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
2010 Dollars

$11.77[1]

AVERAGE AIRLINE COSTS
PER ENPLANED PASSENGER
FOR UNITED
2010 Dollars

$13.69[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
2006	$93,510
2007	97,191
2008	96,786
2009	96,865
2010	102,595

(Source: Department of Aviation)

CONTACTS FOR FURTHER INFORMATION

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CFO, Manager of Finance, *ex officio* Treasurer
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(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/Treasury/template22997.asp

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 2010 Disclosure Statement must be read in conjunction with the City's Comprehensive Annual Financial Report (CAFR) for the Year Ended December 31, 2010– available on the City's website or from the Controller's Office. See above.

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

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INTRODUCTION

The nation's economy continues to recover from the longest and deepest recession since the Great Depression. The recession that officially started in December 2007 – termed the "Great Recession" – quickly spread from primarily housing-related sectors to all areas of the economy by late 2008. The financial market turmoil jolted the already weak economy in the fall of 2008, with monthly job losses spiking to the highest level on record. Reflected in the key gauge of the nation's economic health, U.S. GDP declined four consecutive quarters beginning in late 2008 through the end of the recession in June 2009. Economic conditions generally improved by the end of 2010, led by expanded economic output and improved consumer confidence. However, the nation's rising debt levels, uncertain tax environment, and tight credit market has left consumers and businesses challenged. This continued uncertainty could keep growth at a slower pace than pre-recession levels as the nation's overall economic outlook improves.

While growth slowed in Colorado coincidentally with the nation, the state's later-than-average entry into the recession contributed to accelerated job losses that outpaced the nation. In 2009, Colorado lost 4.5 percent of its employment base, slightly more severe than the national employment decline of 4.4 percent. Although Colorado continued to shed jobs in 2010, the number of jobs gradually increased throughout the year and returned to its 2009 level in late 2010.

The Denver metropolitan area is comprised of seven counties – Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson – and strongly influences Colorado's economy, accounting for about 56 percent of the state's total population and 60 percent of its jobs. Similar to Colorado's economy, the Denver metropolitan area entered the recession later than other markets across the country and experienced significant job losses throughout the recession. The pace of job losses in 2010 was higher than the national average, declining 0.7 percent over-the-year and was nearly 60,000 jobs shy of the pre-recession employment total. Despite significant job losses during the recession, several industry groups posted gains in average employment, including cleantech, educational services, healthcare, and government.

POPULATION

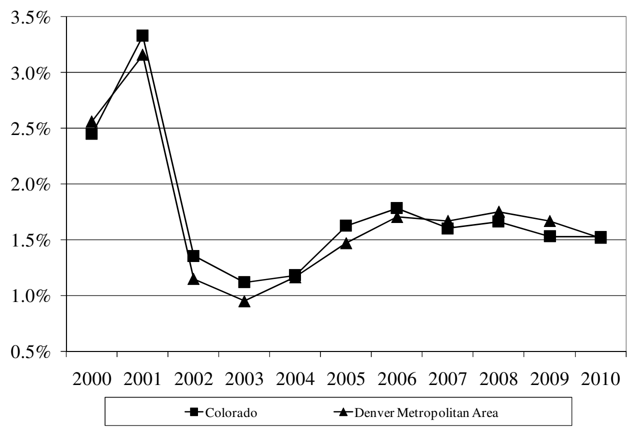
Colorado

Since 1950, Colorado's population has nearly quadrupled from 1.3 million to an estimated five million in 2010. Between 2000 and 2010, Colorado added over 727,900 residents and currently ranks as the 22nd most populous state in the nation. The state's average population increase of 1.6 percent per year was over one-half percentage point above the U.S. population growth rate (0.9 percent) over the same period and ranked ninth-fastest in the nation.

Population growth depends on two components – natural increase and net migration. The first component – natural increase – is the difference between the number of births and the number of deaths. The state's rate of natural increase typically follows a stable trend, although population gains from natural increase gradually slow as the population ages. Natural increase accounted for 48 percent of the state's total population growth between 2000 and 2010.

The second component of population change is net migration and is the number of people moving into the state minus the number leaving. This component tends to be more volatile and reflects structural factors including job growth and quality of life. Between 2000 and 2010, net migration accounted for 52 percent of the state's ten-year population change.

POPULATION GROWTH RATES



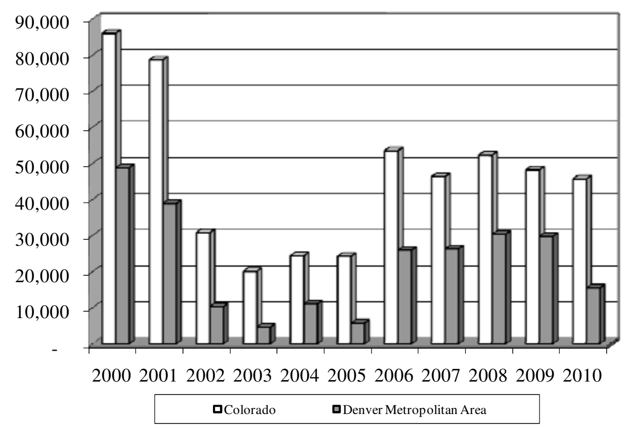
Source: U.S. Census Bureau; Colorado Division of Local Government, State Demography Office.

Migration trends are largely driven by economic factors such as labor market conditions, cost of living, and housing prices. Because net migration is strongly correlated with job growth, fluctuations in migration patterns are synchronized with business cycles.

Through the 2002-2003 recession, net migration represented as little as 33 percent of total population growth as limited job growth and economic pressures restricted mobility. However, as job growth returned in 2006 and 2007, the state experienced positive net migration accounting for about 57 percent of the state's population growth. The most recent net migration patterns suggest that Colorado remains an attractive destination for households and families hoping to relocate, however job markets and housing conditions continue to be a concern given the impacts of the Great Recession. As a result, net migration is currently about 53 percent of the state's total population gain.

Colorado's geographic patterns of population migration have remained relatively consistent over the last few years and have originated mainly from states with a higher cost of living and higher total job losses than Colorado. Former California residents have typically accounted for about 14 percent to 20 percent of new Colorado residents. Additionally, Texas, Arizona, Florida, and Illinois provide Colorado with a significant number of new residents.

NET MIGRATION



Source: Colorado Division of Local Government, State Demography Office.

Denver Metropolitan Area

More than half of Colorado's new residents settle in the Denver metropolitan area. The Denver metropolitan area net migration represented 45 percent of the region's total population change between 2000 and 2010. As previously mentioned, net migration is closely linked to job growth. Such growth is particularly notable given the two nationwide recessions that occurred during the decade.

Following the statewide trend, the Denver metropolitan area's rate of natural increase has been relatively stable. Between 2000 and 2010, natural increase accounted for 55 percent of the Denver metropolitan area's total population increase over the ten-year period. Combining natural increase and net migration, the Denver metropolitan area's population growth averaged 1.5 percent per year between 2000 and 2010. The region's population growth has long surpassed the U.S. growth rate over the same period of slightly less than one percent.

Population in the Denver metropolitan area reached an estimated 2.8 million in 2010. The area's population is fairly well-distributed across all age groups, but is still relatively younger than the national average. According to the U.S. Census Bureau, the median age in the Denver metropolitan area is 36.2 compared with the national median age of 36.8. Similarly, about 9.6 percent of the Denver metropolitan area's population is 65 years and older, while persons in that age group account for 12.9 percent of the population nationwide. With the aging of the "baby boom" population (those born between 1946-1964), the age group with the largest percentage increase between 2000 and 2010 was the 55-64 year-old group, growing 6.4 percent per year over the decade. The younger boomer group, ages 45-54, also grew at a strong pace.

COUNTY POPULATION
(in thousands)

Area	2000	2005	2010	Avg. Annual % Change 2000-05	Avg. Annual % Change 2005-10
Adams	363,857	395,384	441,603	1.7%	2.2%
Arapahoe	487,967	528,214	572,003	1.6%	1.6%
Boulder	291,288	282,910	294,567	-0.6%	0.8%
Broomfield	N/A	48,251	55,889	N/A	3.0%
Denver	554,636	559,459	600,158	0.2%	1.4%
Douglas	175,766	244,442	285,465	6.8%	3.2%
Jefferson	527,056	523,517	534,543	-0.1%	0.4%
Denver Metropolitan Area	**2,400,570**	**2,582,177**	**2,784,228**	**1.5%**	**1.5%**
Colorado	**4,301,261**	**4,662,534**	**5,029,196**	**1.6%**	**1.5%**

Note: The City and County of Broomfield was established in 2001.
Source: Colorado Division of Local Government, State Demography Office.

Within the Denver metropolitan area, Douglas and Adams Counties reported the strongest population growth rates between 2000 and 2010. According to the U.S. Census Bureau, Douglas County was the fastest-growing county in the nation during the 1990s, growing an average of 11 percent per year over the decade. While Douglas County still remains the fastest-growing county in Colorado – increasing an average of five percent per year between 2000 and 2010 – the growth rate has slowed as the county matures. Between 2000 and 2010, Douglas County population growth ranked 16th fastest among all U.S. counties.

City and County of Denver

The City and County of Denver has experienced slow, but steady growth since the early 1990s. Colorado's most populous city reached 600,200 in 2010 and grew an average of 1.4 percent per year between 2005 and 2010, after growing at a slower pace of 0.2 percent per year between 2000 and 2005. Historically, population growth rates for the City and County of Denver have been slower than its surrounding metropolitan area. Over the last decade, for example, Denver's average annual growth rate was slightly under one percent compared with 1.5 percent across the Denver metropolitan area.

Population growth rates in the City and County of Denver surpassed those of the Denver metropolitan area in 2008 and 2009. Between 2007 and 2010, the City and County of Denver added 9,900 new residents each year as its attractive educational and cultural opportunities, recreational amenities, and revitalization of many downtown neighborhoods resulted in faster-than-average migration patterns.

EMPLOYMENT

The U.S. Department of Labor prepares two monthly reports on employment. The first is a survey of households known as the Current Population Survey (CPS) that is used to estimate employment characteristics by place of residence. This "household survey" is the source of estimates for labor force, employment (including self-employment), and unemployment by county. This data is discussed in the Labor Force & Unemployment section of this report.

The second report is a survey of businesses and government agencies known as the Current Employment Statistics (CES) data series. This "establishment survey" is one of the most frequently cited, providing detailed employment, hours, and earnings data of workers by industry. Although the survey does not count the self-employed, the survey data are still some of the most closely watched and widely used economic indicators.

Industry employment data in the CES series are grouped according to North American Industry Classification System (NAICS) codes. This coding structure includes 11 industry "supersectors" which can be further divided into 20 broad industry groups.

Colorado

According to the CES data, Colorado nonfarm employment growth averaged 3.8 percent per year between 1990 and 2000. Annual average employment growth remained consistently high throughout the decade, adding over 690,000 jobs. Beginning in 2001, the employment situation changed due to the national recession and the fallout of the telecommunications and high-tech industries. In 2002, the state's 1.9 percent rate of job loss represented the sharpest drop in employment since the 1940s. Over 74,000 jobs were lost during the state's 2002-2003 recession, driven by employment declines in Colorado's high-tech, telecommunications, and tourism-related industry sectors.

The state began a moderate economic recovery in 2004 and Colorado's employment situation improved over the next few years. Total employment growth in the state reached 2.4 percent in 2006, its largest employment gain since 2000, and recovered the majority of jobs lost during the 2002-2003 recession. Between 2006 and 2007, Colorado's 2.3 percent job growth rate ranked ninth among the 50 states for fastest job growth. As the national economy entered recession in late 2007, Colorado continued to add jobs and employment growth reached 0.8 percent between 2007 and 2008.

By mid-2009, Colorado job losses outpaced that of the nation, declining 4.5 percent compared with 4.4 percent, respectively. Colorado's economy continued to shed jobs in 2010, declining 1.1 percent between 2009 and 2010. Colorado entered and exited the recession somewhat later than other states, but ultimately lost over 130,000 jobs between 2008 and 2010.

Denver Metropolitan Area

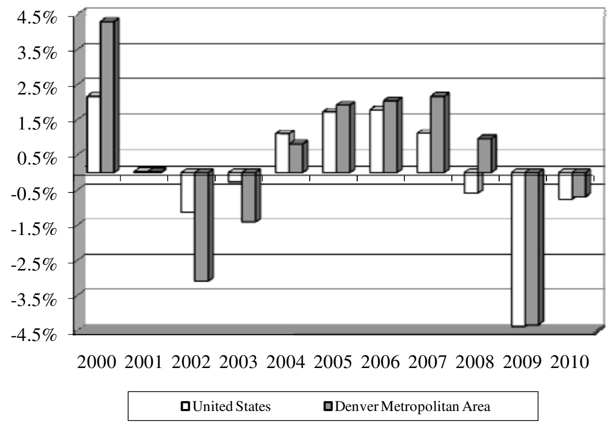
CES data are also compiled for a number of the Metropolitan Statistical Areas (MSAs) defined by the U.S. Office of Management and Budget. The Denver-Aurora-Broomfield MSA consists of ten counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties. The following data are for the Denver-Aurora-Broomfield MSA and Boulder MSA (Boulder County) combined, or an 11-county area that best represents the seven-county Denver metropolitan area discussed throughout this report.

The 11-county Denver metropolitan area has a nonfarm employment base of nearly 1.4 million workers. Similar to Colorado's experience, the recession that began in 2001 followed a period of rapid growth in the area, as the high-tech industry flourished. The area's total nonfarm wage and salary employment growth reached over four percent in the 1990s decade, driven by double-digit growth rates in the area's information sector. The nationwide recession then took hold, and the Denver metropolitan area, like other high-tech MSAs across the nation, was plagued with job losses.

Between 2001 and 2003, the Denver metropolitan area lost over 61,000 jobs. Economic conditions improved in 2004 and the area grew 0.8 percent over 2003 employment levels. Job growth accelerated between 2005 and 2007, peaking at 2.2 percent in 2007.

Weaknesses in the housing market and financial failures drew the Denver metropolitan area into the longest and deepest downturn since the Great Depression, slightly later than the nation. Beginning in mid-2009, the area experienced significant job losses that continued at a faster-than-average pace through the end of the year – declining 4.3 percent over the year. While the area's employers started adding jobs through late 2010, the area still posted a 0.7 percent loss in employment in 2010. The severity of the employment declines during the Great Recession contributed to an average annual decline of 0.2 percent from 2000 to 2010.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT GROWTH RATES



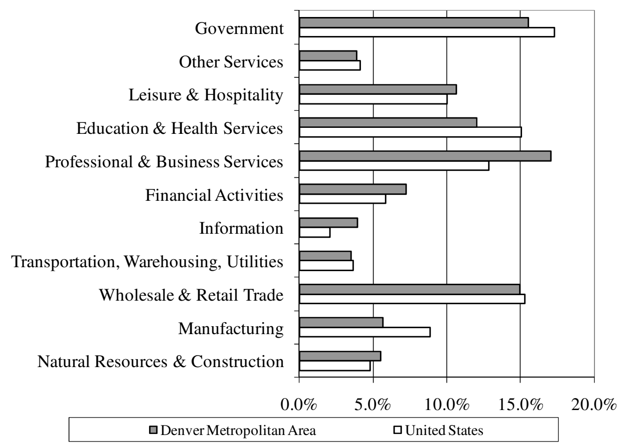
Sources: U.S. Department of Labor, Bureau of Labor Statistics; Colorado Department of Labor and Employment.

The Denver metropolitan area's job base of nearly 1.4 million workers includes large concentrations of workers in professional and business services (17.1 percent), government (15.5 percent), and wholesale and retail trade (15 percent). Employment among these three major industry supersectors comprises nearly half of the jobs in the Denver metropolitan area. The largest of the three industries – professional and business services – includes a broad segment of businesses ranging from temporary employment and facilities services to accounting and legal services. Many of these workers are employed as consultants or contractors, and as a result, the sector's employment tends to reflect business activity across the entire industry base.

The Denver metropolitan area nonfarm employment is divided into 11 industry supersectors, or groups of related industries as defined by the NAICS codes. Four of the 11 supersectors that posted gains in employment between 2009 and 2010 were those that tend to be population driven. The education and health services sector reported the largest percentage increase in employment (2.9 percent) followed by government (one percent). Employment in the leisure and hospitality and other services sectors increased less than one percent from 2009 to 2010.

In contrast, seven of the Denver metropolitan area's 11 supersectors reported job losses between 2009 and 2010. Natural resources and construction employment suffered the largest percentage decline of 9.1 percent. This sector and the financial activities sector (-2.5 percent) were beset by the credit crunch and challenged real estate markets. Employment in the area's manufacturing sector dropped 2.8 percent in 2010, driven by substantial losses in the larger durable goods sector – comprised of cars, electronics, and other long-lasting items – compared with the nondurable sector. Combined, the three sectors lost over 12,100 jobs between 2009 and 2010.

2010 EMPLOYMENT BY INDUSTRY



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

Among the remaining supersectors, transportation, warehousing, and utilities and information experienced job losses of 3.4 percent over-the-year, with job losses less than one percent in wholesale and retail trade and professional and business services.

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 and information technology companies, financial and legal firms, and a variety of other businesses. The most recent local data show Denver had the state's largest job base – 423,500 workers – in the third quarter of 2010. The employment base in Denver decreased an estimated 1.3 percent from 2009 to 2010 based on data for the first three quarters of each year, a loss of 5,400 jobs.

The largest employment supersectors in Denver include professional and business services (18.6 percent), government (16.4 percent), education and health services (12.5 percent), and wholesale and retail trade (11.9 percent). Five of Denver's 11 supersectors reported job growth between the third quarter of 2009 and the third quarter of 2010. Similar to the region, the largest percentage declines occurred in natural resources and construction (-6.5 percent), transportation, warehousing, utilities (-4.6 percent), and financial activities (-3.1 percent). The supersectors that added employment the fastest over this period of time include leisure and hospitality (3.9 percent), education and health services (3.9 percent), and other services (3.3 percent).

LABOR FORCE & UNEMPLOYMENT

The U.S. unemployment rate climbed for the third consecutive year in 2010, reaching its highest annual average level since 1983. Prior to entering the most recent recession, the annual unemployment rate declined steadily between 2004 and 2006, but slower job growth in 2007 kept the unemployment rate flat at 4.6 percent. As the nation's economy again entered recession in 2007, the U.S. unemployment rate averaged 5.8 percent in 2008, 9.3 percent in 2009, and 9.6 percent in 2010.

Colorado

Similar to the nation, Colorado's 2010 average annual unemployment rate reached its highest level since the early 1980s. Following the 2002-2003 recession, the state's unemployment rate surpassed six percent in 2003 and declined over the next two years. The state's unemployment rate fell below the U.S. average from 2006 through 2008, partly because of job growth in educational and health services and the professional business services sectors. Throughout the most recent recession, Colorado's labor market remained stronger than many other markets, averaging below the national average in 2009 and 2010. Despite Colorado's job losses, the state's 2010 unemployment rate (8.9 percent) was 0.7 percentage points below the national average (9.6 percent). Still, this represented nearly 240,000 people seeking jobs.

Denver Metropolitan Area

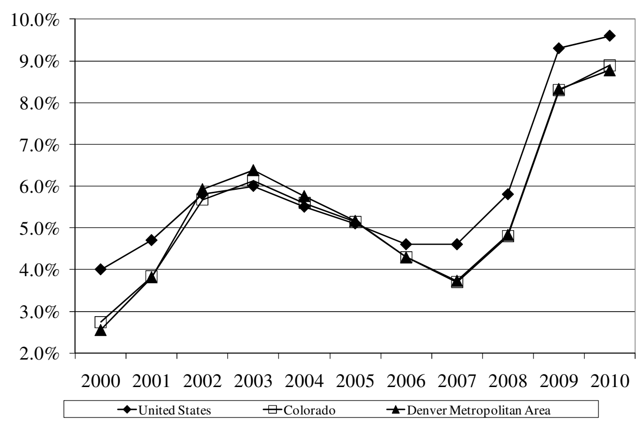
The Denver metropolitan area's average annual unemployment rate was considerably lower than the state and national averages prior to the 2002-2003 recession and remained slightly above through 2005. From 2006 through 2008, the area's unemployment rate trended between the national and statewide averages before the recession weakened labor markets and forced many industries to trim their current workforce. As the recession took hold, the area's unemployment rate rose from 8.3 percent in 2009 to 8.8 percent in 2010. Although rates have reached some of the highest levels seen in decades, the area's unemployment rate remains below the statewide and national averages.

Colorado's quality of life and desirable living conditions attract workers. The movement of these workers into the state results in one of the most highly educated labor forces in the nation. This competitive advantage is important to maintaining the state's economic base, while attracting and retaining the workforce needed by businesses during challenging economic times. According to the U.S. Census Bureau's 2009 American Community Survey, Colorado has the second-highest percentage of college graduates in the nation behind Massachusetts. Educational attainment has risen in the Denver metropolitan area, where 89.3 percent of the total adult population graduated high school in 2009 compared with 89 percent in 2008. Similarly, the total adult population that has a bachelor's degree or higher increased to 39.7 percent in 2009, compared with 39.5 percent in 2008.

City and County of Denver

The City and County of Denver is an urban center, so its unemployment rate tends to be above that of the greater Denver metropolitan area. During the 2002-2003 recession, the area's annual average unemployment rate peaked at 7.2 percent in 2003 and returned to its pre-recession level by 2007. Driven by weak labor market conditions, the area's unemployment rate surged to 9.2 percent in 2009 and reached its highest level in decades in 2010. Denver's unemployment rate increased to 9.7 percent in 2010, or a rate nearly one percentage point above the Denver metropolitan area and statewide rates.

UNEMPLOYMENT RATES



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

MAJOR EMPLOYERS

Colorado's small businesses serve as an engine of economic growth and job creation. According to the U.S. Small Business Administration, 97.7 percent of the state's employer firms in 2008 were classified as small businesses, or businesses having fewer than 500 employees. Self-employment is an increasingly important source of jobs in Colorado, as the number of firms classified as non-employers which are – which are businesses with no paid employees – increased an average of 2.8 percent per year from 2000 to 2008.

Self employment and small business are vitally important to the Denver metropolitan area, though large firms have a considerable presence and offer a geographic balance in employment centers. Approximately 120 firms with 1,000 or more employees were operating in Colorado in 2008 according to the latest County Business Patterns by the U.S. Census Bureau. The majority of these large businesses were located in the Denver metropolitan area.

LARGEST PRIVATE EMPLOYERS

Company	Products/Services	Employees
1. King Soopers Inc.	Grocery	12,280
2. Wal-Mart	General Merchandise	10,770
3. HealthONE Corporation	Healthcare	9,640
4. Safeway Inc.	Grocery	9,440
5. CenturyLink	Telecommunications	7,380
6. Exempla Healthcare	Healthcare	7,320
7. Lockheed Martin Corporation	Aerospace & Defense Related Systems	7,220
8. Centura Health	Healthcare	6,370
9. Kaiser Permanente	Healthcare	5,870
10. Target Corporation	General Merchandise	5,350
11. DISH Network	Satellite TV & Equipment	4,690
12. United Airlines	Airline	4,500
13. Wells Fargo Bank	Financial Services	4,400
14. University of Denver	University	4,310
15. The Children's Hospital	Healthcare	4,270
16. IBM Corporation	Computer Systems & Services	4,200
17. University of Colorado Hospital	Healthcare, Research	4,000
18. Republic Airways Holdings, Inc. (Frontier Airlines)	Airline Holding Company	3,760
19. United Parcel Service	Parcel Delivery	3,620
20. Comcast Corporation	Telecommunications	3,500

Source: Development Research Partners, April 2011.

Nine companies headquartered in Colorado were included on the 2011 *Fortune 500* list. The companies are DISH Network (193rd), Qwest Communications (209th), Liberty Media (224th), Liberty Global (255th), Newmont Mining (260th), Ball (300th), DaVita (359th), CH2M Hill (422nd), and Western Union (431st). It should be noted that Qwest Communications no longer operates as a separate company since recently closing its merger with Louisiana-based CenturyLink Inc. While

Denver will remain a regional headquarters for the combined company, the company's headquarters will be in Monroe, Louisiana, the current home of CenturyLink. The employment impacts in the Denver metropolitan area as a result of the merger are currently unknown.

Air Methods was recognized on *Forbes'* October 2010 list of the 100 best small public companies. To qualify for the list, companies must have 12-month sales between $5 million and $1 billion and a stock price of at least $5 per share. Overall rankings were based on companies' return on equity plus several measures of profit and sales growth in the past 12 months and over the past five years.

Sixteen Colorado companies made the 2010 *Inc*. list of the 500 fastest-growing private companies nationwide and an additional 112 companies made the 2010 *Inc.* list of the 5,000 fastest-growing private companies. The companies included on the list represent a cross-section of industries, from telecommunications to financial services, advertising, construction, and clean energy.

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 14,200 federal government employees, 23,400 state government employees, and 31,800 employees in local government entities including Denver Public Schools (13,600 employees) and the City and County of Denver (12,000 employees).

INTERNATIONAL TRADE

Denver International Airport serves as a catalyst for economic growth, linking the Denver metropolitan area to businesses nationwide and around the world. The airport is home to about 15 commercial airlines – the largest of which are United Airlines, Southwest, and Frontier Airlines – that provide scheduled nonstop service from Denver to more than 160 domestic and international destinations. The airport posted record-level passenger traffic totaling 52.2 million in 2010, making it the fifth-busiest airport in North America and 10th busiest worldwide based on total passenger counts.

The Denver metropolitan area is located 346 miles west of the geographic center of the nation, serving as a natural hub for cargo operations. The area's location on the 105th meridian – the exact midpoint between Tokyo and Frankfurt – allows local companies the ability to conduct business with both countries in the same business day. Additionally, the area's unique geographic location in the Mountain time zone makes it the largest area in the U.S. to offer one-bounce satellite uplinks, providing companies with real-time connections to six of seven continents in one business day. About eight cargo airlines and more than 15 major and national carriers provide an extensive freight network at Denver International Airport, which offers close proximity to I-70, one of the country's primary east/west commerce routes. The airport's cargo assets are well-equipped, handling nearly 690 tons of cargo per day in 2010.

The Denver metropolitan area is also well positioned midway between Canada and Mexico, which are partners under the North American Free Trade Agreement (NAFTA). Shipments to Canada and Mexico accounted for about 33 percent of the state's total exports in 2010. While Canada and Mexico remain the state's largest trading partners, several other countries including China, Japan, and traditional Western European markets – the Netherlands, Germany, and the United Kingdom – accounted for over 26 percent of Colorado's total exports in 2010.

The global economy had considerable momentum between 2004 and 2006, which led to strong increases in the growth of U.S. and Colorado exports. Despite an overall rise in U.S. exports prompted by favorable global market conditions, the value of Colorado's exports began to decline as the next recession fast approached. Colorado exports fell 23.9 percent between 2008 and 2009, slightly worse than the 18 percent drop in U.S. exports for the same period. However, improved economic activity in 2010 led to a 13.7 percent growth in the state's exports.

Colorado's export portfolio relies heavily on computers, electronics, and semiconductors, all goods that are more likely to be manufactured overseas. The following five industries account for more than two-thirds of Colorado's total exports:

- Computers and electronic products (27 percent of total export value; up 14 percent between 2009 and 2010).
- Processed foods (15 percent of total export value; up 30 percent in 2010).
- Chemicals (12 percent of total export value; down 7 percent in 2010).
- Machinery (10 percent of total export value; up 19 percent in 2010).
- Miscellaneous manufactured commodities (6 percent of total export value; up 18 percent in 2010).

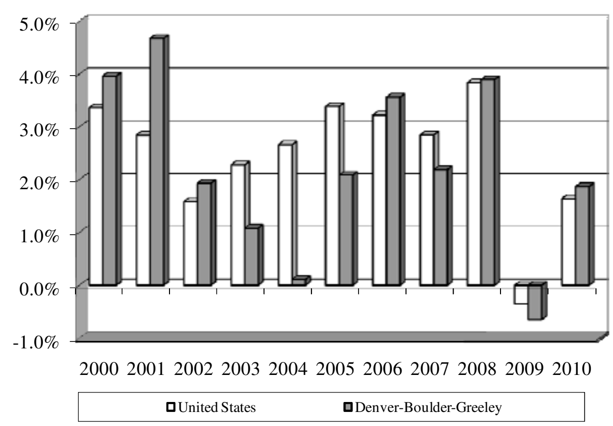
It is important to note that the composition of Colorado's export portfolio has shifted over time. The largest component of the state's export portfolio – computers and electronic products – accounts for about 27 percent of the state's total export dollars, thus the status of the high-tech industry has a major influence on Colorado's international trade. In years prior to the 2001 recession, the computers and electronics manufacturing industry accounted for as much as 60 percent of Colorado's total exports to the world. The declining contribution of Colorado's computers and electronic products sector reflects both the tech-bust of the early-2000s and the nation's shrinking manufacturing base.

INFLATION

Inflation in the Denver metropolitan area has often exceeded the national average. In 2001, a surge in energy prices and stronger-than-average job and wage growth resulted in a 4.7 percent increase in the Denver metropolitan area inflation rate as measured by the Denver-Boulder-Greeley Consumer Price Index (CPI). Following the 2001 recession, inflation tracked national trends more closely as job growth in the Denver metropolitan area occurred at a more restrained pace. In 2008, rising energy prices pushed inflation in the Denver metropolitan area to its highest point since 2001, rising 3.9 percent compared with the U.S. average annual inflation rate of 3.8 percent.

The national economy began to deflate in 2009 for the first time in more than half a century as a slump in demand pushed energy and food prices lower. Following the national downtrend, the Denver-Boulder-Greeley CPI fell 0.6 percent, the first decline reported since data collection for this region began in 1965. However, concerns about inflation returned in 2010. The Denver-Boulder-Greeley CPI increased 1.9 percent in 2010, driven by home and fuel price increases from their recessionary lows. At the national level, prices increased an average of 1.6 percent in 2010.

INFLATION RATES



Source: U.S. Department of Labor, Bureau of Labor Statistics.

The CPI is a measure of the average change in prices for a representative basket of goods and services purchased by households. The U.S. Bureau of Labor Statistics classifies the CPI basket of goods and services into eight major categories consisting of food and beverages, housing, apparel, transportation, medical care, recreation, education and communication, and other goods and services. Prices for housing, recreation, transportation, and other goods and services grew at a faster pace in the Denver metropolitan area than the national average in 2010. Prices for apparel, education and communication, food and beverages, and medical care increased at a slower pace compared with the U.S. average.

INCOME

Colorado

Colorado personal income growth rates have fluctuated considerably over the past decade. Prior to the 2001 recession, growth rates exceeded the U.S. average, driven by strong growth in the state's telecommunications and technology sectors. Following the nationwide trend, Colorado personal income growth slowed dramatically as the nation entered recession in 2001. Annual personal income growth improved through 2007, reaching a peak growth rate of 8.2 percent in 2006 driven by expansions in the state's energy sector. After rising 4.7 percent in 2008, Colorado personal income fell 2.1 percent in 2009 while income nationwide fell 1.7 percent as a result of wage cuts, job losses, and declining asset values. This was the first full-year decline in personal income in Colorado since 1938 and the first full-year decline in national personal income since 1949.

Colorado's higher-than-average population growth and other demographic factors have influenced the state's total personal income and per capita personal income trends. Statewide personal income posted moderate gains in 2010, increasing 2.3 percent compared with three percent growth nationwide. Even after slower growth, Colorado's 2010 per capita personal income of $42,802 still represented 105 percent of the U.S. average.

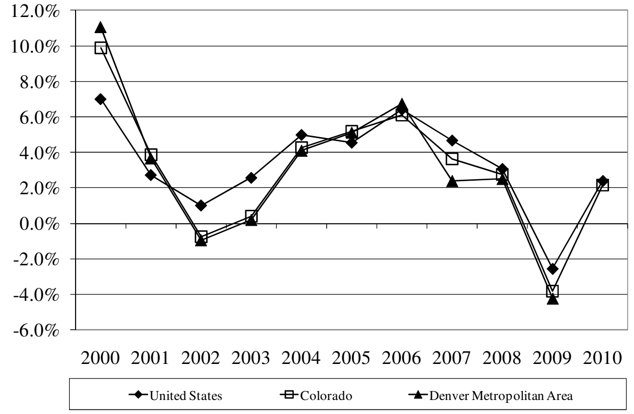
Denver Metropolitan Area

Data on the Denver metropolitan area's personal income and per capita personal income are only available through 2009. The 2002-2003 slowdown in per capita personal income was more pronounced for the Denver metropolitan area than for the nation. Consistent with statewide trends, growth in per capita personal income resumed between 2003 and 2007, averaging 4.6 percent per year. Between 2007 and 2008, per capita personal income growth ($48,940) slowed to 2.5 percent; more so than in Colorado (2.8 percent) or the nation (3.1 percent). The Denver metropolitan area's later entry into the recession resulted in a 4.2 percent decline in per capita personal income to $46,868 in 2009. Per capita personal income was still about 120 percent of the national average.

City and County of Denver

At $51,630, 2009 per capita personal income in the City and County of Denver ranked second highest in the Denver metropolitan area in 2009. Across the Denver metropolitan area, per capita personal income declined in all counties in 2009 as a result of the region's recession. After increasing 4.2 percent in 2008, per capita personal income in the City and County of Denver declined 4.6 percent in 2009. Despite declining per capita personal income, the area's per capita personal income was still 130 percent of the national average.

PER CAPITA PERSONAL INCOME GROWTH RATES



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The Denver metropolitan area average annual salary was $52,675 for the four quarters ending the third quarter of 2010, a 2.5 percent increase from the average for the same period in 2009. The average annual salary in the City and County of Denver for the period ending in the third quarter of 2010 was $57,105, representing a 2.1 percent increase from the same period in 2009.

RETAIL TRADE

Personal consumption expenditures account for about 70 percent of the total value of all goods and services produced in the U.S. Commonly referred to as consumer spending, these expenditures are a key component of retail activity. During the 2001 recession, consumer spending remained strong – a pattern unlike most past recessions when consumer spending typically declined – driven by investment in the housing sector and spending in non-automotive housing durables. Beginning in 2006, rising fuel and grocery costs contributed to a slowdown in retail sales. After growing 2.2 percent in 2006, U.S. retail sales slowed to 0.4 percent in 2007 after adjustment for inflation.

As one of the deepest recessions gripped the nation, consumers and small businesses cut spending dramatically. Between the peak in retail activity in December 2007 and the bottom in April 2009, U.S. retail sales decreased by over $40 billion, or 10.8 percent. However, the combination of "cash-for" incentives, tax credits, and an improved job market revived U.S. retail sales in late 2009 and early 2010. The increase in U.S. retail sales of 4.9 percent in 2010 after adjustment for inflation was primarily driven by growth in durable goods such as automobiles, electronics, home furnishings, and furniture. While consumers spent more in 2010, U.S. retail sales did not return to the levels reported prior to the recession.

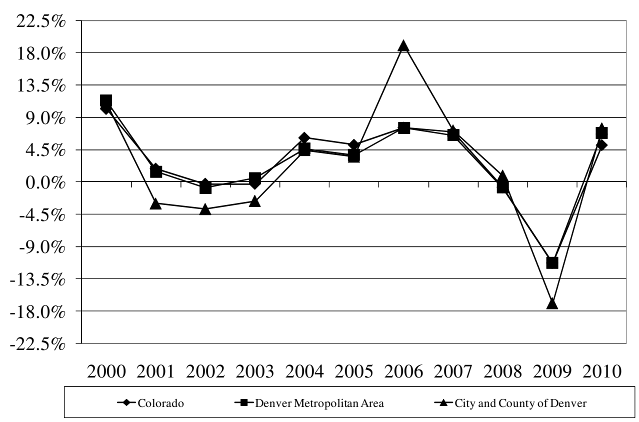
Colorado

Wage growth and steady employment buoyed Colorado retail trade sales through 2007. After increasing a nominal 7.6 percent (not inflation-adjusted) in 2006, retail trade sales slowed to 6.9 percent in 2007. Retail trade sales began to fall in mid-2008 as consumers cut spending due to high debt levels and increasing fuel and food prices trimmed household budgets for other items. Still, a steep decline did not occur until early 2009 as the credit crisis and declining consumer confidence tempered spending. That year, Colorado retail trade sales declined 11.3 percent from 2008, the steepest annual decline on record. Retail trade sales started to grow through 2010, increasing 5.1 percent over 2009; however, gains were relatively modest and driven by federal stimulus in some months.

Denver Metropolitan Area

Similar to Colorado, declining consumer confidence and limited job and income growth during the recession had significant impacts on retail trade sales in the Denver metropolitan area. Mirroring statewide trends, Denver metropolitan area retail trade sales fell 0.8 percent in 2008 and 11.3 percent in 2009, reflecting sluggish consumer activity and a deteriorating job market. Although consumers remained concerned about incomes and jobs, retail trade sales increased 6.8 percent in 2010.

RETAIL TRADE SALES GROWTH



Note: 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.

Source: Colorado Department of Revenue.

Retail trade sales include business and consumer purchases from retailers and from food and drink establishments. The largest category of retail trade sales in the Denver metropolitan area is food and beverage stores. Sellers of motor vehicle and auto parts, general merchandisers/warehouse, and restaurants and drinking establishments were the next largest contributors to the region's total retail trade sales.

Sales in each of the categories across the region rose in 2010, ranging from +1.4 percent in general merchandisers/warehouse and furniture and furnishings retailers to +15.6 percent for service stations. Similar to the nation, the region's higher gasoline prices led to the 15.6 percent increase in service station sales in 2010.

**DENVER METROPOLITAN AREA
RETAIL TRADE SALES BY CATEGORY
(in $millions)**

Industry	2009	2010	Change**
Retail Trade:			
Motor Vehicle and Auto Parts	$6,203	$6,868	10.7%
Furniture and Furnishings	$1,224	$1,241	1.4%
Electronics and Appliances	$1,166	$1,306	12.0%
Building Materials / Nurseries	$2,397	$2,510	4.7%
Food/Beverage Stores	$7,274	$7,708	6.0%
Health and Personal Care	$1,264*	$1,346*	-------
Service Stations	$1,934	$2,236	15.6%
Clothing and Accessories	$1,949	$2,111	8.3%
Sporting/Hobby/Books/ Music	$1,329	$1,372	3.3%
General Merchandise/ Warehouse	$5,860	$5,944	1.4%
Misc. Store Retailers	$1,369	$1,448	5.8%
Non-Store Retailers	$1,079*	$1,182*	-------
Total Retail Trade	$34,137	$36,517	7.0%
Food / Drinking Services	$4,743	$4,995	5.3%
TOTAL	$38,880	$41,512	6.8%

**Retail trade sales by industry do not add to total retail trade sales due to data suppression.*
***Data not inflation-adjusted.*

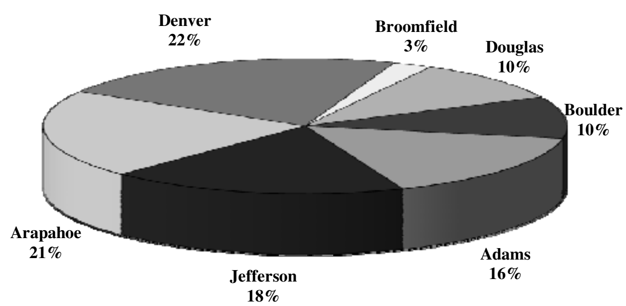
Source: Colorado Department of Revenue.

Additionally, the combination of consumers' willingness to spend and stronger consumer confidence contributed to rising sales for retailers of electronics and appliances (+12.0 percent) and clothing and accessories (8.3 percent). In spite of rising gas prices, the region's automobile sales increased (10.7 percent) over-the-year as deep discounts contributed to an increase in new car sales.

City and County of Denver

Retail trade sales in the City and County of Denver comprised the largest share (22 percent) of total Denver metropolitan area sales in 2010. All counties in the Denver metropolitan area reported an increase in retail trade sales between 2009 and 2010, with the largest increases occurring in Arapahoe County (+8.6 percent), followed by Douglas County (+8.0 percent), the City and County of Denver (+7.5 percent), and Adams County (+7.3 percent). The increase in retail sales activity suggests stronger consumer confidence.

DISTRIBUTION OF 2010 RETAIL TRADE SALES BY COUNTY



Source: Colorado Department of Revenue.

RESIDENTIAL REAL ESTATE

The housing market has historically been a significant contributor to economic recovery. Indeed, the housing component of U.S. GDP has positively contributed to economic growth within two years following economic recessions over the last 30 years. Following the ebb and flow of business cycles, U.S. homeownership rates increased five percentage points from the mid-1990s to its peak of almost 70 percent in 2004 and 2005 as a result of a strong real estate market. Beginning in 2006, a nationwide housing correction caused homeownership rates to decline through 2010 (66.9 percent), the lowest reported since 1999. Similar to the nation, Colorado's rate fell from 71.3 percent in 2003 to 68.5 percent in 2010 as slow home sales and foreclosures forced a number of households into rental properties.

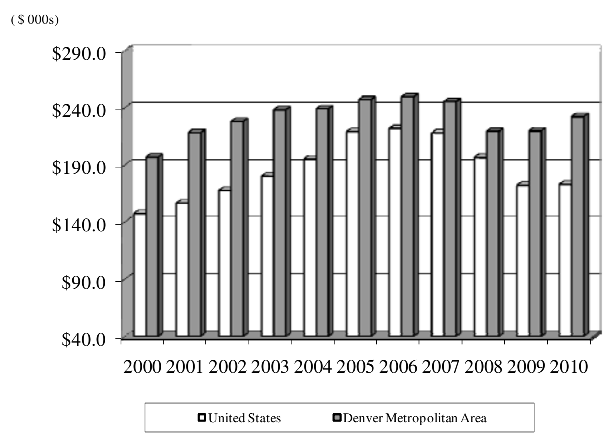
Residential Home Prices

Colorado – like many other states – was exposed to the collapse of the housing market, rising unemployment, and tight credit. However, the state fared better than other markets across the nation as housing price fluctuations were less rampant in the years preceding the recession. Additionally, the aftermath of the "tech-boom" during the late 1990s kept home price growth subdued. These factors kept prices more stable in Colorado. Similar to statewide trends, the Denver metropolitan area's strong population growth and diverse industry mix led to relatively stable housing prices compared with other metropolitan areas across the nation.

Median home prices reflect the point where half of the existing homes sold for more and half sold for less. Data released by the National Association of Realtors reports that between 2007 and 2009, the U.S. median home price depreciated an average of 11.1 percent per year. By contrast, median home prices in the Denver metropolitan area depreciated an average of 5.3 percent per year over the same period. While the fall in home prices during the recession placed a significant burden on homeowners, lower prices and interest rates boosted affordability in the Denver metropolitan area. Additionally, the first-time homebuyers' tax credits boosted 2010 housing activity. In 2010, Denver's median home price was $232,400, up 5.7 percent from the 2009 median and about five percentage points above the U.S. home price growth rate over the same period. The Denver-Aurora-Broomfield MSA was one of 78 markets – just over half of total metropolitan areas surveyed – reporting an increase in median home price between the fourth quarters of 2009 and 2010.

A number of other indices show similar trends in the Denver metropolitan area's housing market. Data from Metrolist show the Denver metropolitan area's average sales price for existing single-family homes rose to $235,000 in 2010, an increase of 7.3 percent over 2009. The Federal Housing Finance Agency's Home Price Index suggests that fourth quarter 2010 home prices in the Denver metropolitan area had increased 3.7 percent over-the-year.

MEDIAN HOME PRICES



Source: National Association of REALTORS.

While a variety of sources suggest that home prices in the Denver metropolitan area improved in 2010, other price measures show a different trend. The S&P Case-Shiller Home Price Index for Denver trended downward beginning in July 2010 and remained negative for the rest of the year. This figure varies considerably from the price appreciation evident in the median home prices data previously mentioned, partly because the price measures themselves are fundamentally different. The S&P Case-Shiller Indices, for example, match each home sold with a previous sale for that property. Additionally, the S&P Indices include the resale of foreclosed homes which tend to sell at a significant discount relative to other properties. As a result, the S&P Indices may be somewhat biased on the downside.

Foreclosures

Foreclosures in the Denver metropolitan area hit historically high levels during the recession. During the years leading up to the recession, foreclosures were primarily driven by the failure of sub-prime loans. The Denver metropolitan area's foreclosure inventory – while declining – remained near historic highs in 2010. The region's public trustees reported a total of 23,393 filings for the year, or an 11.8 percent decrease from 2009 filings. The 2010 total, however, was 23 percent higher than 2006 foreclosure filings and nearly double the 2004 foreclosure filings. Across the region, Adams County, Broomfield County, and the City and County of Denver reported the largest declines in 2010 foreclosure activity. Notably, foreclosures in the City and County of Denver declined nearly 18 percent over the year, and filings in Adams and Broomfield Counties declined 13.4 percent and 13.2 percent, respectively.

While foreclosure activity seems to be stabilizing, the lack of credit availability and weak labor market continue to weigh heavily on the housing market. Additionally, banks' continued legal challenges in the foreclosure process and the looming shadow inventory of distressed properties has kept the housing market extremely fragile. A number of foreclosure mitigation efforts, however, are in place to prevent another surge in foreclosures. According to *Bloomberg Businessweek*, the Denver metropolitan area ranked among 10 of the nation's most improved housing markets. The rankings of the 50 largest metropolitan statistical areas reflected first quarter 2010 home price data and measured foreclosures, delinquent mortgages, total home sales, and unemployment.

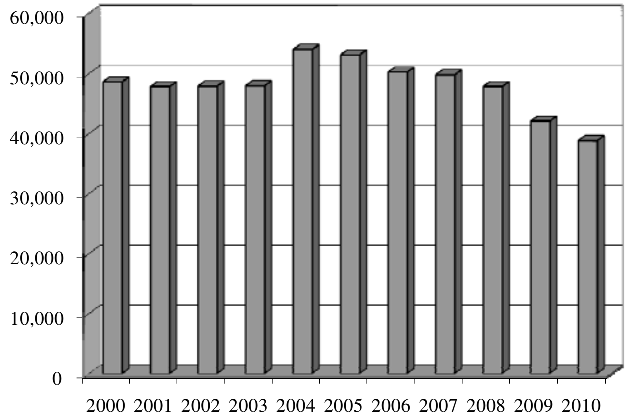
Residential Home Sales

Although home sales levels are improving, current levels are still significantly lower than the peak of 54,012 in 2004. In the years that followed, home sales trended downward as declining home values, rising inventories, and the increase in the number of unique mortgage products weakened the residential housing market. By 2007, existing home sales in the Denver metropolitan area had fallen 7.8 percent below the 2004 peak and the onset of the recession spurred further declines. In 2009, home sales reached their lowest levels in decades, declining 12.1 percent over 2008 levels.

Like home sales figures reported for many other areas nationwide, home sales in the Denver metropolitan area rose noticeably in the spring of 2010 as buyers responded to the extended homebuyers' tax credits and favorable affordability conditions. Following the expiration of the homebuyers' tax credits, home sales in June 2010 fell roughly three percent over-the-year and resulted in a softening of the market for the remainder of 2010. Between July and November, Denver metropolitan area home sales fell an average of 25 percent below year-ago levels. Likewise, nationwide existing home sales fell 20 to 25 percent below 2009 levels beginning in July 2010. While the late-year decline in home sales was partly attributed to the expiration of tax credits, rising unemployment and restrictive lending conditions also kept buyers out of the market even as mortgage rates remained favorable.

Total existing home sales in the Denver metropolitan area numbered 38,818 throughout 2010, a 7.7 percent decline from 2009 and 28.1 percent below the 2004 peak. Following existing home sales trends, total sales volume rose 18 percent in 2004 and peaked in 2005, reaching nearly $15 billion. Between 2006 and 2010, distressed sales and low-priced homes contributed to declining sales volume. In 2010, total sales volume fell 2.2 percent from roughly $10.2 billion in 2009 to nearly $10 billion in 2010.

DENVER METROPOLITAN AREA HOME SALES



Source: Metrolist Inc.

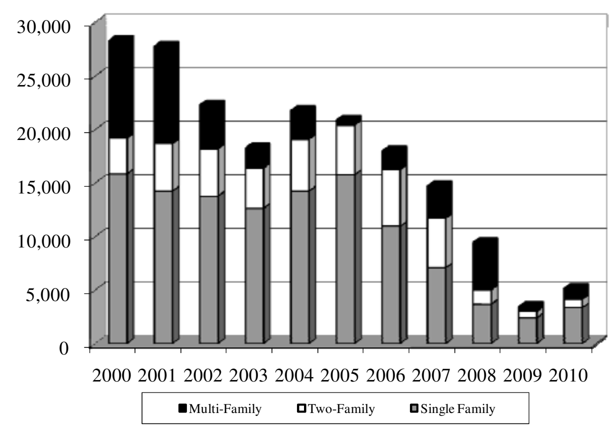
Residential Building Permits

Residential home construction has been on a downward trend since 2005 due to slower home sales in the market. Between 2005 and 2009, residential permits declined an average of 36.3 percent per year. Signaling a housing correction in 2010, the region's counties and municipalities issued just over 5,100 residential building permits, a 49.9 percent increase from 2009 and a 76.4 percent decrease in residential permits issued from the 2004 peak. Construction activity in 2010 increased from the prior year for all Denver metropolitan counties, with the largest increases in Jefferson County (77 percent), the City and County of Denver (67.1 percent), and Arapahoe County (63.2 percent). It is important to note that the magnitude of 2010 permit gains are somewhat distorted given the large declines in permit activity reported in 2009. Compared with historic levels, 2010 residential permit activity was still sluggish as the 30-year average is about 17,000 permits per year.

The total number of residential building permits includes permits for single-family detached homes, single-family attached homes – or condominiums, townhomes, and duplexes – and multi-family. Permit activity for single-family detached homes in 2010 was up 39.7 percent over 2009, representing the largest component (65 percent) of residential building permits. In 2010, permits for single-family attached homes rose 32.8 percent.

Between 2006 and 2008, the multi-family (apartment) market proved its resilience, with permit activity growing an average of 60 percent per year compared with a decline of 44 percent in the single-family market over this time period. In 2009, apartment construction all but halted and permits fell 90.1 percent, driven by slow job growth and difficult lending conditions. The gain in multi-family permit activity posted the most significant advances in 2010 as permits grew more than twice the number permitted in 2009. Driven by the growing population moving from distressed, single-family homes to apartments, tight credit, and fewer potential buyers, total permits for apartment construction in 2010 surpassed 1,000 units compared with just over 430 units in 2009. In 2010, the City and County of Denver and Arapahoe County contributed the largest gains to multi-family construction activity.

NEW HOME CONSTRUCTION



Source: Home Builders Association of Metro Denver.

The combination of limited apartment construction, restricted mortgage credit, and steady population growth contributed to lower-than-average apartment vacancy rates in the Denver metropolitan area in 2010. In fact, the apartment vacancy rate in the Denver metropolitan area averaged 5.9 percent in 2010 according to the *Denver Metro Apartment Vacancy and Rent Survey*. This was the lowest annual vacancy reported since 2000, when vacancy averaged 4.6 percent. The vacancy rate peaked at 6.5 percent during the first quarter of 2010, but declined to 5.5 percent by the end of the year. Vacancy rates within the Denver metropolitan area in 2010 ranged from an average of 4.3 percent in the Boulder/Broomfield area to 6.7 percent in Arapahoe County.

Average apartment rental rates reflect a stable local market. The Denver metropolitan area average apartment rental rate ended 2010 at $909 per month, a 3.8 percent increase from the prior year. Similarly, average rents increased over-the-year in all but one county – Jefferson County – with rent increases ranging from 0.9 percent in the City and County of Denver to 10.3 percent in Adams County.

COMMERCIAL REAL ESTATE

Following the 2001 recession, the Denver metropolitan area’s reputation for relatively inexpensive commercial real estate attracted large numbers of investors and developers. Development continued at a modest pace with rapidly rising lease rates and declining vacancy rates through 2006, when investors spent a record $5 billion on the region’s commercial real estate.

Development, sales, and leasing activity moderated in 2007, but the region’s commercial markets did not show sustained signs of weakness until 2008. By 2009, rising vacancy, falling lease rates, and perpetual job losses contributed to weakened market fundamentals and limited development activity in the Denver metropolitan area. Financial market uncertainty and tight credit markets contributed to significant downturns in commercial real estate construction. Despite sluggish building and leasing activity in 2010, the Denver metropolitan area’s commercial market is poised to rebound with many of the area’s property types outperforming other markets across the nation.

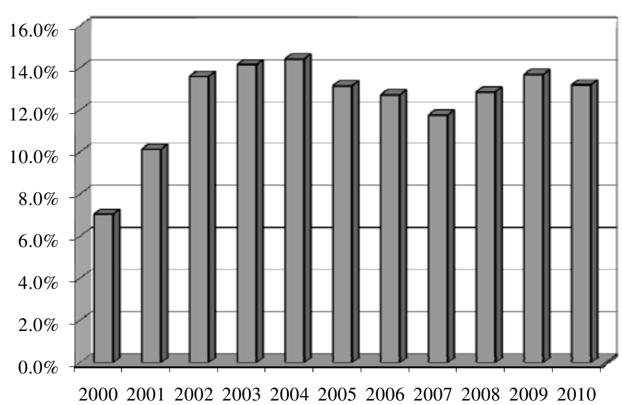
Office Activity

The Denver metropolitan area's office market stabilized during 2010 after a sharp downturn in 2009. The combination of a weak labor market, tenants downsizing, and tight credit markets restrained building activity and contributed to rising vacancy and falling lease rates in recent years. The general reluctance among property owners to invest and expand resulted in modest demand for office property.

Data from CoStar Realty Information, Inc. suggest the Denver metropolitan area office market improved in 2010. The region’s direct vacancy rate ended the year at 13.2 percent, up 1.4 percent from the 11.8 percent recorded at the end of 2007 before the recession intensified. More stable vacancy rates helped slow the decline in lease rates throughout 2010. Direct office market lease rates ended the year at $19.89 per square foot, a decline of 1.5 percent over-the-year and 6.3 percent lower than the rate reported at the end of 2007.

Even though office market fundamentals seemed to stabilize in 2010, uncertain tenant demand and decreasing rental rates limited development activity throughout the year. Builders completed 1.1 million square feet of space in 13 buildings in 2010 compared with more than 1.5 million square feet of space in 22 buildings completed in 2009.

OFFICE DIRECT VACANCY RATE



Source: CoStar Realty Information, Inc.

While a handful of large office projects were delivered in 2010 – 1800 Larimer in downtown Denver, Central Park Tower in Broomfield, and the FBI Denver Division Headquarters – development activity remained sluggish throughout the year. Notably, 1800 Larimer, a new LEED Platinum-certified office building, received particular accolades as one of the largest office projects in the nation to be started and finished during the economic downtown. The building is also the only office high-rise constructed in Denver's central business district within the past 25 years.

Nearly 445,300 square feet of office space in eight buildings was in the pipeline as the year ended, and two of the largest projects include Fitzsimons Village 100 in Aurora and the Red Rocks Medical Center in Golden.

Industrial and Flex Activity

Similar to construction in the office market, building activity in the Denver metropolitan area's industrial market slowed dramatically in 2009 and remained idle in 2010. Despite sluggish conditions in 2010, the Denver metropolitan area's industrial market outperformed other property types across the area and industrial markets nationwide due to a favorable balance of supply and demand and a comparatively smaller debt burden. Additionally, bulk warehouse leasing activity and third-party logistics companies reinforced the market throughout 2010. According to CoStar Realty Information, Inc., the direct vacancy rate in the fourth quarter of 2010 was 5.7 percent, a decrease of one percentage point over-the-year and the lowest rate reported since the end of 2001. Even though the area's industrial market stabilized quicker than other property types, industrial lease rates declined throughout 2010. Direct average lease rates stood at $4.67 at the end of 2010, down 3.1 percent over-the-year.

Industrial market construction in the Denver metropolitan area remained relatively anemic in 2010, with just over 70,000 square feet completed in three buildings, down from 1.7 million square feet of space in 29 buildings at the start of the recession.

The largest project completed in 2010 was the nearly 38,000-square-foot Restaurant Depot – located on the former Country Dinner Playhouse site – in the City and County of Denver. The remainder of industrial activity was located in Boulder and Adams Counties. The pipeline of industrial projects nearly emptied at the end of 2010 with one industrial building – the Cummins Rocky Mountain Master Rebuild Center in Adams County – under construction.

Like other commercial markets in the Denver metropolitan area, the flex market appeared to have stabilized toward the end of 2010. However, weak fundamentals, scarce financing, and tenant consolidations dampened tenant demand in the area's flex market. This overall lack of tenant demand contributed to rising vacancy rates since the start of the recession. According to CoStar Realty Information, Inc., the Denver metropolitan area's direct flex vacancy rate ended the year at 14.1 percent, slightly below the 14.2 percent vacancy rate from one year ago, but nearly three percentage points above the lowest rate reported before the recession. The slight decline in vacancy rates in 2010 was not enough to support higher lease rates. As a result, the fourth quarter 2010 lease rate was $9.38 per square feet, down 1.7 percent over-the-year. Flex market construction activity through 2010 remained stalled as builders completed just over 45,000 square feet of flex space in two buildings. No flex space was under construction at year-end 2010.

Some projects are moving forward as planned, despite a sluggish economy that has curtailed new development. Denmark-based Vestas will construct a second blade factory in Brighton by the end of 2011. In addition to the company's Windsor blade factory and nacelle factory in Brighton, the world's largest tower factory in Pueblo opened in 2010 and the company located a research and development center to Louisville. ConocoPhillips' is moving forward with plans to redevelop the former 432-acre StorageTek campus in Louisville for a Global Technology and Corporate Learning Center to research hydrogen fuel cells, solar, wind power, and clean diesel fuel. Construction on the project's first phase is scheduled to begin in 2011 with completion of all three phases of development planned by 2032.

Retail Activity

Retail construction in the Denver metropolitan area continued in 2010, however overall construction volume was down in comparison to prior years. The recession spurred low levels of consumer confidence caused by pressure on both consumers' income and wealth. In particular, a new frugality among consumers reshaped consumption patterns and shifted expenditures towards discount stores and away from luxury retailers. Additionally, low lease rates and weak levels of home building were partly behind the diminished need for new retail facilities. Still, the Denver metropolitan area's retail market remains competitive. The Denver metropolitan area's retail market ranked 19th among 44 U.S. markets in Marcus and Millichap's 2010 National Retail Index. The index is based on criteria including job growth, vacancy rates, rent growth, retail sales, and other factors. The region's retail market moved up three places from 22nd-place in 2009.

The slowdown in retail construction activity in the Denver metropolitan area contributed to declining vacancy and average lease rates in 2010. According to CoStar Realty Information, Inc., the Denver metropolitan area's direct retail market vacancy rate ended the year at 7.5 percent, down about one-half of a percentage point from the eight percent vacancy reported in the fourth quarter of 2009. The region's direct average lease rate for the retail market declined 8.7 percent over-the-year to $14.87 per square foot in the fourth quarter of 2010 and was almost 14 percent lower than the highest rate reported ($17.28 per square foot) before the downturn in late-2008.

Despite difficult retail market conditions and challenging financing, some retail development activity continued in 2010. About 413,200 square feet of retail space in 22 buildings was completed by the end of 2010 including the Walmart Supercenter in Broomfield – the largest retail project completed in 2010 – followed by a 24 Hour Fitness in Douglas County. Specifically, the Walmart and 24 Hour Fitness accounted for over half of all Denver metropolitan area retail property completed in 2010. Other notable projects completed throughout the year included the Sprouts Farmer's Market and Redstone Bank in Arapahoe County. By the fourth quarter of 2010, retail property under construction totaled nearly 569,100 square feet in six buildings. As 2010 ended, the 415,000-square-foot IKEA building in Centennial was the largest retail project still under construction and is scheduled to open in mid-2011.

These facilities contribute to a larger community of retail establishments across the Denver metropolitan area. The region offers 15 retail and lifestyle centers of 700,000 square feet or more and numerous smaller shopping districts. These retail centers are geographically dispersed throughout the region, ranging from the open-air shopping options including the Streets at Southglenn and Twenty Ninth Street in Boulder to a combination of open-air and indoor facilities such as Park Meadows Retail Resort in Douglas County and FlatIron Crossing in Broomfield. These suburban malls complement the 1.1 million-square-foot Cherry Creek Shopping Center located in the City and County of Denver. Several of the region's retail centers – including Belmar in Lakewood and Downtown Denver's 16th Street Mall – have undergone or will soon begin expansions and renovations.

Medical Facilities

While development among other property types was relatively limited in 2010, hospital and medical properties bucked the trend due to ongoing demand for medical services and specialized patient treatments. Plans for the former Fitzsimons Army Medical Center area are moving forward. Located adjacent to the Anschutz Medical Campus, the $300 million Department of Veterans Affairs (VA) Hospital is under construction and scheduled to open in early 2014. The Children's Hospital broke ground on a 350,000-square-foot, $228 million patient tower that will add over 120 beds and clinical space for intensive care, rehabilitation, and cancer treatment. The tower is scheduled to open in 2013.

The University of Colorado Hospital recently broke ground on a $400 million expansion that will add a new emergency department and critical care wing, additional beds and operating rooms, diagnostic treatment centers, and additional parking facilities. Similarly, builders recently began work on the University of Colorado Hospital's Anschutz Cancer Pavilion's $20 million expansion project. More than 11,000 square feet of the existing center will undergo renovations, and builders will add an additional 40,000 square feet to accommodate radiation treatment and chemotherapy. The University of Colorado broke ground on its 94,000-square-foot Health and Wellness Center at the Anschutz Medical Campus that will house research facilities focused on holistic health and facilities dedicated to fitness, nutrition, and community wellness. Builders expect to complete the project in early 2012.

The St. Anthony Medical Campus will soon open its new location at the Federal Center in Jefferson County. The 50-acre campus includes the 560,000-square-foot St. Anthony Hospital, Orthocare Hospital (an orthopedic specialty hospital opened in June 2010), two medical buildings, and a parking garage. Work continues at the Exempla Saint Joseph Hospital redevelopment which includes construction of a new, 325-bed hospital, office space, parking structures, and senior residences. The new hospital is expected to be completed in 2014. Parker Adventist Hospital recently opened a new three-story wing which features nearly 60 additional beds and a conference center as part of the $76 million two-phase expansion and renovation. In nearby Castle Rock, Centura Health recently broke ground on its new campus that features an emergency facility with radiology, lab, helicopter transport capabilities, and a medical office building that could be complete in the fall of 2011.

Further north, The Children's Hospital recently broke ground on its Broomfield Therapy Center that will offer physical and occupational therapy and audiology, speech, and learning therapies. The center is scheduled to open in 2012. Nearby, St. Anthony North recently broke ground on its $26 million Medical Pavilion in Westminster that will house an emergency department, imaging center and laboratory services, and helicopter transport facilities. The 48,000-square-foot facility should be completed by spring 2012.

Redevelopment Activity

Evolving plans for the former Fitzsimons Army Medical Center will continue to transform the site into one of the nation's largest scientific and medical-related assets in the Rocky Mountain region. The 578-acre site in Aurora remains one of the most concentrated redevelopment projects in the Denver metropolitan area and is the home of the Anschutz Medical Campus and the Fitzsimons Life Science District. Included at the site is the 184-acre Colorado Science + Technology Park at Fitzsimons, which offers 15 pre-built labs and access to over 80 core laboratories, 21 executive office suites, and many shared services and amenities.

Another key partner at Fitzsimons is the $1.5 billion Anschutz Medical Campus, which includes the University of Colorado Hospital and facilities for University Physicians, Inc. The campus is also home to the future Denver Veterans Affairs Medical Center and is adjacent to The Children's Hospital. Upon completion, the entire district and medical campus will account for approximately 18 million square feet of health- and science-related facilities. Now that the former University of Colorado Denver campus at Colorado Boulevard and East Ninth Avenue is essentially vacant, plans are underway for a mixed-use development. Recently, Sembler Atlanta entered into an agreement to redevelop the campus that could begin in early 2012.

Denver International Airport's planned South Terminal Redevelopment Program includes the development of a 500-room, on-site airport hotel to be located above the FasTracks light rail station. Completion of the hotel is anticipated for 2014 and will feature nearly 26,000 square feet of conference and meeting space, a health club, restaurants, a swimming pool, and parking garage.

A number of other redevelopment projects across the Denver metropolitan area are following a mixed-use model. In downtown Denver, one of LoDo's last historic warehouse buildings – the Colorado Saddlery building at 15th and Wynkoop Streets – will receive a mixed-use overhaul that will include retail and restaurant space, mid-level office space, and penthouse-style residential space. Plans were also announced to revamp the Olinger Mortuary Complex in the Lower Highland neighborhood. Once completed, the development will include a restaurant, an outdoor plaza, and perhaps a jazz club. Further north, Westminster is in the early stages of the 108-acre redevelopment of the Westminster Mall. The development – Westminster Center – will include office, residential, and entertainment space plus connections to transit. Groundbreaking is anticipated for 2012.

Further south, the Lumberyards will be converted to a mixed-use project to be located along South Broadway that could include restaurants and residential space. The project could break ground in 2011 when the reconstruction of South Broadway that is currently in progress is completed. The Kent Place project is undergoing development in Englewood, and could break ground in 2011. The 11.4-acre, mixed-use project at University Boulevard and Hampden Avenue will feature 300 residential units and commercial space.

Transit-Oriented Development

Other mixed-use projects in the region are considered transit-oriented developments. The majority of these projects are centered on FasTracks, the $6.7 billion transit expansion project approved by voters in 2004. According to the Denver Regional Council of Governments, over 60 projects located within one-half mile of a transit station are in planning phases, are already under construction, or were completed in 2010. The largest projects are related to the Fitzsimons Life Science District and Union Station redevelopment.

Other notable transit-oriented projects were announced in 2010. Builders started work on a 300-unit luxury residential apartment project at Orchard Town Center in Westminster. The Denver Housing Authority is working to establish a public-private funding arrangement for a transit-oriented development in Denver called the South Lincoln Homes. The development will add more than 450 affordable and market-rate apartment units at West 10th Avenue and Osage Street. The Clear Creek Transit Village – a 21-acre development that could locate along the FasTracks Gold Line in Adams County – would include residential, retail, and office space. Plans to move the light rail station for the area to the west side of Federal Boulevard from the east side are underway. Further south, development activity is taking place near the Aspen Grove Shopping Center and the Mineral Avenue light rail stop in Littleton. The project – Alta Aspen Grove – will include 280-units and should be completed in the spring of 2011. Construction is moving forward on the Apartments at Yale Station. The 50-unit development is located adjacent to the Yale Station light rail stop and was designed as affordable senior housing. The development will include retail space and is slated for completion in fall 2011.

TRANSPORTATION

The Denver metropolitan area is one of the country's major transportation hubs, with extensive access to national and international routes by rail, road, and air. The region's transportation network combines with its central location and dynamic economy to compete favorably in the global marketplace.

Highways

Colorado's expansive 9,140-mile road network and nearly 3,430 bridges accommodate approximately 28 billion vehicle travel miles each year. The Interstate highway system covers about 913 miles, or about 10 percent of total mileage across the state, and accommodates about 40 percent of all highway travel in Colorado. This integrated network provides residents and non-residents alike with a high level of mobility for routine destinations, daily trips to work, and vacation 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, local transportation system contributes to the state's long-term economic well-being. In 2009, Colorado legislators approved a broad-based transportation improvement package called FASTER that is expected to generate $252 million annually for repairs and maintenance on Colorado roads and bridges, including improvements to more than 100 structurally deficit and functionally obsolete bridges. Specifically, the program encourages state, local, and private collaboration for financing strategies, partnerships, concession agreements, and contracting for road projects. At year-end 2010, more than $90 million in FASTER funding contributed to improved highways and bridges across Colorado.

In 2010, 32 active highway construction projects were underway by the Colorado Department of Transportation – totaling over $390 million – in the Denver metropolitan area. About 10 of projects were funded under the American Recovery and Reinvestment Act (ARRA). In total, Colorado will receive over $500 million in ARRA funding for numerous resurfacing projects, bridge rehabilitation, and safety improvement projects. The Denver Regional Council of Governments (DRCOG) received roughly $56 million of the Colorado Department of Transportation's ARRA funds. The DRCOG allocation resurfaced, replaced, and upgraded streets, highways, and pedestrian facilities throughout the Denver metropolitan area.

Notably, three large-scale improvements finished in 2010. These included a $32 million ARRA project that repaired and replaced concrete slabs and resurfaced the nine-mile stretch of C-470 between I-25 and Santa Fe Drive, an $11 million ARRA project which replaced four structurally deficient bridges on I-76 over State Highway 224 and the Union Pacific Railroad, and a $2.4 million project that added a through lane in both directions of Arapahoe Road at I-25 to improve mobility.

Mass Transit

The Regional Transportation District (RTD) serves the mass transit needs of the Denver metropolitan area. RTD operates 1,029 buses on 148 fixed routes and 153 light rail vehicles on 35 miles of track. The District operates 75 Park-n-Rides for commuters using any of its 37 light rail stations and more than 10,140 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 2010 resulted in about 98 million boardings.

The Denver metropolitan area's mass transit system is progressing towards an interconnected, coordinated system of transportation. In 2004, Colorado voters approved FasTracks, a $6.7 billion plan for the planning, design, and construction of high-quality transit service and facilities in the Denver metropolitan area. Light rail in the Denver metropolitan area currently consists of the Central, Central Platte Valley, Southwest, and the Southeast Corridors. When completed, FasTracks will add 122 miles of new light rail and commuter rail, 18 miles of bus rapid transit service, more than 21,000 new parking spaces at transit facilities, and additional suburban bus service. FasTracks will also provide convenient bus and rail connections and will add 57 new transit stations throughout the Denver metropolitan area. Ultimately, FasTracks will consist of nine rail corridors, one bus rapid transit corridor, redevelopment of Denver Union Station, an expanded light rail maintenance facility, and a new Commuter Rail Maintenance Facility.

Despite the economic recession, FasTracks propelled ahead with planned construction and redevelopment activity in the Denver metropolitan area. The West Corridor – a 12.1-mile line between Denver Union Station (DUS) and the Jefferson County Government Center in Golden – is approximately 50 percent complete. Upon completion, three light rail and pedestrian bridges, one pedestrian tunnel, drainage improvements, and utilities relocation will further increase passenger mobility to downtown Denver by 2013. Construction began on the Eagle P3 Project – the first public-private partnership for commuter rail in the nation to include financing, design-build, and long-term operations – in August 2010 that includes the East Corridor commuter rail line from DUS to Denver International Airport, the Gold Line from Union Station to Wheat Ridge, a commuter rail maintenance facility, and a segment of the Northwest Rail Corridor that will eventually connect Longmont with downtown Denver. The project should be complete in 2016. Notably, FasTracks Eagle P3 project was named the 2010 Southwest Large Issuer Deal of the Year by *The Bond Buyer* newspaper and was also named the 2010 North American Transport Deal of the Year by *Project Finance* magazine. The project was recognized for its innovative bond deal that issued nearly $398 million of tax-exempt private-activity bonds.

The DUS Project continues to make considerable progress. The completed project will transform the historic site into a 19.5-acre multi-modal transportation hub integrating light rail, commuter rail, regional rail, and bus service with office, retail, and residential space. The project's light rail station is expected to open in 2011, and work will continue on the underground bus facility. Construction of the entire DUS development is scheduled to be completed in 2015.

Other FasTracks corridors are in their final approval stages and poised to move ahead. The I-225 Corridor – a 10.5-mile light rail route that will connect the existing Nine Mile Station in Aurora with the planned East Corridor's Peoria/Smith Station – received design approval in late 2010. The Corridor will be built in two phases and will include eight stations along the proposed route. Additionally, all other FasTracks corridors – the North Metro, Northwest Rail, Southeast expansion, and Southwest expansion – have completed the environmental planning phase and are construction-ready.

Air

Denver International Airport accommodates over 50 million passengers each year with six runways, three concourses, 95 gates, and 62 regional aircraft positions. Located approximately 24 miles northeast of downtown Denver, Denver International Airport occupies 53-square-miles which allows for longer runways and future expansion. Denver International Airport's sixth runway – the longest commercial runway in North America – opened in 2003 and accommodates increased international flights.

Denver International Airport is one of the world's greenest airports and was the first airport in the U.S. to receive ISO 14001 Environmental Management System certification in 2004. Denver International Airport's environmental management program includes protocol for storm and wastewater management, environmental planning, and compliance. Close to 10,000 solar panels generate up to 50 percent of the power needed to operate the airport each year and reduce the airport's carbon emissions by more than five million pounds per year. Green Park Denver opened in November 2010 – the airport's first sustainably designed parking garage –which offers 4,200 parking spaces, climate-controlled indoor parking spaces, and charging stations for electric cars, all powered by an on-site wind and solar farm. Additionally, the airport received more than $5.6 million in grant awards from the Federal Aviation Administration for runway rehabilitation, a study of best practices in sustainability, and other projects.

Denver International Airport averaged more than 1,700 flight operations and roughly 143,000 passengers every 24 hours in 2010, making it the fifth-busiest airport in the nation and 10th busiest in the world. Total passenger traffic at Denver International Airport reached an all-time high of 52.2 million in 2010, up 4.1 percent from 2009. The previous passenger record was set in 2008, which was the first year more than 50 million passengers traveled through the airport.

Faced with the need for greater airport capacity, Denver International Airport is preparing for expansion over the next five to 15 years that will likely include new gates on existing concourses, upgrades to the baggage system, expanded security and parking areas, and a FasTracks commuter rail station. In addition, a series of independent, integrated development projects will occur at the airport in the area directly south of Jeppesen Terminal. The initial phase of the South Terminal Redevelopment Program is expected to include a new on-site airport hotel, an open-air plaza above the station providing connections to the main terminal, and a FasTracks bridge over Peña Boulevard. The development also includes a 23-mile commuter rail line that connects the airport with Denver Union Station which broke ground in August 2010. In an effort to maintain the airport's efficient design, a series of technology systems improvements, environmental and energy management studies, and upgrades to light and equipment storage facilities will also occur over the next few years.

Denver International Airport serves as a major hub for United, Southwest, and Frontier Airlines. Since commencing service in January 2006, Southwest Airlines occupies the second-largest market share behind United Airlines at the airport. Denver remains the fastest-growing city in Southwest's network and Southwest is expected to occupy 17 airport gates with 148 daily departures to 46 destinations by June 2014. In total, 15 commercial carriers offer scheduled nonstop service from Denver to more than 160 domestic and international destinations.

Eight cargo airlines and more than 15 major and national airlines also provide an extensive freight network between Denver and other cities. Since 2000, cargo and freight operations have decreased an average of eight percent per year at Denver International Airport. In 2009, the overall drop in manufacturing contributed to a 15 percent decrease in cargo loads. Denver International Airport handled 555 million pounds of cargo in 2010, which represents a 12.2 percent increase from cargo loads in 2009. This correction in declining cargo operations over the last decade is a result of rebounding global trade and improving economic conditions. Of the 2010 shipments, about 93 percent were freight and express while seven percent were classified as mail.

Three reliever airports also serve business, recreational, and municipal users throughout the Denver metropolitan area. Centennial Airport serves the southeast metro area; Front Range Airport is located six miles southeast of Denver International Airport 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

Passenger and freight rail is a critical component of the nation's transportation system and is vital to the Denver metropolitan area's economic health and global competitiveness. Colorado is home to 14 freight railroads operating on over 2,660 miles of track, moving primarily coal, agricultural products, and consumer goods. Additionally, the Denver metropolitan serves as a major hub for Burlington Northern Santa Fe and Union Pacific.

The rail industry has a significant impact on Colorado's economy. The most recent U.S. Bureau of Transportation Statistics Commodity Flow Survey reports Colorado companies ship over $125 billion and nearly 154 million tons of commodities throughout the U.S. Additionally, the rail industry contributed $769 million in gross state product to

Colorado's economy in 2008. The rail industry also positively contributes to the state's job base. The Association of American Railroads estimates that over 2,990 freight rail employees work in Colorado with an average wage and benefits per freight employee of $103,100.

Passenger service provides viable transportation alternatives, convenient travel options, and economic vitality to surrounding communities. Amtrak's California Zephyr route offers Denver metropolitan area residents transportation through the Rocky Mountains west of Denver and connects Chicago to San Francisco. In 2010, rail passenger travel regained strength due to the moderately improved economic environment allowing increased business travel, sustained high gasoline prices, and increased appeal of rail travel. Across Colorado, Amtrak carried over 219,650 passengers in 2010, up nearly 10 percent from a year ago. The majority of passengers traveled through Denver, increasing 6.8 percent in 2010 to 128,410 riders from 120,240 riders from a year earlier.

TOURISM

Denver is home to numerous recreational opportunities, cultural attractions, sports teams, entertainment venues, and convention activities, offering a popular destination for business and leisure travelers alike. According to the most recent study by Longwoods International, Denver tourism activity rebounded in 2010 as the number of overnight visitors and visitor spending surpassed pre-recession levels. Visitor spending in the Denver metropolitan area rose 6.5 percent from 2009 to $3.3 billion, while the total number of overnight visitors to Denver increased five percent to a record 12.7 million. Top attractions for visitors in 2010 included the 16th Street Mall and the Cherry Creek Shopping District as well as the LoDo Historic District, the Colorado Rockies, and numerous other cultural facilities.

The Denver metropolitan area offers a full range of cultural activities including numerous museums, wildlife attractions, theatres, and concert venues. Citizens support arts and culture through a 0.1 percent retail sales tax distributed through the Scientific and Cultural Facilities District. The special regional tax district provides a consistent source of funding to over 300 scientific and cultural organizations across the Denver metropolitan area. According to the Colorado Business Committee for the Arts biennial report, cultural institutions generated $1.46 billion in economic activity in the Denver metropolitan area in 2009 and visits to cultural organizations totaled 11.2 million. Notably, total giving to the arts in the Denver metropolitan area rose between 2007 and 2009 despite the difficult economy.

The Denver Performing Arts Complex – the largest arts complex in the world – is home to the Colorado Symphony Orchestra, the Colorado Ballet, Opera Colorado, and the Denver Center for the Performing Arts and features ten performance spaces connected by an 80-foot-tall glass roof. The 356,000-square-foot Denver Art Museum complex includes collection gallery space, the Lewis I. Sharp Auditorium, and three temporary exhibition venues. In 2010, "Tutankhamun: The Golden King and the Great Pharaohs" exhibit attracted a record-number 270,000 visitors to the Denver Art Museum from July through September 2010. The exhibit tripled museum attendance compared with 96,000 visitors during the same period in 2009.

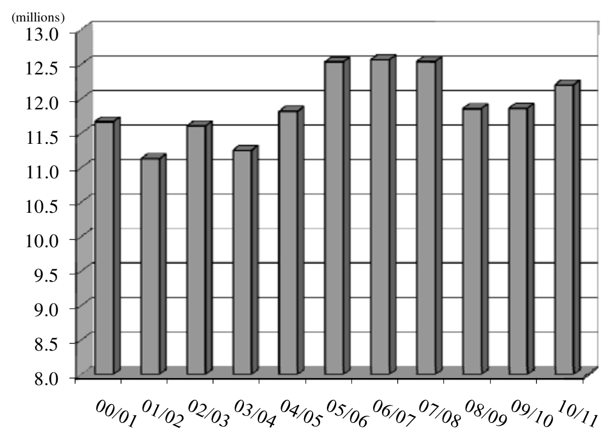
The 500,000-square-foot Denver Museum of Nature and Science is a resource of science education and houses more than one million objects in its collections such as anthropological materials, natural history, and archival and library resources. Notably, the museum served 1.42 million visitors in 2010, a 13 percent increase from 2009. Nearby, the Denver Zoo spans 80-acres within Denver's historic City Park and attracts over 1.6 million visitors annually. In late 2009, builders at the Denver Zoo broke ground on the $50 million Asian Tropics exhibit. Scheduled to open in the spring of 2012, the 10-acre exhibit will also serve as a conservation center for endangered Asian animals. The $15.8 million, LEED Gold-certified Museum of Contemporary Art/Denver is located in downtown Denver and houses five galleries, three educational spaces, a research art library, and a lecture hall. The Denver metropolitan area is also home to the Clyfford Still Museum, the Children's Museum, and the Downtown Aquarium.

In addition to excellent cultural attractions and amenities, the Denver metropolitan area also hosts a variety of professional sports teams with some of the newest sports venues in the nation. Denver is one of only five U.S. cities with 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.

These sports teams are an integral part of the Denver metropolitan area's economy and their presence has led to major investments in new sports venues constructed within the past 15 years. Coors Field – a 76-acre, $215 million ballpark – hosted two sold-out games of the 2007 World Series. Nearby, the $364 million, 76,125-seat INVESCO Field at Mile High football stadium 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. This $131 million, 18,000-seat stadium and surrounding fully-lit, 24-field complex is considered the largest and most state-of-the-art professional stadium and field complex in the world. Finally, the $180 million Pepsi Center hosts three professional sports teams and numerous sporting, cultural, and special events throughout the year.

Professional athletics in the Denver metropolitan area are well complemented by the multitude of year-round outdoor recreation opportunities. The Denver metropolitan area is the gateway to the Rocky Mountains and offers hiking, biking, rafting, and climbing during the warmer months. The Denver metropolitan area is near 41 state parks, four national parks, and many of the state's official 14,000-foot peaks. Colorado offers some of the nation's most popular ski destinations. Of the 26 operating ski resorts in Colorado, 12 of them can be reached within about a two-hour drive of the Denver metropolitan area. Preliminary results from Colorado Ski Country USA indicate that skier visits at Colorado resorts during the 2010/2011 season likely topped 12 million for the first time since the 2007/2008 season as near-record snowfall attracted ski enthusiasts. Colorado skier visits – or the count of persons skiing or snowboarding for any part of one day – increased about 3.3 percent from the 2009/2010 season to approximately 12.2 million in the 2010/2011 season.

COLORADO SKIER VISITS



Source: Colorado Ski Country USA.

The Denver metropolitan area's tourism engine fueled a rebound in convention activity in 2010. Officials with the Colorado Convention Center estimate that the entire 2010 convention season brought 75 out-of-town meetings and events to the Colorado Convention Center and an additional 423 meetings to Denver that attracted 371,000 visitors and generated $653 million in local spending. According to data from the Denver Metro Convention and Visitors Bureau, 2010 was Denver's second-best convention year and was just 7,000 visitors less than the record number reported in 2008. Nine conventions booked during the fourth quarter of 2010 boosted Denver's near-record year and was driven by the largest event in the city's history – Snow Sports Industries America Snow Show – with 19,000 visitors. Other notable events in 2010 included the National League of Cities "Congress of Cities & Exposition," the National Association for Rural Mental Health Annual Conference, and the American Public Health Association Annual Meeting.

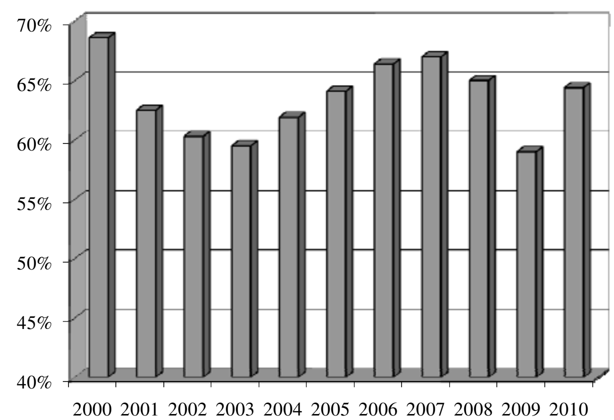
The Colorado Convention Center is one of the largest public meeting facilities in the west with 584,000 square feet of exhibit space and 100,000 square feet of meeting space. As Denver's premier convention facility, the Colorado Convention Center pioneered greening efforts through its sustainability programs and renewable energy project. The City and County of Denver partnered with the Colorado Convention Center in 2008 in a city-wide anti-idling campaign to improve air quality and reduce greenhouse gas emissions. In addition, the Colorado Convention Center and Ecologic Designs partnered to recycle non-reusable vinyl banners. In 2009, the Colorado Convention Center unveiled the region's newest 300-kilowatt solar power system which reduces carbon emissions by 435 tons per year. The combination of these efforts makes the Colorado Convention Center an ideal location for "green" meetings.

The Denver metropolitan area remains competitive to attract high-profile conventions and events. According to the *Toronto Globe and Mail*, Denver was recently named the world's best location for a convention. Notably, the 2008 Democratic National Convention gave the Denver metropolitan area exposure that will support convention activity for years to come. In 2011, high-profile convention events planned in Denver include the Association of American Medical Colleges Annual Meeting, IT Roadmap Conference and Expo, American College of Sports Medicine Annual Meeting, and the American Council on the Teaching of Foreign Languages Annual Convention and World Languages Expo.

The improving hospitality sector and rebound of convention and visitor activity continues to fuel hotel development in the Denver metropolitan area. The Four Seasons Hotel and Private Residences recently opened its downtown Denver location at 14th and Arapahoe that includes 230 hotel rooms and 100 condominiums. Along the 14th Street corridor, the Embassy Suites Denver-Downtown/Convention Center – a 17-floor suite hotel – opened in December 2010 and became the sixth-largest hotel in downtown Denver. The new Embassy Suites replaces another downtown Embassy Suites that closed in 2006 and reopened as the Ritz-Carlton. Builders broke ground on Metropolitan State College of Denver's Hotel Learning Center, which will include a 150-room hotel that will operate under the school's hospitality and tourism training program. The hotel will be branded as a SpringHill Suites by Marriott and should be complete by fall of 2012.

Consumers that had postponed travel plans during the recession are now taking trips, but they are searching for deals and discounts. According to the Rocky Mountain Lodging Report, the average annual Denver metropolitan area hotel occupancy rate increased to 64.4 percent in 2010 from 59 percent in 2009. Across the region, 2010 occupancy rates ranged from 52.1 percent in the North Denver market to 70.3 percent in the Downtown market.

HOTEL OCCUPANCY RATES



Source: Rocky Mountain Lodging Report.

Responding to the post-recession consumer trends, hotels and restaurants refrained from significantly raising rates and prices in 2010. The Denver metropolitan area average room rate increased slightly to $107.77 in 2010 from $106.85 in 2009. The meager gain in room rates reflected the weak trends in consumer spending early in the year, but rates through the second half of the year picked up as consumer spending increased.

SUMMARY

Although the impacts of the recession continued to linger in 2010, the Denver metropolitan area is poised for a gradual economic recovery. While the recent recession impacted nearly all industries, employers began to add jobs later in 2010. Four of the 11 industry "supersectors" in the Denver metropolitan area added jobs in 2010, led by education and health services. Still, average annual employment remained 0.7 percent below the 2009 level. The region's housing market has been more stable compared with other markets across the nation and home prices are slowly starting to rise.

With unemployment reaching some of the highest levels in decades, consumer spending fell to the lowest levels the region has ever experienced during 2009. Fortunately, consumer confidence is on the mend and retail sales increased 6.8 percent in 2010.

Job losses also had an adverse impact on the commercial real estate market, however many of the region's property types outperformed other markets across the nation. The region's diversified industry base and healthy balance of market supply and demand led to generally declining vacancy rates. Still, new development activity will remain constrained until existing inventory declines further and lease rates begin to rise.

The Denver metropolitan area continues to attract businesses and headquarters to the region because of its high quality of life, comparatively low costs of doing business, and well-educated workforce. In particular, education and health services and government employment increased in 2010. The combination of self-employment, small business, and large firms form a solid economic base to foster the region's economic recovery. Additionally, the region's transportation network combined with its central location and dynamic economy compete favorably in the global marketplace.

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DATA APPENDIX

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
POPULATION (July 1)[1]											
United States (thousands)	281,422	285,050	287,746	290,242	292,936	295,618	298,432	301,394	304,177	306,656	308,746
Colorado	4,301,261	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	5,029,196
Denver Metropolitan Area	2,400,580	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	2,784,228
City and County of Denver	554,636	563,300	559,090	560,348	560,230	559,459	562,862	570,437	581,903	595,573	600,158
POPULATION GROWTH RATE											
United States	1.1%	1.3%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.9%
Colorado	2.4%	3.3%	1.4%	1.1%	1.2%	1.6%	1.8%	1.6%	1.7%	1.5%	1.5%
Denver Metropolitan Area	2.6%	3.2%	1.1%	0.9%	1.2%	1.5%	1.7%	1.7%	1.8%	1.7%	1.5%
City and County of Denver	1.8%	1.6%	-0.7%	0.2%	0.0%	0.2%	0.6%	1.3%	2.0%	2.3%	1.4%
NET MIGRATION											
Colorado	86,069	78,677	30,831	20,138	24,460	24,301	53,545	46,382	52,335	48,208	45,736
Denver Metropolitan Area	48,806	38,904	10,349	4,687	11,144	5,805	26,002	26,390	30,377	29,811	15,514
City and County of Denver	6,066	3,476	(7,747)	(2,569)	(3,737)	(4,576)	(107)	4,233	8,296	10,620	3,467
NONAGRICULTURAL EMPLOYMENT											
United States (millions)	131.8	131.8	130.3	130.0	131.4	133.7	136.1	137.6	136.8	130.8	129.8
Colorado (thousands)	2,213.8	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	2,220.1
Denver Metropolitan Area (thousands)	1,374.9	1,375.2	1,332.8	1,314.0	1,324.7	1,350.1	1,377.5	1,407.4	1,420.9	1,359.4	1,350.1
City and County of Denver[2]	469,144	461,996	438,891	425,474	423,446	424,641	432,416	442,750	449,257	423,329	417,950
NONAGRICULTURAL EMPLOYMENT GROWTH RATE											
United States	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.6%	-4.4%	-0.8%
Colorado	3.8%	0.6%	-1.9%	-1.4%	1.2%	2.1%	2.4%	2.3%	0.8%	-4.5%	-1.1%
Denver Metropolitan Area	4.3%	0.0%	-3.1%	-1.4%	0.8%	1.9%	2.0%	2.2%	1.0%	-4.3%	-0.7%
City and County of Denver	3.0%	-1.5%	-5.0%	-3.1%	-0.5%	0.3%	1.8%	2.4%	1.5%	-5.8%	-1.3%

2010 EMPLOYMENT DISTRIBUTION BY INDUSTRY

	United States	Colorado	Denver Metropolitan Area	City & County of Denver (Q3 2010)
Natural Resources & Construction	4.8%	6.3%	5.5%	4.9%
Manufacturing	8.9%	5.6%	5.6%	4.5%
Wholesale & Retail Trade	15.3%	14.7%	15.0%	11.9%
Transportation, Warehousing, Utilities	3.6%	3.2%	3.5%	5.4%
Information	2.1%	3.2%	3.9%	3.2%
Financial Activities	5.9%	6.5%	7.2%	7.9%
Professional & Business Services	12.9%	14.8%	17.1%	18.6%
Education & Health	15.1%	11.9%	12.0%	12.5%
Leisure & Hospitality	10.0%	11.9%	10.7%	11.3%
Other Services	4.1%	4.2%	3.9%	3.4%
Government	17.3%	17.7%	15.5%	16.4%

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
UNEMPLOYMENT RATE											
United States	4.0%	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%	4.6%	5.8%	9.3%	9.6%
Colorado	2.7%	3.8%	5.7%	6.1%	5.6%	5.1%	4.3%	3.7%	4.8%	8.3%	8.9%
Denver Metropolitan Area	2.6%	3.8%	5.9%	6.4%	5.8%	5.2%	4.3%	3.7%	4.8%	8.3%	8.8%
City and County of Denver	3.0%	4.4%	6.7%	7.2%	6.6%	5.8%	4.8%	4.1%	5.4%	9.2%	9.7%
CONSUMER PRICE INDEX (CPI-U, 1982-84=100)											
United States	172.2	177.1	179.9	184.0	188.9	195.3	201.6	207.3	215.3	214.5	218.1
Denver-Boulder-Greeley	173.2	181.3	184.8	186.8	187.0	190.9	197.7	202.0	209.9	208.5	212.4
INFLATION RATE											
United States	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.8%	3.8%	-0.4%	1.6%
Denver-Boulder-Greeley	4.0%	4.7%	1.9%	1.1%	0.1%	2.1%	3.6%	2.2%	3.9%	-0.6%	1.9%

DATA APPENDIX

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL PERSONAL INCOME (millions, except as noted)											
United States (billions)	$8,555	$8,879	$9,055	$9,369	$9,929	$10,477	$11,257	$11,901	$12,380	$12,168	$12,530
Colorado	$147,056	$156,468	$157,752	$159,918	$168,587	$179,695	$194,390	$205,242	$214,977	$210,513	$215,259
Denver Metropolitan Area	$93,832	$99,605	$99,903	$100,934	$106,176	$113,046	$123,018	$128,512	$134,426	$131,293	N/A
City and County of Denver	$22,008	$23,469	$23,834	$23,933	$25,031	$26,593	$29,534	$30,036	$32,085	$31,512	N/A
TOTAL PERSONAL INCOME GROWTH RATE											
United States	8.2%	3.8%	2.0%	3.5%	6.0%	5.5%	7.4%	5.7%	4.0%	-1.7%	3.0%
Colorado	12.5%	6.4%	0.8%	1.4%	5.4%	6.6%	8.2%	5.6%	4.7%	-2.1%	2.3%
Denver Metropolitan Area	13.8%	6.2%	0.3%	1.0%	5.2%	6.5%	8.8%	4.5%	4.6%	-2.3%	N/A
City and County of Denver	13.3%	6.6%	1.6%	0.4%	4.6%	6.2%	11.1%	1.7%	6.8%	-1.8%	N/A
PER CAPITA PERSONAL INCOME[3]											
United States	$30,318	$31,145	$31,461	$32,271	$33,881	$35,424	$37,698	$39,461	$40,674	$39,635	$40,584
Colorado	$33,977	$35,296	$35,023	$35,156	$36,652	$38,555	$40,898	$42,386	$43,560	$41,895	$42,802
Denver Metropolitan Area	$38,827	$40,245	$39,863	$39,940	$41,572	$43,695	$46,636	$47,747	$48,940	$46,868	N/A
City and County of Denver	$39,576	$41,581	$42,480	$42,863	$44,817	$47,376	$51,934	$51,895	$54,098	$51,630	N/A
PER CAPITA PERSONAL INCOME GROWTH RATE											
United States	7.0%	2.7%	1.0%	2.6%	5.0%	4.6%	6.4%	4.7%	3.1%	-2.6%	2.4%
Colorado	9.9%	3.9%	-0.8%	0.4%	4.3%	5.2%	6.1%	3.6%	2.8%	-3.8%	2.2%
Denver Metropolitan Area	11.0%	3.7%	-0.9%	0.2%	4.1%	5.1%	6.7%	2.4%	2.5%	-4.2%	N/A
City and County of Denver	11.9%	5.1%	2.2%	0.9%	4.6%	5.7%	9.6%	-0.1%	4.2%	-4.6%	N/A
RETAIL TRADE SALES											
United States (billions)	$3,290	$3,386	$3,467	$3,618	$3,841	$4,093	$4,313	$4,454	$4,409	$4,129	$4,396
Colorado (millions)	$57,955	$59,014	$58,850	$58,689	$62,288	$65,492	$70,437	$75,329	$74,760	$66,302	$69,695
Denver Metropolitan Area (millions)	$35,159	$35,657	$35,355	$35,548	$37,197	$38,589	$41,491	$44,177	$43,829	$38,880	$41,512
City and County of Denver (millions)	$8,105	$7,860	$7,564	$7,364	$7,691	$7,963	$9,480	$10,162	$10,252	$8,518	$9,154

DATA APPENDIX

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
RETAIL TRADE SALES GROWTH RATE											
United States	6.4%	2.9%	2.4%	4.3%	6.2%	6.5%	5.4%	3.3%	-1.0%	-6.4%	6.5%
Colorado	10.2%	1.8%	-0.3%	-0.3%	6.1%	5.1%	7.6%	6.9%	-0.8%	-11.3%	5.1%
Denver Metropolitan Area	11.3%	1.4%	-0.8%	0.5%	4.6%	3.7%	7.5%	6.5%	-0.8%	-11.3%	6.8%
City and County of Denver[4]	11.0%	-3.0%	-3.8%	-2.6%	4.4%	3.5%	19.1%	7.2%	0.9%	-16.9%	7.5%
MEDIAN HOME PRICE											
United States (thousands)	$147.3	$156.6	$167.6	$180.2	$195.2	$219.0	$221.9	$217.9	$196.6	$172.1	$173.2
Denver Metropolitan Area (thousands)	$196.8	$218.3	$228.1	$238.2	$239.1	$247.1	$249.5	$245.4	$219.3	$219.9	$232.4
EXISTING HOME SALES											
Denver Metropolitan Area	48,611	47,832	47,919	47,966	54,012	53,106	50,244	49,789	47,837	42,070	38,818
NEW RESIDENTIAL UNITS DENVER METROPOLITAN AREA											
Single Family	15,873	14,262	13,793	12,656	14,260	15,778	10,952	7,082	3,686	2,397	3,349
Two-Family	3,321	4,442	4,425	3,755	4,843	4,642	5,311	4,632	1,330	601	798
Multi-Family	9,116	9,090	4,085	1,858	2,681	459	1,727	3,015	4,413	438	1,002
Total Units	28,310	27,794	22,303	18,269	21,784	20,879	17,990	14,729	9,429	3,436	5,149
OFFICE VACANCY RATE											
Denver Metropolitan Area	7.0%	10.1%	13.6%	14.2%	14.4%	13.2%	12.7%	11.8%	12.9%	13.7%	13.2%
HOTEL OCCUPANCY RATE											
Denver Metropolitan Area	68.6%	62.5%	60.3%	59.5%	61.9%	64.1%	66.4%	67.0%	65.0%	59.0%	64.4%
SKIER VISITS	**00/01**	**01/02**	**02/03**	**03/04**	**04/05**	**05/06**	**06/07**	**07/08**	**08/09**	**09/10**	**10/11**
Colorado (millions)	11.7	11.1	11.6	11.3	11.8	12.5	12.6	12.5	11.9	11.9	12.2

N/A: Not Available

[1]: The State Demography Office recently released updated intercensal population estimates (2001-2009) to incorporate the recently released 2010 Census population counts. However, these data should be interpreted with caution as they are not consistent with the detailed estimates and forecasts also currently available from the State Demography office which were prepared in the fall of 2010 prior to the release of the 2010 Census counts.

[2]: Employment data estimated based on job growth rate for the period Q1-Q3 2010 compared with Q1-Q3 2009.

[3]: The Bureau of Economic Analysis' 2010 per capita personal income data was computed using 2010 Census population counts. Income figures for prior years are based on population data that are not consistent with Census 2010 as a consistent series was not available at the time of publication. As a result, the change in per capita personal income between 2010 and prior years should be interpreted with caution. In September 2011, the Bureau plans to release revised per capita income for 2001-2010 that will be fully consistent with Census 2010.

[4]: 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.

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APPENDIX B
EXECUTIVE ORDER NO. 114

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EXECUTIVE ORDER NO. 114

TO: All Departments and Agencies Under the Mayor

FROM: Mayor

DATE: October 29, 1996

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

I. Purpose

A. In connection with the issuance of certain bonds, notes, certificates of participation and other municipal securities, the City and its Enterprises are 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.

B. Such 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.

C. This Order is issued in order to centralize the information dissemination process, to establish appropriate controls on Disclosure Statements made by the City, 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 intended in any way to limit any person's access to public records or information, nor to infringe upon the normal political process, in particular the right of any elected official of the City to review, discuss, release, comment upon or criticize any information.

II. Definitions

A. Meanings and Construction. As used in this Order, the terms, "annual financial information," "issuer," "municipal securities," "obligated person," and "official statement" shall have the meanings ascribed thereto under Rule 15c2-12, and the following terms shall have the following meanings:

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. "Compliance Officer" means the Manager of the Department of Revenue, ex-officio Treasurer of the City.

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

4. "Rule 15c2-12" means the Rule of that designation 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.

5. "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.

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

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

III. Statement of Policy

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

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 Compliance Officer.

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 the release thereof shall be approved by the Compliance Officer.

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 Compliance Officer.

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 Compliance Officer any such Disclosure Statement, together with such additional information requested by the Compliance Officer, and each such employee, agent and official of the City shall consult with the Compliance Officer concerning such proposed Disclosure Statement.

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 Compliance Officer required by this Order shall be deemed to be a statement or undertaking by or on behalf of the City or such Enterprise.

IV. Rules and Regulations

The Compliance Officer shall promulgate and revise from time to time such rules and regulations as the Compliance Officer 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:

Daniel E. Muse

Daniel Muse
Attorney for the City and County
of Denver

Approved:

Wellington E. Webb

Wellington E. Webb
Mayor

Bruce Baumgartner
Manager of Public Works

Patricia Gabow, M.D.
Manager of Health and Hospitals

Fidel Montoya
Manager of Safety

Cheryl Cohen
Manager of Revenue

Philip A. Hernandez
Manager of Social Services

Betty Jean Brooks
Manager of Parks and Recreation

Alonzo R. Matthews

Alonzo Matthews
Manager of General Services

James C. DeLong

James DeLong
Manager of Aviation

APPENDIX C
2010 ABSTRACT OF ASSESSMENT

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2010 Abstract of Assessment

	Total Assessed Value	Total Actual Value
Vacant Land		
Residential	$ 87,834,640	$ 302,878,100
Commercial	76,073,520	262,322,500
Industrial	21,672,450	74,732,600
Agricultural	43,740	150,800
PUD	9,196,220	31,711,100
All Others	23,295,170	80,328,100
Possessory Interest	60,140	207,400
Total	**$ 218,175,880**	**$ 752,330,600**
Residential		
Single Family	$ 3,284,395,900	$ 41,261,255,000
Condominiums	758,136,670	9,524,330,000
Duplexes/Triplexes	87,674,140	1,101,433,900
Multi Unit (4 to 8)	33,998,290	427,114,200
Multi Unit (9 & up)	429,765,500	5,399,064,100
Manufactured Homes	494,200	6,208,500
Partial Exempt	3,642,850	45,764,500
Total	**$ 4,598,107,550**	**$ 57,765,170,200**
Commercial		
Merchandising	$ 733,315,010	$ 2,528,672,400
Lodging	275,754,050	950,876,000
Offices	2,348,225,340	8,097,328,800
Recreation	98,505,090	339,672,800
Commercial Condos	136,862,050	471,938,100
Possessory Interest	37,048,990	127,755,100
Special Purpose	630,158,090	2,172,958,900
Warehouses	966,524,610	3,332,843,500
Multi-Use	178,230,940	614,589,500
Partial Exempt	21,913,490	75,563,700
Total	**$ 5,426,537,660**	**$ 18,712,198,800**
Industrial	**142,371,600**	**490,936,500**
Personal Property		
Residential	$ 7,981,170	$ 27,521,300
Commercial	623,366,400	2,149,539,300
Industrial	107,877,100	371,990,000
Prod. Oil & Gas	63,300	218,300
Total	**$ 739,287,970**	**$ 2,549,268,900**
State Assessed	**835,603,100**	**2,881,390,000**
Grand Total	**$ 11,960,083,760**	**$ 83,151,295,000**

Exempt Properties	**Total Assessed Value**	**Total Actual Value**
Federal Government	$ 132,306,820	$ 456,230,400
State Government	413,610,030	1,429,019,800
County Government	1,782,037,520	6,477,827,000
Political Subdivision	951,509,720	3,335,972,100
Religious Entities	200,359,680	721,371,800
Private Schools	141,848,920	489,706,500
Charitable Entities	317,019,630	1,395,367,100
All Others	213,470,000	761,510,100
Total	**$ 4,152,162,320**	**$ 15,067,004,800**

Special Taxing Districts

	Assessed Value	Mill Levy	Tax Revenue
Bowles Metropolitan	$ 27,482,540	40.000	$ 1,099,302
Broadway Station Metro Dist 3	6,047,460	11.000	66,522
Central Platte Valley Metro (2)	39,371,630	53.000	2,086,696
Central Platte Valley Metro	57,336,740	19.000	1,089,398
Cherry Creek North B.I.D.	188,980,290	17.642	3,333,990
Cherry Creek Subarea B.I.D.	21,023,440	0.965	20,288
Clear Creek Valley Water	980,360	2.791	2,736
Colfax B.I.D.	48,477,260	7.940	384,909
Colo. Int. Center Metro No 14	10,211,900	60.000	612,714
Denver Gateway Center Metro	4,627,410	32.992	152,668
Denver Gateway Meadows	1,570	30.000	47
Denver High Point at DIA Metro	629,060	15.000	9,436
Denver Intl. Bus. Center No 1	22,713,810	40.000	908,552
Denver Suburban Water	303,308,120	0.325	98,575
DUS Metro District No 2 (4)	861,990	30.000	25,860
Ebert Metropolitan	61,269,010	75.000	4,595,176
Fairlake Metropolitan	19,632,010	37.914	744,328
Fairlake Metropolitan (debt)	9,307,750	25.000	232,694
First Creek Metropolitan	11,030	10.845	120
Gateway Regional Metro	48,880,990	16.000	782,096
Gateway Regional Metro (debt)	10,838,930	1.739	18,849
Gateway Village G.I.D.	17,701,310	32.500	575,293
Goldsmith Metropolitan	303,308,120	18.117	5,495,033
Goldsmith Metropolitan (debt)	27,730,530	8.000	221,844
Greenwood Metropolitan	1,855,530	13.030	24,178
GVR Metropolitan	64,346,490	27.083	1,742,696
Holly Hills Water & Sanitation	16,356,790	2.716	44,425
Madre Metropolitan Dist. No. 2	4,028,600	50.000	201,430
Mile High Business Center	15,565,890	35.000	544,806
North Washington Fire District	6,115,060	17.403	106,420
North Washington Street Water	6,115,060	0.949	5,803
Old South Gaylord B.I.D.	5,338,900	3.673	19,610
Sand Creek Metropolitan	29,940,290	30.000	898,209
Sand Creek Metropolitan (debt)	9,793,850	20.000	195,877
SBC Metropolitan (5)	57,930,950	35.000	2,027,583
Section 14 Metro	8,823,350	23.827	210,234
Section 14 Metro debt Racoon	3,155,090	20.643	65,131
Section 14 Metro debt Fairmark	3,383,300	14.871	50,313
Sheridan Sanitation Dist No. 2	408,280	0.555	227
South Denver Metropolitan	53,823,640	7.000	376,765
Southeast Public Improvement	303,668,840	2.000	607,338
Town Center Metropolitan	438,180	75.000	32,864
Valley Sanitation	10,217,990	2.493	25,473
Westerly Creek Metro (6)	292,671,840	55.046	16,110,414
Total			**$ 45,846,922**

(1) $1,992 of taxes distributed directly to DDA
(2) $574,013 of taxes distributed directly to DDA
(3) $10,084 of taxes distributed directly to DDA
(4) $12,846 of taxes distributed directly to DDA
(5) $1,624,748 of taxes distributed directly to Stapleton TIF
(6) $12,044,147 of taxes distributed directly to Stapleton TIF

Tax Increment Finance Districts

District	Assessed Value Increment
Alameda Square	$ 2,619,875
American National	3,495,746
California St. Parking Garage	747,659
Cherokee	1,869,840
City Park South	16,812,374
Downtown Denver	153,743,193
Executive Tower Hotel	10,513,351
Guaranty Bank	1,739,677
Highlands Garden Village	7,415,921
Lowenstein Theater	3,138,050
Lowry	149,979,060
Mercantile Square	1,033,623
Northeast Park Hill	4,357,937
Pepsi Center	32,613,469
Point Urban	1,048,770
South Broadway	18,511,236
St. Luke's #1	13,655,229
St. Luke's #2	11,699,620
Stapleton	337,357,907
Westwood	6,803,322
York Street	4,426,520
Total	**$ 783,582,379**

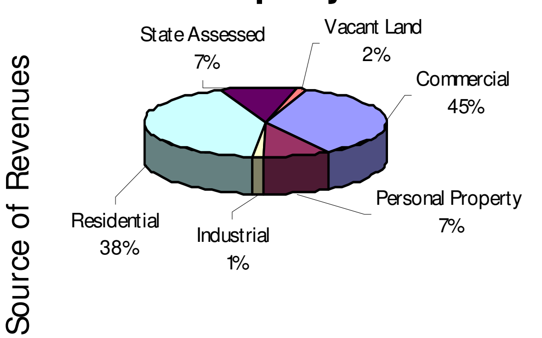
Summary of Levies and Taxes

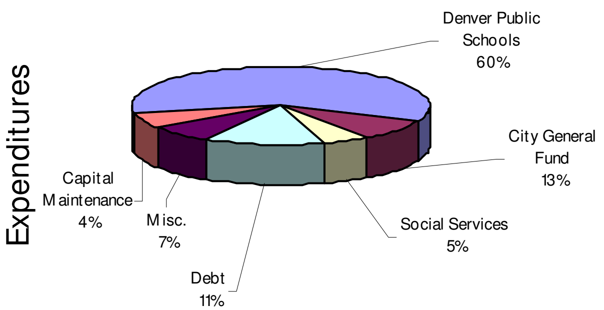
	Mill Levy	Tax Revenue
City & County of Denver		
General Fund	8.455	$ 101,122,508
Bond Principal	4.470	53,461,574
Bond Interest	3.110	37,195,860
Social Services	3.556	42,530,058
Developmentally Disabled	1.019	12,187,325
Fire Pension	1.317	15,751,430
Police Pension	1.572	18,801,252
Capital Maintenance	2.544	30,426,453
Total	**26.043**	**$ 311,476,460**
School District #1		
General Fund	33.172	$ 396,739,898
Bond Redemption	6.800	81,328,570
Total	**39.972**	**$ 478,068,468**
Urban Drainage & Flood Control District	**0.576**	**$ 6,889,008**
Total General Taxes	**66.591**	**$ 796,433,936**
Total Special District Taxes		**45,846,921**
Grand Total of All Taxes		**$ 842,280,857**
Taxes Distributed to DURA (Denver Urban Renewal Auth)		**$ 52,179,534**
Tax Distributed to DDA (Denver Downtown Develop Auth)		**$ 756,094**

2011 Assessment Calendar

January 1—All taxable property is listed and valued based on its status as of this date.
By April 15—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.
By June 15—Taxpayers are notified of business personal property valuations.
June 15 to June 30—Assessor hears protests to business personal property valuations.
By August 25—Initial Certifications of Value are sent to each of the taxing entities in the county.
By December 15—Taxing entities certify mill levies to Assessor.
By December 22—Final mill levies are approved for the following year's tax collections.

2010 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 2010, 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 2011 must be paid by February 28th and the second half must be paid by June 15th. If paid in one installment, the entire amount must be received (or postmarked) no later than April 30th.

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

www.denvergov.org/assessor

Abstract of Assessment And Summary of Levies

City & County of Denver Colorado

DENVER®
THE MILE HIGH CITY

2010

Total
Assessed Valuation
$11,960,083,760

Guillermo (Bill) Vidal
Mayor

Paul H. Jacobs
Assessor