

PRELIMINARY OFFICIAL STATEMENT DATED MAY 29, 2018

NEW ISSUE - BOOK ENTRY ONLY

Fitch: “ ”
Moody’s: “ ”
S&P: “ ”
See “RATINGS”

In the opinion of Co-Bond Counsel, assuming continuing compliance with certain tax covenants, under existing statutes, regulations, rulings and court decisions, interest on the Series 2018A-B Bonds is excludable from gross income for federal income tax purposes. Further, interest on the Series 2018A-B Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals. See “TAX MATTERS” herein for a description of the federal alternative minimum tax, including alternative minimum tax on corporations for taxable years beginning before January 1, 2018, and certain other federal tax consequences of ownership of the Series 2018A-B Bonds. Co-Bond Counsel is further of the opinion that under State of Colorado statutes as presently enacted and construed, to the extent interest is excluded from gross income for federal income tax purposes, such interest is excluded from income for State of Colorado income tax purposes. See “TAX MATTERS” herein.

CITY AND COUNTY OF DENVER, COLORADO

\$193,000,000*

\$71,740,000*

**GENERAL OBLIGATION ELEVATE DENVER BONDS
SERIES 2018A**

**GENERAL OBLIGATION JUSTICE SYSTEM FACILITIES
REFUNDING BONDS, SERIES 2018B**

Dated: Date of Delivery

Due: August 1, as shown on the inside cover page

The General Obligation Elevate Denver Bonds, Series 2018A and the General Obligation Justice System Refunding Bonds, Series 2018B are issued by the City and County of Denver, Colorado as described herein. The Series 2018A Bonds and the Series 2018B Bonds are collectively referred to as the Series 2018A-B Bonds. The Series 2018A-B Bonds are being issued for the purposes of (1) financing various civic facilities for the City with the proceeds of the Series 2018A Bonds, (2) current refunding the City’s outstanding General Obligation Justice System Facilities Bonds, Series 2008 maturing on and after August 1, 2019, with the proceeds of the Series 2018B Bonds and (3) paying the costs of issuing the Series 2018A-B Bonds. Capitalized terms used on this cover page are defined herein.

The Series 2018A-B Bonds are to be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, the securities depository for the Series 2018A-B Bonds. Beneficial Ownership Interests in the Series 2018A-B Bonds, in book-entry only form, may be purchased in denomination of \$5,000 and integral multiples thereof by or through participants in the DTC system. Beneficial Ownership Interests will be governed as to payment, receipt of notices and other communications, prior redemption, transfers and various other matters with respect to the Series 2018A-B Bonds by the rules and operating procedures applicable to the DTC book-entry only system as described herein.

The Series 2018A-B Bonds bear interest at the rates per annum set forth on the inside cover hereof payable on February 1 and August 1 each year, commencing August 1, 2018, and mature on the dates and in the amounts set forth on the inside cover page hereof, subject to redemption prior to maturity as described herein.

The Series 2018A-B Bonds are general obligations of the City secured by a pledge of the full faith and credit of the City and are payable from general ad valorem taxes required to be levied on all the taxable property within the City without limitation as to rate and in an amount sufficient to pay the principal of and interest on the Series 2018A-B Bonds when due, except to the extent other legally available funds are applied for such purpose.

This cover page contains certain information for general reference only. It is not a summary of this issue. Prospective investors should read this entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2018A-B Bonds are offered when, as and if issued, subject to the approval of legality and certain other legal matters by Greenberg Traurig, LLP, Denver, Colorado and Becker Stowe Partners LLC, Denver, Colorado, as Co-Bond Counsel, and certain other conditions. Hilltop Securities Inc., Denver, Colorado, is serving as Financial Advisor to the City in connection with the issuance of the Series 2018A-B Bonds. It is expected that the Series 2018A-B Bonds in book-entry form will be available for deposit with DTC and delivery in New York, New York, on or about June __, 2018.

Dated _____, __, 2018

*Preliminary, subject to change

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These Bonds may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the applicable securities laws of any such jurisdiction.

**MATURITY SCHEDULE
CITY AND COUNTY OF DENVER, COLORADO**

\$193,000,000*

GENERAL OBLIGATION ELEVATE DENVER BONDS, SERIES 2018A

<u>Maturity (August 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Priced to Yield</u>	<u>CUSIP Number¹</u>
2018	\$59,045,000	%	%	
2019	70,175,000			
2020	23,670,000			
2031	12,850,000			
2032	13,365,000			
2033	13,895,000			

\$71,740,000*

GENERAL OBLIGATION JUSTICE CENTER REFUNDING BONDS, SERIES 2018B

<u>Maturity (August 1)</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Priced to Yield</u>	<u>CUSIP Number¹</u>
2019	\$10,815,000	%	%	
2020	11,250,000			
2021	11,695,000			
2023	12,165,000			
2024	12,655,000			
2025	13,160,000			

¹ A registered trademark of the American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the City nor the Underwriters take responsibility for the accuracy of such CUSIP numbers now or at any time in the future. The CUSIP numbers for any maturity of the Series 2018A-B Bonds may be changed after the issuance of the Series 2018A-B Bonds as the result of various subsequent actions, including, without limitation, a refunding of all or a portion of such maturity or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018A-B Bonds.

* * *

**CITY AND COUNTY OF DENVER
CITY OFFICIALS**

Mayor

Michael B. Hancock

City Council

Albus Brooks, President

Kendra Black

Jolon Clark

Rafael Espinoza

Kevin Flynn

Stacie Gilmore

Christopher Herndon

Paul Kashmann

Robin Kneich

Paul D. López

Wayne New

Deborah Ortega

Mary Beth Susman

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Clerk and Recorder

Debra Johnson

Cabinet Officials

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Kim Day

Allegra "Happy" Haynes

Donald J. Mares

Robert M. McDonald

Troy Riggs

Murphy Robinson

Deputy Mayor, Chief Financial Officer as Manager of
Finance/*ex officio* Treasurer

City Attorney

Executive Director of the Department of Community
Planning and Development

Executive Director of the Department of Public Works

Executive Director of the Department of Aviation

Executive Director of the Department of Parks and
Recreation

Executive Director of the Department of Human Services

Executive Director of the Department of Environmental
Health

Executive Director of the Department of Safety

Executive Director of the Department of General Services

Co-Bond Counsel

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Denver, Colorado

Financial Advisor

Hilltop Securities, Inc.
Denver, Colorado

No dealer, salesman or other person has been authorized to give any information or to make any representation, other than the information contained in this Official Statement, in connection with the offering of the Series 2018A-B Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the City or the Underwriters. The information in this Official Statement is subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder, under any circumstances, creates any implication that there has been no change in the affairs of the City or others since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized or in which any person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The information contained in this Official Statement has been obtained from the City and other sources which are deemed reliable.

This Official Statement is submitted in connection with the sale of the Series 2018A-B Bonds, and may not be reproduced or used, in whole or in part, for any other purpose.

THE PRICES AT WHICH THE SERIES 2018A-B BONDS ARE OFFERED MAY VARY FROM THE INITIAL OFFERING PRICES APPEARING ON THE COVER PAGE. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL OFFERING PRICES TO PARTICULAR PURCHASERS, AND THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE SERIES 2018A-B BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2018A-B BONDS OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND PRINTED FORM (“ORIGINAL BOUND FORMAT”) OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: www.munidoc.com. THIS OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR IT IS PRINTED IN FULL DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

Relating to

CITY AND COUNTY OF DENVER, COLORADO

**\$193,000,000* GENERAL OBLIGATION ELEVATE DENVER BONDS,
SERIES 2018A**

**\$71,740,000* GENERAL OBLIGATION JUSTICE SYSTEM REFUNDING BONDS,
SERIES 2018B**

INTRODUCTION

This Official Statement, which includes the cover page and the appendices, provides certain information in connection with the issuance by the City and County of Denver, Colorado (the “City”), a municipal corporation and political subdivision of the State of Colorado (the “State”), organized and existing as a home rule city under the provisions of Article XX of the State Constitution and the home rule charter of the City (the “City Charter”), of its \$193,000,000* General Obligation Elevate Denver Bonds, Series 2018A (the “Series 2018A Bonds”) and its \$71,740,000* General Obligation Justice System Facilities Refunding Bonds, Series 2018B (the “Series 2018B Bonds” and with the Series 2018A Bonds, the “Series 2018A-B Bonds”).

The Series 2018A Bonds are issued for the purpose of (1) financing various civic facilities and (2) paying the costs of issuance of the Series 2018A Bonds. The Series 2018B Bonds are issued for the purpose of (1) current refunding, paying and discharging all of the City’s outstanding General Obligation Justice System Facilities Bonds, Series 2008 maturing on and after August 1, 2019 (the “Refunded Bonds”), and (2) paying the costs of issuance of the Series 2018B Bonds. See “USE OF PROCEEDS.”

Each series of the Series 2018A-B Bonds are issued in the aggregate principal amount, bear interest at the rates and mature on the dates and in the amounts set forth on the cover page and inside cover hereof. Interest on the Series 2018A-B Bonds is payable beginning on August 1, 2018, and semiannually on each February 1 and August 1 thereafter. ZB, National Association dba Zions Bank, Denver, Colorado, initially serves as the paying agent and registrar (including any successor paying agent and registrar, the “Paying Agent”) for the Series 2018A-B Bonds. The Series 2018A-B Bonds are to be issued in fully registered form and registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will serve as securities depository for the Series 2018A-B Bonds. See “THE SERIES 2018A-B BONDS” and “APPENDIX C – DTC BOOK-ENTRY SYSTEM.”

This Official Statement includes financial and other information about the City and descriptions of the Series 2018A-B Bonds and related documents, including Ordinance No. 18-0436 adopted by the City Council of the City on May 21, 2018, authorizing the issuance of the Series 2018A-B Bonds (the “Bond Ordinance”). None of such information or descriptions purports to be complete. Except for any updated financial information provided herein, all references to financial and other information about the City are qualified in their entirety by reference to “APPENDIX A - Basic Financial Statements of the City, for the Fiscal Year Ended December 31, 2017.” All references to the Series 2018A-B Bonds and related documents are qualified in their entirety by reference to the approved forms of the Series 2018A-B

*Preliminary, subject to change

Bonds, the Bond Ordinance and other related documents. *All capitalized terms used herein and not otherwise defined have the meanings given to them in the Bond Ordinance.*

This Official Statement contains economic and demographic information as of May 2018 about the City and its metropolitan area prepared by Development Research Partners for use by the City. See “APPENDIX B - An Economic and Demographic Overview of the Denver Metropolitan Region.”

The City has delivered to the Underwriters an undertaking to provide continuing disclosure (the “Continuing Disclosure Undertaking”) relating to certain information contained in this Official Statement. See “CONTINUING DISCLOSURE” and “APPENDIX D - Form of Continuing Disclosure Undertaking.”

THE SERIES 2018A-B BONDS

Authority

The Series 2018A-B Bonds are issued pursuant to the City Charter, the Denver Revised Municipal Code (the “City Code”), an election held in the City on November 7, 2017 (the “2017 Election”), the Supplemental Public Securities Act (part 2 of article 57 of title 11, Colorado Revised Statutes, as amended), the Public Securities Refunding Act (part 1 of article 56 of title 11, Colorado Revised Statutes, as amended), and the Bond Ordinance.

General Provisions

Each series of the Series 2018A-B Bonds are issued in the aggregate principal amount, bears interest at the rates and matures on the dates and in the amounts set forth on the cover page and inside cover hereof. Interest on the Series 2018A-B Bonds accrues from their date of issuance and delivery, is payable on August 1, 2018, and semiannually on each February 1 and August 1 thereafter and is calculated on the basis of a 360-day year of twelve 30-day months. Payments of principal and interest in connection with the Series 2018A-B Bonds will be made by the Paying Agent to Cede & Co., as the registered owner of each series of the Series 2018A-B Bonds, for subsequent credit to the accounts of the Beneficial Owners as described in “Book-Entry Only Form” below and “APPENDIX C – DTC BOOK-ENTRY SYSTEM.”

Redemption

Optional Redemption. The Series 2018A Bonds maturing on or prior to August 1, 2031, are not subject to optional redemption prior to their respective maturity dates. The Series 2018A Bonds maturing on or after August 1, 2031, are subject to redemption prior to their respective maturities, at the option of the City, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the City, and if less than all of the Series 2018A Bonds of a maturity are to be redeemed, by lot within a maturity, on August 1, 2028, or on any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

The Series 2018B Bonds are not subject to optional redemption prior to their respective maturity dates.

Mandatory Sinking Fund Redemption.

The Series 2018A Bonds maturing on August 1, 20__ (the “Series 2018A Term Bonds”), are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus

accrued interest to the redemption date. The Series 2018A Term Bonds subject to mandatory sinking fund redemption are to be selected by lot in such manner as the Paying Agent determines (giving proportionate weight to the Series 2018A Term Bonds in denominations larger than \$5,000).

As a sinking fund for the redemption of the Series 2018A Term Bonds maturing August 1, 20__, the City is to deposit sufficient amounts into the Bond Fund (after any credit, as described below) on or before the dates shown below to pay the following principal amounts of Series 2018A Bonds, plus accrued interest to the redemption date.

Series 2018A Bonds Mandatory Sinking Fund Redemption Schedule

[To be inserted in the final Official Statement if applicable]

The Series 2018B Bonds maturing on August 1, 20__ (the “Series 2018B Term Bonds”), are subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus accrued interest to the redemption date. The Series 2018B Term Bonds subject to mandatory sinking fund redemption are to be selected by lot in such manner as the Paying Agent determines (giving proportionate weight to the Series 2018B Term Bonds in denominations larger than \$5,000).

As a sinking fund for the redemption of the Series 2018B Term Bonds maturing August 1, 20__, the City is to deposit sufficient amounts into the Bond Fund (after any credit, as described below) on or before the dates shown below to pay the following principal amounts of Series 2018B Bonds, plus accrued interest to the redemption date.

Series 2018B Bonds Mandatory Sinking Fund Redemption Schedule

[To be inserted in the final Official Statement if applicable]

On or before the thirtieth day prior to each sinking fund payment date in respect of either the Series 2018A Term Bonds or the Series 2018B Term Bonds, as the case may be, the Paying Agent is to proceed to call the related Series 2018A Term Bonds or Series 2018B Term Bonds (or any bonds issued to replace the related Series 2018A Term Bonds or Series 2018B Term Bonds) for redemption on the next August 1, and give notice of such call without further instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund Redemption Date, the City may: (a) deliver to the Paying Agent for cancellation the related Series 2018A Term Bonds or Series 2018B Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired; or (b) receive a credit in respect of its sinking fund redemption obligation for any related Series 2018A Term Bonds or Series 2018B Term Bonds of the maturity and interest rate subject to mandatory sinking fund redemption on such date, which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each related Series 2018A Term Bond or Series 2018B Term Bond so delivered or previously redeemed is to be credited by the Paying Agent at the principal amount thereof against the obligation of the City on such sinking fund date and such sinking fund obligation is to be accordingly reduced.

Notice of Redemption. Notice of redemption is to be given by the Paying Agent in the name of the City by sending a copy thereof by first-class postage prepaid mail, or by using such other method required by DTC, not less than thirty (30) days or more than sixty (60) days prior to the redemption date to the Owner of each of the Series 2018A-B Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of

the City. Failure to mail any notice as aforesaid or any defect in any notice so sent with respect to any Series 2018A-B Bond does not affect the validity of the redemption proceedings with respect to any other Series 2018A-B Bond. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Series 2018A-B Bonds called for redemption.

Book-Entry Only Form

The Series 2018A-B Bonds are issued in fully registered form and registered initially in the name of Cede & Co., as nominee of DTC, which will serve as securities depository for the Series 2018A-B Bonds. Ownership interests in the Series 2018A-B Bonds (“Beneficial Ownership Interests”), in non-certificated book-entry only form, may be purchased in denominations of \$5,000 and integral multiples thereof by or through participants in the DTC system (“DTC Participants”). Beneficial Ownership Interests are to be recorded in the name of the purchasers thereof (“Beneficial Owners”) on the books of the DTC Participants from whom they are acquired, and are governed as to payment, receipt of notices and other communications, prior redemption, transfers and various other matters with respect to the Series 2018A-B Bonds by the rules and operating procedures applicable to the DTC book-entry system as further described in “APPENDIX C – DTC BOOK-ENTRY SYSTEM.” References herein to the registered owners (the “Owners”) of the Series 2018A-B Bonds mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners.

Neither the City nor the Paying Agent has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) any notice that is permitted or required to be given to the Owners of the Series 2018A-B Bonds under the Bond Ordinance, (3) the selection by DTC or any DTC Participant of the recipient of payment in the event of a partial redemption of the Series 2018A-B Bonds, (4) the payment by DTC or any DTC Participant of any amount with respect to the principal of or interest due with respect to the Owners of the Series 2018A-B Bonds, (5) any consent given or other action taken by DTC or its nominee as the Owner of Series 2018A-B Bonds or (5) any other related matter.

The Bond Ordinance sets forth provisions regarding the payment of the principal and interest on the Series 2018A-B Bonds, record and special record dates and transfer and exchange procedures that are not applicable so long as DTC is serving as the securities depository for the Series 2018A-B Bonds, and are, therefore, not set forth in this Official Statement.

Security

The Series 2018A-B Bonds are general obligations of the City and are payable from general ad valorem taxes required to be levied on all the taxable property within the City without limitation as to rate and in an amount sufficient to pay the principal of, interest on and premium, if any, on the Series 2018A-B Bonds, except to the extent that other legally available funds are applied for such purpose. In the Bond Ordinance, the City irrevocably covenants to budget and appropriate sufficient funds to pay the principal of, interest on and premium, if any, on the Series 2018A-B Bonds when due and to levy and collect ad valorem taxes for this purpose. The City pledges its full faith and credit for the payment of the Series 2018A-B Bonds. See generally “FINANCIAL INFORMATION CONCERNING THE CITY - Property Taxation.”

The City Code establishes a bonded indebtedness principal fund and a bonded indebtedness interest fund (together, the “Bond Fund”) for the purpose of paying the principal of and interest on the City’s general obligation bonds. Separate tax levies are made for each distinct segregated fund, and tax receipts are apportioned to each such fund as received. These tax levies are specifically dedicated and are

therefore only available for the purpose of paying the principal of and interest on the City’s general obligation bonds. See “FINANCIAL INFORMATION CONCERNING THE CITY – The Bond Fund” and Table 10 - “CITY AND COUNTY OF DENVER - CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS.”

Debt Service Requirements

Tables 1 and 2 set forth the debt service requirements to maturity of the Series 2018A-B Bonds and the debt service requirements of the City’s other general obligation bonds outstanding as of the date of issuance of the Series 2018A-B Bonds, and assuming the refunding of the Refunded Bonds, within each fiscal year of the City.

Table 1

SERIES 2018A-B BONDS DEBT SERVICE

Fiscal Year	Series 2018A Bonds			Series 2018B Bonds		
	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>	<u>Principal*</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 59,045,000	\$	\$	\$ --	\$	\$
2019	70,175,000			10,815,000		
2020	23,670,000			11,250,000		
2021	--			11,695,000		
2022	--			--		
2023	--			12,165,000		
2024	--			12,655,000		
2025	--			13,160,000		
2027	--			--		
2028	--			--		
2029	--			--		
2030	--			--		
2031	12,850,000			--		
2032	13,365,000			--		
2033	<u>13,895,000</u>			<u>--</u>		
Total	<u>\$ 193,000,000</u>	<u>\$</u>	<u>\$</u>	<u>\$ 71,740,000</u>	<u>\$</u>	<u>\$</u>

*Preliminary, subject to change.

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Table 2

TOTAL GENERAL OBLIGATION BONDS DEBT SERVICE

Fiscal Year	Series 2018A-B Bonds		Other Outstanding General Obligation Bonds²		Combined Total
	Principal^{*1}	Interest	Principal*	Interest	
2018	\$ 59,045,000	\$	\$ 57,045,000	\$ 28,263,372	\$
2019	80,990,000		32,020,000	23,964,423	
2020	34,920,000		33,120,000	22,826,169	
2021	11,695,000		34,325,000	21,577,773	
2022	--		39,290,500	29,138,933	
2023	12,165,000		36,975,000	22,152,990	
2024	12,655,000		37,720,000	18,018,478	
2025	13,160,000		39,095,000	16,670,388	
2026	--		51,225,000	15,209,503	
2027	--		53,055,000	12,354,808	
2028	--		58,315,000	15,398,698	
2029	--		56,790,000	6,442,900	
2030	--		58,825,000	3,277,825	
2031	12,850,000		--	--	
2032	13,365,000		--	--	
2033	13,895,000		--	--	
Total	\$ 264,740,000	\$	\$587,800,500	\$235,296,260	\$

* Preliminary, subject to change.

1 Assumes that no optional redemptions are made prior to maturity.

2 Excludes the Refunded Bonds; includes the Series 2008 Bonds maturing on August 1, 2018. Also includes the Series 2007, 2009A, 2010B, 2013A, 2013B1-B2 and 2014A Bonds. Interest on the 2010B Build America Bonds is included as the gross amount without regard to the BAB Credit. See "DEBT STRUCTURE OF THE CITY - General Obligation Bonds."

Source: The Financial Advisor.

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USE OF PROCEEDS

Generally

Table 3 shows the estimated sources and uses of funds in connection with the issuance of the Series 2018A-B Bonds:

Table 3

SOURCES AND USES OF FUNDS

<u>Sources of Funds</u>	Series 2018A Bonds	Series 2018B Bonds	Totals
Principal Amount*	\$ 193,000,000	\$ 71,740,000	\$ 264,740,000
Premium			
Total	\$ _____	\$ _____	\$ _____
<u>Uses of Funds</u>			
Deposit to Bond Proceeds Fund (Series 2018A Bonds)	\$ _____	\$ _____	\$ _____
Deposit to Series 2018B Refunding Escrow Fund			
Costs of Issuance and Additional Proceeds ¹			
Total	\$ _____	\$ _____	\$ _____

* Preliminary, subject to change.

¹ Includes Underwriter's compensation.

Source: Financial Advisor.

Elevate Denver Projects

Seven separate ballot questions (the “2017 Election Ballot Questions”) authorizing debt in the aggregate principal amount of \$937,418,500 were approved by the City’s electors at the 2017 Election. The 2017 Election Ballot Questions authorized funding for capital infrastructure projects (collectively, the “Elevate Denver Projects”) throughout the City within the following categories:

Transportation and Mobility System. This 2017 Election Ballot Question authorized \$431,042,500 in aggregate principal amount to fund repairs and improvements to the City’s transportation infrastructure to improve safety and traffic flow, increase street capacity and improve bicycle and pedestrian safety and mobility throughout Denver. Projects include but are not limited to the construction and reconstruction of roadways, streetscapes and bike lanes, the repair and replacement of road and pedestrian bridges and walkways, the construction and improvement of sidewalks, the provision and improvement of access to public transit services and the installation of safety improvements. The City anticipates that approximately \$41,181,000 of the Series 2018A Bonds will be used to finance Transportation and Mobility System projects.

Cultural Facilities. This 2017 Election Ballot Question authorized \$116,907,000 in aggregate principal amount to fund repairs and improvements to the City’s various cultural facilities, including but not limited to renovation, upgrade and expansion projects, improvements to security and safety systems

and accessibility improvements. The City anticipates that approximately \$65,000,000 of the Series 2018A Bonds will be used to finance Cultural Facilities projects.

Denver Health and Hospital Authority. This 2017 Election Ballot Question authorized \$75,000,000 in aggregate principal amount to provide funding for a portion of the cost of the construction of a new Denver Health and Hospital Authority outpatient medical center building. The City anticipates that approximately \$45,000,000 of the Series 2018A Bonds will be used to finance a portion of the new Denver Health and Hospital Authority's outpatient medical center building.

Public Safety System. This 2017 Election Ballot Question authorized \$77,011,000 in aggregate principal amount to fund projects including but not limited to construction of new police and fire stations and renovations, repairs and improvements to various existing police, fire and public safety system buildings. The City anticipates that approximately \$5,438,000 of the Series 2018A Bonds will be used to finance Public Safety System projects.

Library System. This 2017 Election Ballot Question authorized \$69,343,000 in aggregate principal amount to fund repairs, renovations and improvements to the City's various library facilities, including but not limited to the Central Public Library. The City anticipates that approximately \$5,312,000 of the Series 2018A Bonds will be used to finance Library System projects.

Parks and Recreation System. This 2017 Election Ballot Question authorized \$151,616,000 in aggregate principal amount to fund repairs and improvements to the City's various parks and recreation centers, including but not limited to energy savings and water conservation improvements such as the repair and replacement of outdated irrigation systems, and the construction and renovation of City swimming pools, parks and recreation centers. The City anticipates that approximately \$30,525,000 of the Series 2018A Bonds will be used to finance Parks and Recreation System projects.

Public Facilities System. This 2017 Election Ballot Question authorized \$16,500,000 in principal amount to fund repairs and improvements to various existing City public office buildings, including but not limited to structural and exterior repairs and upgrades of the heating, ventilation and cooling systems and accessibility improvements. The City anticipates that approximately \$627,000 of the Series 2018A Bonds will be used to finance Public Facilities System projects.

Upon the issuance of the Series 2018A Bonds, \$744,335,500 of electoral authorization under the 2017 Election Ballot Questions will remain. See "DEBT STRUCTURE OF THE CITY - General Obligation Bonds."

Series 2018B Refunding Project

The Series 2018B Bonds are being issued for the purpose of refunding, paying and discharging all of the City's outstanding General Obligation Justice System Facilities Bonds, Series 2008 maturing on and after August 1, 2019 (the "Refunded Bonds"; such purpose described as the "Series 2018B Refunding Project"). The Refunded Bonds are a portion of the general obligation bonds that were authorized and issued by the City based on the results of a special municipal election held in the City on May 3, 2005 (the "2005 Election").

CITY GOVERNMENT ORGANIZATION

General Information

The City is located on the front range of the Rocky Mountains in the north-central part of the State of Colorado. The City is the capital of the State and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 3,100,000 people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which more than [703,462] currently reside in the City limits. See “APPENDIX B - An Economic and Demographic Overview of the Denver Metropolitan Region.”

Organization

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

Government

The City Charter establishes a “strong-mayor” form of government. The Mayor of the City is the chief executive, exercising all administrative and executive powers granted to the City, except as otherwise delegated by the City Charter. The Mayor is elected every four years and is limited to three consecutive terms. The legislative powers of the City are vested in the City Council, except as otherwise provided in the City Charter. The City Council consists of 13 members, two of whom are elected on an at-large basis and 11 of whom are elected by districts, all for four-year terms with a three-consecutive-term limit. Seven members constitute a meeting quorum, and the vote of seven members is necessary to adopt any ordinance or resolution. Ordinances passed by the City Council are subject to a qualified veto by the Mayor (except certain ordinances concerning charter amendments or conventions). The Mayor’s veto may be overridden by the vote of nine Council members.

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The elected officials of the City are as follows:

Michael B. Hancock	Mayor
Timothy M. O'Brien, CPA	Auditor
Debra Johnson	Clerk and Recorder
Albus Brooks	Councilmember and President - District 9
Jolon Clark	Councilmember and <i>Pro-Tem</i> - District 7
Kendra Black	Councilmember - District 4
Rafael Espinoza	Councilmember - District 1
Kevin Flynn	Councilmember - District 2
Stacie Gilmore	Councilmember - District 11
Christopher Herndon	Councilmember - District 8
Paul Kashmann	Councilmember - District 6
Robin Kneich	Councilmember - At-Large
Paul D. López	Councilmember - District 3
Wayne New	Councilmember - District 10
Deborah Ortega	Councilmember - At-Large District 1
Mary Beth Susman	Councilmember - District 5

The City Auditor is responsible for internal audits of the City and, with the Audit Committee, oversees the audit of the City's comprehensive annual financial report ("CAFR"). The Auditor is elected every four years and is limited to three consecutive terms. Powers to conduct financial and performance audits are carried out by the City Auditor in that office's audit capacity. The current City Auditor is Timothy M. O'Brien.

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

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

As of the date of this Official Statement, the appointed members of the Mayor’s cabinet were the following individuals:

Brendan J. Hanlon	Deputy Mayor, Chief Financial Officer, as the Manager of Finance/ <i>ex-officio</i> Treasurer
Kristin M. Bronson, Esq.	City Attorney
Brad Buchanan	Executive Director of the Department of Community Planning and Development
Eulois Cleckley	Executive Director of the Department of Public Works
Kim Day	Executive Director of the Department of Aviation
Allegra “Happy” Haynes	Executive Director of the Department of Parks and Recreation
Donald J. Mares	Executive Officer of the Department of Human Services
Robert M. McDonald	Executive Director of the Department of Environmental Health
Troy Riggs	Executive Director of the Department of Safety
Murphy Robinson	Executive Director of the Department of General Services

In addition to the members of the cabinet, other advisors include Chief of Staff Alan Salazar and Deputy Chiefs of Staff Evan Dreyer and Penny May, who have significant advisory roles in formulating policy.

FINANCIAL INFORMATION CONCERNING THE CITY

Budget Policy

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

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

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

Bond Fund

The City Code establishes a bonded indebtedness principal fund and a bonded indebtedness interest fund within the Bond Fund for the purpose of paying the principal of and interest on the City's general obligation bonds. Separate tax levies are made for each distinct segregated fund, and tax receipts are apportioned to each such fund as received. These tax levies are specifically dedicated and are therefore only available for the purpose of paying the principal of and interest on the City's general obligation bonds. See "THE SERIES 2018A-B BONDS - Security" and Table 10 - "CITY AND COUNTY OF DENVER - CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS."

General Fund

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

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

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

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

Additional amounts collected by the City and accounted for in the General Fund include the City's lodger's tax ("Lodger's Tax"), short-term auto rental tax ("Auto Rental Tax"), prepared food and beverage tax ("Food and Beverage Tax"), occupational privilege taxes ("OPT" or "Head Tax"), automobile ownership tax, telecommunications business tax, and franchise fees. A portion of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax are pledged to debt service on Dedicated Tax Revenue bonds of 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. The telecommunications business tax is imposed on providers of local exchange telecommunication service based upon the number of local service lines. Franchise fees include the utility franchise fees imposed upon Xcel Energy for its franchise to serve customers in the City and the franchise fee imposed on Comcast for operation of its cable television franchise within the City.

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

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

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

Management Discussion of Recent Financial Results

Rather than relying on tax increases, the City maintains a policy of managing General Fund resources to the level of funds available by reallocating resources selectively to initiate new services, eliminating cash deficits in other funds and targeting year-end unrestricted General Fund balances equal to 15% of estimated expenditures.

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

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

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

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

2017. [To be provided]

Management Discussion of 2018 Budget

The 2018 Budget, adopted in November 2017, projected total General Fund revenue of \$1.336 billion in 2018, an increase of approximately \$49 million or 3.8% over the 2017 revised budget due primarily to growth in sales tax and property tax revenue and to a lesser extent, an increase in General Government revenue. Core sales and use taxes are collected in ordinary course under Denver Revised Municipal Code Section 53. Additionally, the City collects taxes that were not previously collected through routine audits (“audit revenues”). Core sales and use tax revenues (minus audit revenues) are projected to increase 3.7% in 2018 driven by continued expansion of Denver’s economy, though at a more moderate pace. General Fund expenditures are projected to grow to \$1.4 billion in 2018, up by 5.4% over the revised 2017 appropriations, driven by significant investments in transportation and mobility projects, an expansion to affordable housing options and programs, increased investment in emergency homeless services and facilities, increases to uniformed personnel and 911 call center staff, increased assistance for those experiencing behavioral health challenges, increased support of local business development, and increased investment in neighborhood parks and recreation centers and libraries. Reserves are projected to remain healthy, with an anticipated undesignated fund balance of \$211.6 million, or 15.1% of projected expenditures, by the end of 2018. For the complete 2018 Budget, visit www.denvergov.org/budget.

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General Fund Financials

The following pages include Table 4, General Fund Balance Sheet; Table 5, Statement of Revenues, Expenditures and Changes in Fund Balance for 2013 through 2017; Table 6, General Fund Budget Summary in dollars; and Table 7, General Fund Budget Summary by percentage.

Table 4

**CITY AND COUNTY OF DENVER
GENERAL FUND BALANCE SHEET
For the years ending December 31, 2013-2017
(\$ in thousands)**

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

Sources: City and County of Denver Comprehensive Annual Financial Reports, 2013 – 2017

Table 5

**CITY AND COUNTY OF DENVER GENERAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
For the years ending December 31, 2013-2017
(\$ in thousands)**

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

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

Sources: City and County of Denver Comprehensive Annual Financial Reports, 2013 – 2017

Table 6

GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 REVISED BUDGET and 2018 ADOPTED BUDGET
Prepared in Budgetary Format
(\$ in thousands – columns may not sum to totals due to rounding)

	<u>2017</u> <u>Results</u> ¹	<u>2017</u> <u>Revised</u> <u>Budget</u>	<u>2018</u> <u>Adopted</u> <u>Budget</u>
REVENUES			
Taxes			
Property		\$ 118,569	\$ 131,949
Sales and Use		646,236	670,773
Other		109,926	112,867
Intergovernmental Revenues		37,395	38,763
Licenses and Permits		56,708	51,871
Fines and Forfeitures		51,440	55,758
Charges for Services		208,279	214,784
Investment Income		9,468	11,274
Transfers In		40,819	40,081
Other Revenues and Financing Sources		<u>8,235</u>	<u>8,346</u>
TOTAL FINANCIAL SOURCES		<u>1,287,074</u>	<u>1,336,466</u>
EXPENDITURES			
General Government		381,609	402,859
Public Safety		518,867	539,967
Public Works		126,791	137,189
Health		47,148	47,667
Parks and Recreation		69,775	72,750
Cultural Activities		46,619	49,081
Debt Service		0	0
Transfers Out		133,670	128,472
General Fund Contingency		18,584	34,458
Estimated Unspent Appropriations		<u>(15,000)</u>	<u>(12,000)</u>
TOTAL EXPENDITURES BUDGET		<u>1,328,063</u>	<u>1,400,443</u>
FUND BALANCES ²		(40,988)	(63,976)
Net Change in Fund Balance			
Fund Balance January 1			
Fund Balance December 31			
Undesignated Fund Balance January 1		316,570	275,582
Undesignated Fund Balance December 31		<u>275,582</u>	<u>211,605</u>
Total Fund Balance December 31		<u>\$ 275,582</u>	<u>\$ 211,605</u>

¹ The City's Comprehensive Annual Financial 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 For the 2017 Comprehensive Annual Financial Report, the City follows GASB 54, which clarifies existing fund type definitions. The Comprehensive Annual Financial Report list Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds. The Office of Management and Budget does not use this methodology for the Budget, therefore Fund balances should only be compared within the Budget Columns.

Sources: City and County of Denver 2017 Comprehensive Annual Financial Report and 2018 Budget Book

Table 7

**GENERAL FUND BUDGET SUMMARY
2017 ACTUAL RESULTS, 2017 BUDGET and 2018 BUDGET
(by percentage)**

	<u>2017 Results¹</u>	<u>2017 Revised Budget</u>	<u>2018 Adopted Budget</u>
REVENUES			
Taxes			
Property	%	9.2%	9.9%
Sales and Use		50.2	50.2
Other		8.5	8.4
Intergovernmental Revenues		2.9	2.9
Licenses and Permits		4.4	3.9
Fines and Forfeitures		4.0	4.2
Charges for Services		16.2	16.1
Investment Income		0.7	0.8
Transfers In		3.2	3.0
Other Revenues and Financing Sources		<u>0.6</u>	<u>0.6</u>
TOTAL FINANCIAL SOURCES	100.0%	100.0%	100.0%
EXPENDITURES			
General Government		28.7%	28.8%
Public Safety		39.1	38.6
Public Works		9.5	9.8
Health		3.6	3.4
Parks and Recreation		5.3	5.2
Cultural Activities		3.5	3.5
Debt Service		-	-
Transfers Out		10.1	9.2
General Fund Contingency		1.4	2.5
Estimated Unspent Appropriations		<u>(1.1)</u>	<u>(0.9)</u>
TOTAL EXPENDITURES BUDGET	100.0%	100.0%	100.0%

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.

Source: City and County of Denver 2017 Comprehensive Annual Financial Report and 2018 Budget Book

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Collection of Taxes

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

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately 50% of the General Fund revenues. As of January 1, 2018, a fixed-rate general sales tax of 3.65% was imposed on the sale of all tangible personal property not specifically exempted and on certain services. A fixed-rate general use tax of 3.65% was also imposed on the storage, use and consumption of tangible personal property not specifically exempted. The City's practice is to account for sales and use taxes on a combined basis.

The sales and use tax rate includes a 0.15% portion authorized by voters to fund increased access to and quality of preschool programs for City residents (the "preschool tax"). The revenue from this portion of the sales and use tax, which is in effect through December 31, 2026, is only available for the described purposes and cannot be used for General Fund purposes.

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

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

GENERAL FUND SALES AND USE TAX RATES

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

¹ Includes 0.15% 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 used for General Fund revenue.

The above general fund sales and use tax rates effective for 2018 reflects the City's total tax rate for goods and services as set forth; however, portions of the prepared food and beverage tax, automobile rental tax and lodgers' taxes are reflected in the general fund's sales and use tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Dedicated Tax Revenue Bonds and recorded in other Funds.

Table 8 reflects the City’s General Fund sales and use tax collections for the past ten years.

Table 8
CITY AND COUNTY OF DENVER
GENERAL FUND SALES AND USE TAX REVENUES
2008 — 2017
(\$ In Thousands)

<u>Year</u>	<u>Revenues</u> ¹	<u>Percent</u> <u>Change</u> ¹
2008	\$ 430,928	3.05%
2009	387,838	(10.00)
2010	409,817	5.67
2011	441,187	7.65
2012	451,352	2.30
2013	493,002	9.23
2014	555,428	12.66
2015	581,922	4.77
2016	613,617	5.45
2017		

¹ The revenues and percent changes reflect increases including amounts received as a result of sales tax audit collections.

Source: Department of Finance

Financial Statements

The basic financial statements of the City for the year ending December 31, 2017, included in APPENDIX A to this Official Statement have been audited by BKD LLP (“BKD”), independent public accountants, as stated in their report appearing herein. The agreement between the City and BKD relating to provision of audit services provides that the City is not required to obtain BKD’s consent for the inclusion of financial statements in the City’s offering documents. Accordingly, the consent of BKD to the inclusion of APPENDIX A was not sought or obtained. BKD has not performed any procedures on any financial statements or other financial information of the City, including without limitation any of the information contained in this Official Statement, since the date of this report and BKD should not be considered to be associated with the Official Statement in any manner.

Financial statements of the City for fiscal years ending on or prior to December 31, 2017, are available for inspection at the Department of Finance, 201 West Colfax Avenue, Department 1004, Denver, Colorado 80202, or on the City’s website (denvergov.org) under the Controller’s webpage. The information presented on the City’s website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2018A-B Bonds.

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 9 sets forth the State property appraisal method for assessment years 2013 through 2017.

Table 9

STATE PROPERTY APPRAISAL METHOD

Collection Year	Assessment Year	Value Calculated As of	Based on the Market Period
2014	2013	June 30, 2012	July 1, 2010 to June 30, 2012
2015	2014	June 30, 2012	July 1, 2010 to June 30, 2012
2016	2015	June 30, 2014	July 1, 2012 to June 30, 2014
2017	2016	June 30, 2014	July 1, 2012 to June 30, 2014
2018	2017	June 30, 2016	July 1, 2014 to June 30, 2016

Source: Assessor’s Office Division of the Department of Finance

As of January 1, 1985, the State General Assembly was required to determine the percentage of the aggregate statewide valuation for assessment that is attributable to residential real property. For each subsequent year, the General Assembly was and is required to re-determine the percentage of the aggregate statewide valuation for assessment which is attributable to each class of taxable property, after adding any increased valuation for assessment attributable to new construction and increased oil and gas production. For each year in which there is a change in the level of value, the General Assembly is required to adjust the assessed valuation ratio for residential real property as necessary to maintain the previous year’s percentage of aggregate statewide valuation attributable to residential real property. The Colorado General Assembly set the residential real property assessed valuation ratio at 7.96% of its statutory actual value for assessment years 2013 through 2016 and 7.20% for 2017. All other taxable property (with certain specified exceptions) has had an assessed valuation ratio throughout these tax years of 29% of statutory actual value.

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

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

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

April, interest is added to the full amount of taxes due in the amount of 1% per month and accrues from the first day of May until the date of payment.

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

The City Charter imposes a tax limit of 15 mills for all general municipal purposes. This limit does not apply to taxes levied for the payment of general obligation bonded indebtedness, to fund the City's Social Services Fund, to provide for fire and police pensions, to fund a City program for the developmentally disabled or taxes levied pursuant to a voter authorized 2.5 mill levy increase 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.

The Colorado Constitution provides property tax exemptions for qualifying senior citizens and for disabled veterans. The State is required to reimburse all local governments for the reduction in property tax revenue resulting from these exemptions. Therefore, it is not expected that this exemption will result in the loss of any property tax revenue to the City.

Table 10 sets forth the mill levies for the City, School District No. 1, and the Urban Drainage and Flood Control District for the last five levy years. See "DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities" for a discussion of mill levies attributable to other taxing entities which overlap or partially overlap the boundaries of the City.

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Table 10

**CITY AND COUNTY OF DENVER
CITY-WIDE MILL LEVIES - DIRECT AND OVERLAPPING GOVERNMENTS¹
(By Assessment Year)**

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

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

- 1 The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City's boundaries. For "Overlapping Taxing Districts with General Obligation Debt" see Table 16 under "DEBT STRUCTURE OF THE CITY."
- 2 A levy in excess of the 2.5 mills approved by voters is allowable due to prior year refunds and abatements.

Source: Department of Finance

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Table 11 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. Collection data is reported as of December 31, 2017.

Table 11

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

ACTUAL AND ASSESSED VALUATION:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Statutory Actual Valuation (est.) ¹	<u>\$79,581</u>	<u>\$80,891</u>	<u>\$100,204</u>	<u>\$105,773</u>	<u>\$134,744</u>
Assessed Valuation:					
Real Property – Land	\$3,252	\$3,218	\$4,514	\$4,506	\$5,671
Real Property – Improvement	6,441	6,564	8,220	8,406	10,064
Personal Property	742	765	826	827	888
Public Utilities	829	838	824	921	925
Total Assessed Valuations ²	<u>\$ 11,264</u>	<u>\$ 11,385</u>	<u>\$ 14,385</u>	<u>\$ 14,659</u>	<u>\$ 17,548</u>
Total Assessed Valuation					
Percentage Change ³	4.71%	1.07%	26.35%	1.91%	19.71%
LEVIES AND COLLECTIONS:^{2, 4} (\$ in thousands)					
Taxes Levied	<u>\$310,922</u>	<u>\$312,314</u>	<u>\$360,103</u>	<u>\$372,011</u>	<u>\$427,059</u>
Total Collections	\$306,893	\$308,808	\$356,911	\$369,940	N/A
Percent of Original Levy					
Total Collections at Year End (as Percentage of Original Levy)	98.70%	98.88%	99.11%	99.44%	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 attributable to Tax Increment Finance Districts, a portion of which is attributable to the Denver Urban Renewal Authority (“DURA”) or the Denver Downtown Development Authority (“DDDA”). Incremental assessed valuation attributable to DURA and the DDDA were the following amounts: \$781,793,064 for levy year 2013; \$818,799,594 for levy year 2014; \$1,149,380,667 for levy year 2015; \$1,141, 847,073 for levy year 2016; and \$962,347,864 for levy year 2017. Figures listed for taxes levied and collected are net of amounts paid to DURA or DDDA. See “DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities.”

3 Changes in assessed valuations for the years shown are due in part to changes in the years used to compute values which occur every two years and adjustments attributable to a legislative extension of time permitted for appeals of assessed values.

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

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

Source: Department of Finance

Assessed Valuation of Major Taxpayers

Table 12 lists the major property taxpayers based on assessed valuations for the 2017 assessment year.

Table 12

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

Name	Business	Assessed Valuation	Percentage of City's Total Assessed Valuation ¹
Public Service Co.	Utility	\$ 281,847	1.61%
Brookfield Office Properties	Real Estate	244,372	1.39
Invesco Realty Advisers Inc.	Real Estate	159,599	0.91
Century Link Communications	Utility	148,688	0.85
Ivanhoe Cambridge Inc.	Real Estate	141,701	0.81
Franklin Street Properties	Real Estate	130,296	0.74
UBS Realty Investors	Real Estate	128,054	0.73
Beacon Capital Partners	Real Estate	126,543	0.72
Taubman Centers Inc.	Real Estate	111,836	0.64
Columbia-HealthONE, LLC	Health Care	<u>108,776</u>	<u>0.62</u>
TOTALS		\$ <u>1,581,712</u>	<u>9.01%</u>

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

Source: Department of Finance

Revenue, Spending and Debt Limitations

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

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

TABOR requires voter approval prior to the City incurring any multiple fiscal year debt or other financial obligation, subject to certain exceptions, such as refinancing outstanding bonds at a lower

interest rate. TABOR contains an exception for “enterprises,” defined in TABOR as a government-owned business authorized to issue its own revenue bonds and receiving less than 10% of its annual revenues from all State and local governments combined. The effect of “enterprise” status is to exempt an enterprise from the restrictions and limitations otherwise applicable under TABOR. The City has designated as enterprises for purposes of TABOR the operations of its sanitary and storm sewerage utilities, the Department of Aviation, the Department of Environmental Services, and City-owned golf courses.

The voter approval received by the City at the 2017 Election and at the 2005 Election relating to the Refunded Bonds for the issuance of general obligation bonds each included the voter approval requirement for the levy of property taxes to pay the Series 2018A Bonds and the Series 2018B Bonds, respectively. These voter approvals also permit the City to increase its property tax revenue up to the amount of any debt service funded by such revenue. Revenues other than property tax revenues are limited only as a function of the spending limitation described above.

PENSION PLANS

The majority of the City’s employees are covered under the Denver Employees Retirement Plan (“DERP”). Employees of the police department and the fire department are covered by separate retirement plans affiliated with and administered by the Fire and Police Pension Association (“FPPA”). DERP’s pension plan and the FPPA Plans are described below and at Note G in the City’s basic financial statements included in APPENDIX A.

Denver Employees Retirement Plan

The following information is from 2017 unaudited information provided by DERP and the 2016 Comprehensive Annual Financial Report (the “2016 CAFR”) of DERP and has not been verified by the City.

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

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

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

Denver Employees Retirement Plan Membership:

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

DERP provides retirement benefits plus death and disability benefits. Members who were hired before July 1, 2011, and retire at or after the age of 65 (or on or after age 55 if the sum of their age and

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

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

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

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

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

The total net plan assets were \$2,082,001,911 and \$2,300,253,563 as of December 31, 2016, and December 31, 2017, respectively. Per DERP's independently audited 2016 CAFR, as of January 1, 2016, the most recent actuarial valuation, 72.21% of the plan's actuarial accrued liabilities were covered by actuarial value of assets. Per DERP's most recent actuarial valuation, as of January 1, 2017, 69.53% of the plan's actuarial accrued liabilities were funded by actuarial value of assets.

On October 2, 2017, City Council passed a bill approving changes, effective October 1, 2017, to the DERP governing ordinance, one of which was a requested change in the "actuarially assumed rate of investment return" for the plan, from 7.75% to 7.50%. This request was made "in light of work done by DERP's investment consultant indicating lower 10-year expected returns for the DERP-specific asset allocation." The other requested changes to this ordinance were non-substantive, technical changes.

Fire and Police Pension Plans

All full-time fire fighters and police officers in the classified service of the City hired on or after April 8, 1978, participate in the Statewide Defined Benefit Plan ("New Hire Plan"), a cost-sharing multiple-employer public employee retirement system. The New Hire Plan is administered by the FPPA. Pursuant to Colorado Revised Statutes §31-31-701(2), which was deleted in 2014 as obsolete, full-time

City firefighters and police officers in the classified service hired prior to April 8, 1978 (“Old Hires”) participate in the City’s Old Hire Fire and Police Pension Plans (“Old Hire Plans”), unless the Old Hires elected to become covered by the New Hire Plan before March 1, 1981. The FPPA manages investments and administers the contributions to, and distributions from, the Old Hire Plans. The City’s Police Pension and Relief Board and the Trustees of the Firefighters Pension Fund administer various other matters relating to the Old Hire Plans.

Due to the implementation of the provisions of GASB 68 in 2015, the funded status of the FPPA Old Hire and New Hire Plans will no longer be disclosed. For additional information on the implementation of GASB 68, refer to the City’s 2015 CAFR.

OTHER POST EMPLOYMENT BENEFITS

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

DERP OPEB Plan

DERP retirees are responsible for 100% of the blended premium rate. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of \$12.50 per year of service for retired participants not eligible for Medicare and \$6.25 per year of service for retirees eligible for Medicare. Per DERP’s independently audited 2016 CAFR, the plan’s health benefits account had a funded ratio of 52.5%. Per DERP’s most recent actuarial valuation, as of January 1, 2017, the plan’s health benefits account had a funded ratio of 50.4%.

OPEB for Collectively Bargained Agreements

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

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

DEBT STRUCTURE OF THE CITY

General Obligation Bonds

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

The City assesses two separate and distinct property tax mill levies each year in an amount to pay principal and interest, respectively, on general obligation bonds. Funds collected from these mill levies are deposited into separate debt service funds (a bonded indebtedness principal fund and a bonded indebtedness interest fund) of the City. See “FINANCIAL INFORMATION CONCERNING THE CITY – Bond Fund.”

At the 2017 Election, the City’s voters approved seven general obligation 2017 Election Ballot Questions authorizing debt in the aggregate principal amount of \$937,418,500. The Series 2018A Bonds are being issued pursuant to the 2017 Election authorization. Upon issuance of the Series 2018A Bonds, approximately \$744,335,500 in authorization under the 2017 Election will remain.

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

Table 13 sets forth the computation of the general obligation debt margin of the City as of December 31, 2017.

Table 13

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

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

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General Obligation Bonded Debt

Table 14 lists the City's outstanding general obligation bonded debt as of December 31, 2017.

Table 14
OUTSTANDING GENERAL OBLIGATION DEBT
(\$ in thousands)

<u>Issue</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
General Obligation Justice System Facilities Bonds (Denver Mini-Bond Program), Series 2007 ¹	\$ 8,861	\$ 8,861
General Obligation Justice System Facilities Bonds, Series 2008 ²	174,135	94,615
General Obligations Better Denver and Zoo Bonds, Series 2009A	104,500	66,350
General Obligation Better Denver Build America Bonds, Series 2010B	312,055	305,835
General Obligation Better Denver and Refunding Bonds, Series 2013A	120,925	56,010
General Obligation Refunding Bonds, Series 2013B1-B2 ³	137,435	118,105
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A ⁴	<u>12,000</u>	<u>12,000</u>
TOTAL:	<u>\$ 869,911</u>	<u>\$ 661,776</u>

1 Amount excludes \$5,774,197 of compound interest on the Series 2007 Capital Appreciation Bonds.

2 Includes the Refunded Bonds and the August 1, 2018 maturity.

3 Direct bank placement; no official statement prepared.

4 Amount excludes \$1,989,420 of compound interest on the Series 2014A Capital Appreciation Bonds.

Source: Department of Finance

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Table 15 sets forth certain debt ratios based on the City’s actual and assessed valuations and general obligation bonded debt as of December 31, 2017.

Table 15

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

Total Direct General Obligation Bonded Debt	\$ 661,776
Overlapping General Obligation Bonded Debt ¹	<u>1,668,092</u>
Total Direct and Overlapping General Obligation Bonded Debt	<u>\$ 2,329,868</u>
 Actual Valuation	 \$134,744,419
Assessed Valuation ²	\$17,548,347

-
- 1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See “DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities” below for information relating to other overlapping entities.
 - 2 This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See “DEBT STRUCTURE OF THE CITY - Overlapping Debt and Taxing Entities.”

DEBT RATIOS

	Actual Valuation	Assessed Valuation	Per Capita²
Total Direct G.O. Bonded Debt	0.49%	3.77%	\$ 941
Total Direct and Overlapping G.O. Bonded Debt ¹	1.73%	13.28%	\$ 3,312

-
- 1 The overlapping general obligation debt represents the outstanding general obligation debt of School District No. 1. See “Overlapping Debt and Taxing Entities” below for information relating to other overlapping entities.
 - 2 Based upon a 2017 population estimate from the State Demography Office of [703,462.]

Source: Department of Finance

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, 2017, the School District had \$1,668,092,000 aggregate principal amount of general obligation bonds outstanding.

The School District has entered into annually renewable lease purchase arrangements from time to time in which certificates of participation have been executed and delivered by trustees for the transactions. As of December 31, 2017, the aggregate principal amount of such certificates outstanding was \$1,014,490,000. 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 \$54,709,961 for 2017. The Sewage District had outstanding \$562,640,000 aggregate principal amount of bonds as of December 31, 2017.

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

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

Other Overlapping Taxing Entities. There are a number of partially overlapping taxing districts having general obligation debt in amounts which do not materially affect the ability of the City to pay debt service on its general obligation bonds. Assessed valuation and bond mill levy information for those taxing districts with general obligation debt as of December 31, 2016 is provided in Table 16.

Table 16

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

Taxing District**	Assessed Valuation Attributable to Denver	% of Total Denver Assessed Value	2017 Mill Levy⁴
Adams County/ No. Washington Fire ¹	\$7,303,680	0.04%	16.733
Aviation Station #2 ²	2,115,350	0.01	53.000
Aviation Station #5 ²	30	0.00	10.000
Bellevue Station Metro No 2 ²	39,586,130	0.23	50.554
BMP No 2 (debt) ^{2,3}	26,564,240	0.15	15.200
BMP No 3 ^{2,3}	4,505,830	0.03	16.583
Bowles Metropolitan ¹	30,918,520	0.18	42.000
Broadway Station Metro No 3 ^{2,3}	5,267,350	0.03	6.000
Central Platte Valley Metro ^{2,3}	208,341,430	1.19	28.250
Central Platte Valley Metro (debt) ²	75,445,350	0.43	10.250
Cherry Creek North B.I.D.	294,065,090	1.68	15.642
Colo. Int. Center Metro No 14 ²	16,245,200	0.09	75.000
Denargo Market Metro No 2 ²	15,393,180	0.09	40.000
Denver Gateway Center Metro	6,238,090	0.04	50.000
Denver High Point at DIA Metro ²	5,627,380	0.03	15.000
Denver Intl. Bus. Ctr Metro No 1	30,425,070	0.17	44.175
DUS Metro No 2 ^{2,3}	88,645,360	0.51	25.000
Ebert Metropolitan ²	103,418,220	0.59	90.861
Ebert Metropolitan (debt) ²	3,146,150	0.02	61.911
Gateway Regional Metro	73,452,570	0.42	16.000
Mile High Business Center Metro	26,970,550	0.15	30.000
RiNo GID ³	128,693,280	0.73	4.000
Sand Creek Metropolitan ^{1,2}	37,129,250	0.21	27.500
Sand Creek Metropolitan (debt) ^{1,2}	14,317,540	0.08	16.000
SBC Metro ³	90,927,420	0.52	35.000
Section 14 Metro ^{1,2}	9,583,720	0.05	23.669
Section 14 Metro (debt Raccoon) ^{1,2}	3,762,240	0.02	13.812
Section 14 Metro (debt Fairmark) ^{1,2}	4,806,530	0.03	4.976
South Sloan's Lake Metro No 2 ^{2,3}	16,586,040	0.09	37.529
Southeast Public Impr Metropolitan ¹	332,073,140	1.89	2.000
Westerly Creek Metro ²	<u>512,131,970</u>	<u>2.92</u>	60.217
Special District Total Assessed Value	<u>\$2,213,685,900</u>	<u>12.61%</u>	
Denver Total Assessed Value ³	\$17,548,347,337		

** Taxing districts with general obligation debt as of December 31, 2016.

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

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

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

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

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

Denver Convention Center Hotel Authority Discretionary Economic Development Payments

In the spring of 2003, the City created the Denver Convention Center Hotel Authority for the express purpose of acquiring, constructing, equipping, operating and financing a convention center headquarters hotel, parking garage and supporting facilities across the street from the Colorado Convention Center. In June 2003, the Authority issued its own special limited obligation revenue bonds in the amount of \$354 million to finance the hotel and contract independently with a developer and operator for the hotel. The hotel opened as scheduled on December 20, 2005. In April 2006, the Authority issued \$356 million in refunding bonds to fully refund the 2003 revenue bonds. In November 2016, the Authority issued \$272 million in refunding bonds to fully refund the 2006 revenue bonds. The refunding bonds are payable from hotel revenues, and the hotel is mortgaged by the Authority to the bond trustee to secure the bonds. The Authority has no taxing power. The City did not pledge its own credit to support the hotel project and did not create any multiple-fiscal year direct or indirect debt or other financial obligation of the City in connection with the financings. However, the City entered into an Economic Development Agreement with the Authority under which, 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 payments under the Economic Development Agreement through December 31, 2017. Effective in 2018, the amount of each Economic Development Payment to be made on or before the 14th day prior to June 1 and December 1 is \$5,500,000. 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.

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Denver Urban Renewal Authority Contingent and Discretionary Payments

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

DURA retained the option to purchase the Series 2010B-1 DURA Bonds from the bondowners thereof on any date on or after December 1, 2015, at a purchase price equal to the principal amount of the Series 2010B-1 DURA Bonds so purchased (with no tender premium), plus accrued interest to the purchase date. In December 2015, DURA, pursuant to a Series 2010B-1 2015 Remarketing Supplemental Indenture, exercised this option and: (a) purchased all of the then-outstanding Series 2010B-1 DURA Bonds, in the aggregate principal amount of \$76,680,000; (b) remarketed and resold to new bondowners \$67,700,000 in principal amount of the Series 2010B-1 DURA Bonds at a resale price of \$77,536,205; and (c) used the \$9,836,205 premium included in such purchase price to (1) pay the accrued interest on the purchased Series 2010B-1 DURA Bonds, (2) pay the costs incurred by DURA in connection with such remarketing and resale, including underwriters’ discount, and (3) pay and cancel the remaining \$8,980,000 principal amount of the Series 2010B-1 DURA Bonds. The remarketed Series 2010B-1 DURA Bonds continue to be secured by the DURA Series 2010B-1 Reserve Fund and the City’s undertaking with respect thereto under the 2010 Services Agreement as described in the immediately preceding paragraph.

Denver Union Station Project Authority Contingent and Discretionary Payments

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

On February 3, 2017, in order to refund a portion the DOT Loans, RTD issued bonds using the FasTracks voter authorization. Simultaneously with the issuance of the RTD bonds, the City, on behalf of the Denver Downtown Development Authority (“DDDA”) closed on a loan with BBVA Compass and U.S. Bank, National Association, to refund a portion of the DOT Loans. The two transactions, combined with all cash balances on hand with the trustee for the DOT Loans, produced enough capital to pay the DOT Loans in full. Additionally, the City’s Contingent Commitment Agreement was terminated as part of the foregoing transactions. Furthermore, DUSPA will no longer receive any tax funds from the DDDA nor any sales and tax funds from RTD because, following the repayment of the DOT Loans, DUSPA no longer has any outstanding debt obligations. See also “*Regional Transportation District*” above.

Lease Purchase Agreements

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

Certificates of participation have been executed and delivered in conjunction with various lease purchase agreements discussed in the paragraph above. Principal portions of Base Rentals under these lease purchase agreements outstanding as of December 31, 2017, are summarized in Table 17.

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Table 17

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

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

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

2 Direct bank placements; no official statement prepared.

Source: Department of Finance

Non-Certificated Lease Purchase Agreements. As of December 31, 2017, the City was the lessee under various other capitalized lease agreements for the lease purchase of equipment outstanding in the principal amount of \$23,319,310. At the end of the final term of such leases, the City expects to own the equipment that is the subject of such leases. Certificates of participation relating to these leases have not been executed and delivered. The City currently has no real property under any non-certificated lease purchase agreement.

Revenue Bonds

The City has outstanding certain enterprise and dedicated tax revenue bonds payable from specifically pledged revenues, excluding ad valorem taxes. All dedicated tax revenue bonds, except for refunding bonds at a lower interest rate, require prior elector approval under the State Constitution.

As of December 31, 2017, the City's Airport Enterprise had \$3,965,580,000 of airport system revenue bonds and airport system subordinate bonds outstanding. Of this total, \$1,124,525,000 represents variable rate debt. \$754,700,000 of such variable rate debt have been synthetically swapped to a fixed

rate pursuant to interest rate swaps. The termination dates of the swaps range from November 15, 2022, to November 15, 2025, and are shorter than the stated maturity dates of the hedged variable rate debt.

As of December 31, 2017, the City had dedicated tax revenue and dedicated tax revenue refunding bonds outstanding in the aggregate principal amount of \$351,475,000.

As of December 31, 2017, the City had Wastewater Enterprise Revenue Bonds outstanding in the aggregate principal amount of \$147,880,000. In February 2018, the City issued additional Wastewater Enterprise Revenue Bonds in the aggregate principal amount of \$103,050,000.

As of December 31, 2017, the City had Golf Enterprise Revenue Bonds outstanding in the aggregate principal amount of \$1,865,000.

ECONOMIC AND DEMOGRAPHIC OVERVIEW

APPENDIX B contains an economic and demographic overview of the Denver Metropolitan Area as of May 2018.

FORWARD LOOKING STATEMENTS

This Official Statement contains statements that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

LEGAL MATTERS

Litigation

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

For Fiscal Year 2018, the City Attorney’s office has received an appropriation of approximately \$2.0 million, for payment of claims and judgments for items not covered by existing insurance. Together with unspent funds from Fiscal Year 2017, the City Attorney’s office has approximately \$2,635,275 available for such payments. The City considers this amount sufficient to provide for the disposition of matters which are anticipated to be finalized for Fiscal Year 2018.

Governmental Immunity

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

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

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

Approval of Certain Legal Proceedings

Legal matters relating to the issuance of the Series 2018A-B Bonds are subject to the approving legal opinions of Greenberg Traurig, LLP, Denver, Colorado and Becker Stowe Partners LLC, Denver, Colorado, as Co-Bond Counsel. The substantially final form of the opinions of Co-Bond Counsel is appended to the Official Statement.

In addition to acting as Co-Bond Counsel, Greenberg Traurig, LLP and Becker Stowe Partners LLC have also been retained to advise the City concerning and have assisted in the preparation of this Official Statement. Greenberg Traurig, LLP and Becker Stowe Partners LLC have not participated in any independent verification of the information concerning the financial condition or capabilities of the City contained in this Official Statement.

TAX MATTERS

General

The Internal Revenue Code of 1986, as amended (the “Code”), includes requirements which the City must continue to meet after the issuance of the Series 2018A-B Bonds in order that the interest on

the Series 2018A-B Bonds be and remain excludable from gross income for federal income tax purposes. The City's failure to meet these requirements may cause the interest on the Series 2018A-B Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018A-B Bonds. The City has covenanted in the Ordinance to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018A-B Bonds.

In the opinion of Co-Bond Counsel, assuming the accuracy of certain representations and certifications of the City and continuing compliance by the City with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, the interest on the Series 2018A-B Bonds is excludable from gross income of the owners thereof for federal income tax purposes. Interest on the Series 2018A-B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018, corporations should consult their tax advisor regarding alternative minimum tax implications of owning the Series 2018A-B Bonds. Co-Bond Counsel is further of the opinion that under State of Colorado statutes as presently enacted and construed, to the extent interest is excluded from gross income for federal income tax purposes, such interest is excluded from income for State of Colorado income tax purposes. Co-Bond Counsel will express no opinion as to any other tax consequences regarding the Series 2018A-B Bonds. Prospective purchasers of the Series 2018A-B Bonds should consult their own tax advisors as to the status of interest on the Series 2018A-B Bonds under the tax laws of any state other than the State.

Except as described above, Co-Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the receipt or accrual of the interest on the Series 2018A-B Bonds, or the ownership or disposition of the Series 2018A-B Bonds. Prospective purchasers of Series 2018A-B Bonds should be aware that the ownership of Series 2018A-B Bonds may result in other collateral federal tax consequences, including (1) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2018A-B Bonds, (2) the reduction of the loss reserve deduction for property and casualty insurance companies by the applicable statutory percentage of certain items, including the interest on the Series 2018A-B Bonds, (3) the inclusion of the interest on the Series 2018A-B Bonds in the earnings of certain foreign corporations doing business in the United States for purposes of a branch profits tax, (4) the inclusion of the interest on the Series 2018A-B Bonds in the passive income subject to federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year and (5) the inclusion of interest on the Series 2018A-B Bonds in the determination of the taxability of certain Social Security and Railroad Retirement benefits to certain recipients of such benefits. The nature and extent of the other tax consequences described above will depend on the particular tax status and situation of each owner of the Series 2018A-B Bonds. Prospective purchasers of the Series 2018A-B Bonds should consult their own tax advisors as to the impact of these other tax consequences.

Original Issue Premium and Discount

Certain of the Series 2018A-B Bonds ("Discount Bonds") may be offered and sold to the public at an original issue discount ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of a Discount Bond determined under Code Section 1273 or 1274 (i.e., for obligations issued for money in a public offering, the initial offering price to the public (other than to bond houses and brokers) at which a substantial amount of the obligation of the same maturity is sold pursuant to that offering). For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semi-annually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during

the period of ownership of a Discount Bond (1) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2018A-B Bonds, and (2) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond.

Certain of the Series 2018A-B Bonds ("Premium Bonds") may be offered and sold to the public at a price in excess of their stated redemption price (the principal amount) at maturity (or earlier for certain Premium Bonds callable prior to maturity). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semi-annually (or over a shorter permitted compounding interval selected by the owner). No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner's gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner's tax basis in the Premium Bond is reduced by the amount of bond premium that accrues during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisors as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences, and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals suggested, debated, introduced or pending in Congress or in the State legislature that, if enacted into law, could alter or amend one or more of the federal tax matters, or state tax matters, respectively, described above including, without limitation, the excludability from gross income of interest on the Series 2018A-B Bonds, adversely affect the market price or marketability of the Series 2018A-B Bonds, or otherwise prevent the owners from realizing the full current benefit of the status of the interest thereon. It cannot be predicted whether or in what form any such proposal may be enacted, or whether, if enacted, any such proposal would affect the Series 2018A-B Bonds. Prospective purchasers of the Series 2018A-B Bonds should consult their tax advisors as to the impact of any proposed or pending legislation.

Information Reporting and Backup Withholding

Interest paid on tax-exempt bonds such as the Series 2018A-B Bonds is subject to information reporting to the Internal Revenue Service in a manner similar to interest paid on taxable obligations. This reporting requirement does not affect the excludability of interest on the Series 2018A-B Bonds from gross income for federal income tax purposes. However, in conjunction with that information reporting requirement, the Code subjects certain non-corporate owners of Series 2018A-B Bonds, under certain circumstances, to "backup withholding" at the rates set forth in the Code, with respect to payments on the Series 2018A-B Bonds and proceeds from the sale of Series 2018A-B Bonds. Any amount so withheld would be refunded or allowed as a credit against the federal income tax of such owner of Series 2018A-B Bonds. This withholding generally applies if the owner of Series 2018A-B Bonds (1) fails to furnish the payor such owner's social security number or other taxpayer identification number ("TIN"), (2) furnished the payor an incorrect TIN, (3) fails to properly report interest, dividends, or other "reportable payments"

as defined in the Code, or (4) under certain circumstances, fails to provide the payor or such owner's securities broker with a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such owner is not subject to backup withholding. Prospective purchasers of the Series 2018A-B Bonds may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

RATINGS

Moody's Investors Service ("Moody's"), Fitch Ratings ("Fitch") and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("S&P"), have assigned the Series 2018A-B Bonds the ratings shown on the cover page hereof.

Such ratings reflect only the views of the rating agencies and any desired explanation of the significance of such ratings should be obtained from Moody's at 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, from Fitch at 44 Montgomery Street, Suite 500, San Francisco, California 94101 and from S&P at 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2018A-B Bonds.

CONTINUING DISCLOSURE

The City will execute and deliver a continuing disclosure undertaking (the "Disclosure Undertaking") at the time of the closing for the Series 2018A-B Bonds. The Disclosure Undertaking will be executed for the benefit of the Beneficial Owners of the Series 2018A-B Bonds and in order to assist the Underwriters in complying with Rule 15c2-12 promulgated under the Securities Act of 1934 (the "Rule"). The Disclosure Undertaking will provide that so long as the Series 2018A-B Bonds remain outstanding, the City will annually provide certain financial information and operating data to the Municipal Securities Rulemaking Board ("MSRB") and will provide notice of certain material events to the MSRB, in compliance with the Disclosure Undertaking. The form of the Disclosure Undertaking is attached hereto as APPENDIX D.

FINANCIAL ADVISOR

Hilltop Securities Inc., Denver, Colorado (the "Financial Advisor") has been retained as financial advisor in connection with the issuance of the Series 2018A-B Bonds. During the term of the engagement, the Financial Advisor is not permitted to underwrite or competitively bid for general obligation bonds of the City. The Financial Advisor has provided advice to the City regarding the structure of the Series 2018A-B Bonds. The Financial Advisor has not participated in any independent verification of the information concerning the financial condition or capabilities of the City contained in this Official Statement. The Financial Advisor, however, has provided information relating to the Series 2018A-B Bonds, as reflected in the footnotes to certain tables herein.

UNDERWRITING

The Series 2018A Bonds were purchased at competitive sale on June 6, 2018, by _____ at a purchase price equal to \$_____ (which is equal to the par amount of the Series 2018A Bonds, less Underwriters' compensation of \$_____ and plus original issue premium of

\$_____). The Series 2018B Bonds were purchased at competitive sale on June 6, 2018, by _____ at a purchase price equal to \$_____ (which is equal to the par amount of the Series 2018B Bonds, less Underwriters' compensation of \$_____ and plus original issue premium of \$_____).

MISCELLANEOUS

The appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement is not to be construed as a contract between the City and any person.

CITY AND COUNTY OF DENVER,
COLORADO

By: _____
Mayor

By: _____
Manager of Finance, *ex officio* Treasurer, and
Chief Financial Officer

APPENDIX A

**BASIC FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017**

APPENDIX B

**AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN
REGION**

APPENDIX C

DTC BOOK-ENTRY SYSTEM

The information in this appendix concerning DTC and the DTC book-entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities subject to the DTC book-entry system and certain related matters, but the City takes no responsibility for the accuracy or completeness of such information. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

Neither the City nor the Paying Agent has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2018A-B Bonds under the Bond Ordinance, (3) the payment by DTC or any DTC Participant of any amount received under the Bond Ordinance with respect to the Series 2018A-B Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2018A-B Bonds, or (5) any other related matter.

DTC will act as securities depository for the Series 2018A-B Bonds. The Series 2018A-B Bonds will be issued in fully registered form and registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2018A-B Bond will be issued for each maturity of each series of the Series 2018A-B Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The City undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of such material contained on such website as described in the preceding sentence, including, but not limited to, updates of such information or links to other internet sites accessed through the aforementioned websites.

Purchases of Series 2018A-B Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A-B Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the records of Direct and Indirect

Participants. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018A-B Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018A-B Bonds, except in the event that use of the book-entry system for the Series 2018A-B Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018A-B Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018A-B Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not cause any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A-B Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A-B Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018A-B Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018A-B Bonds, such as redemptions, defaults and proposed amendments to the Bond Ordinance. For example, Beneficial Owners of Series 2018A-B Bonds may wish to ascertain that the nominee holding the Series 2018A-B Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of the notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Series 2018A-B Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2018A-B Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018A-B Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments with respect to the Series 2018A-B Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Paying Agent or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments with respect to the Series 2018A-B Bonds to Cede & Co., or to such other nominee as may be requested by an authorized representative of DTC, is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC and

disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018A-B Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2018A-B Bond certificates representing the Series 2018A-B Bonds are required to be printed and delivered as provided in the Bond Ordinance.

The City may at any time decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository) with respect to the Series 2018A-B Bonds. In that event, Series 2018A-B Bond certificates representing the Series 2018A-B Bonds will be printed and delivered to DTC.

* * *

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this “Disclosure Undertaking”) is executed and delivered by the City and County of Denver, Colorado (the “City”), in connection with the issuance of its \$____,____,000 General Obligation Elevate Denver Bonds, Series 2018A (the “Series 2018A Bonds”) and its \$____,____,000 General Obligation Justice System Facilities Refunding Bonds, Series 2018B (the “Series 2018B Bonds” and with the Series 2018A Bonds, the “Series 2018A-B Bonds”).

The Series 2018A Bonds are issued for the purpose of (1) financing various civic facilities and (2) paying the costs of issuance of the Series 2018A Bonds. The Series 2018B Bonds are issued for the purpose of (1) current refunding, paying and discharging all of the City’s outstanding General Obligation Justice System Facilities Bonds, Series 2008 (the “Refunded Bonds”) and (2) paying the costs of issuance of the Series 2018B Bonds. The Series 2018A-B Bonds are issued pursuant to Ordinance No. 18-0436, Series of 2018 (the “Bond Ordinance”) finally adopted on May 21, 2018, by the City Council.

In consideration of the purchase of the Series 2018A-B Bonds by the Participating Underwriters (as defined below), the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondowners (as defined below) and in order to allow the Participating Underwriters to comply with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended.

Section 2. Definitions. The defined terms set forth in the Bond Ordinance apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section. As used in this Disclosure Undertaking, the following capitalized terms shall have the following meanings:

“Annual Financial Information” means the financial information or operating data with respect to the City delivered at least annually pursuant to Section 3 hereof, substantially similar to the type set forth in the Official Statement as described in Schedule 1 attached hereto. Annual Financial Information may, but is not required to, include Audited Financial Statements and may be provided in any format deemed convenient by the City.

“Audited Financial Statements” means the annual financial statements of the City, prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Governmental Accounting Standards Board, which financial statements are to be audited by an auditor as required or permitted by ordinances of the City, the City’s Charter and the laws of the State of Colorado.

“Bondowner” or “Owner of the Bonds” means the registered owners of the Series 2018A-B Bonds and, so long as the Series 2018A-B Bonds are subject to the book-entry system, any person who, through any contract, arrangement or otherwise, has or shares investment power with respect to the Bonds, which includes the power to dispose, or direct the disposition, of the Bonds.

“City Representative” means the Manager of Finance, *Ex Officio* Treasurer of the City, or the Manager’s designee, and successors in function, if any.

“Events” means any of the events listed in Section 4(a) of this Disclosure Undertaking.

“Managing Underwriter” means the senior managing underwriter of the Series 2018A-B Bonds required to comply with Rule 15c2-12 in connection with the offering of the Series 2018A-B Bonds or any successor known to the City Representative.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement dated June __, 2018, together with any supplements thereto prior to the date on which the Series 2018A-B Bonds are initially issued.

“Participating Underwriters” has the meaning given thereto under Rule 15c2-12 or any successors to such Participating Underwriters known to the City Representative.

“Rule 15c2-12” means Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Financial Information.

(a) Commencing with the Fiscal Year ended December 31, 2018, and annually while the Series 2018A-B Bonds remain outstanding, the City Representative shall provide to the MSRB in an electronic format as prescribed by the MSRB, Annual Financial Information and Audited Financial Statements with respect to the City. No such Annual Financial Information shall be deemed an official act of the City without the approval of the City Representative.

(b) Such Annual Financial Information with respect to the City shall be provided not later than 270 days after the end of each Fiscal Year. If not provided as a part of the Annual Financial Information, the Audited Financial Statements with respect to the City will be provided when available, but in no event later than 270 days after the end of each Fiscal Year.

(c) The City Representative may provide Annual Financial Information and Audited Financial Statements with respect to the City by specific cross-reference to other documents which are available to the public on the MSRB’s Internet Website or filed with the Commission. If the document so referenced is a final official statement within the meaning of Rule 15c2-12, such final official statement must be available from the MSRB. The City Representative shall clearly identify each such other document provided by cross-reference.

Section 4. Reporting of Events.

(a) The City shall file or cause to be filed with the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

1. Principal and interest payment delinquencies.
2. Non-payment related defaults, *if material*.
3. Unscheduled draws on any debt service reserve relating to the Series 2018A-B Bonds reflecting financial difficulties.

4. Unscheduled draws on any credit enhancement relating to the Series 2018A-B Bonds reflecting financial difficulties.
5. Substitution of credit or liquidity providers or their failure to perform.
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
7. Modifications to rights of the Owners of the Bonds, *if material*.
8. Bond calls, *if material*, and tender offers.
9. Defeasance of the Series 2018A-B Bonds or any portion thereof.
10. Release, substitution or sale of property securing repayment of the Bonds, *if material*.
11. Rating changes.
12. Bankruptcy, insolvency, receivership or similar event of the obligated person.¹
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, *if material*.
14. Appointment of a successor or additional trustee or the change of name of a trustee, *if material*.

(b) Such notice shall be deemed an official notice from the City only upon approval by the City Representative.

(c) At any time the Series 2018A-B Bonds are outstanding, the City Representative shall provide, in a timely manner, to the MSRB, notice of any failure of the City to timely provide the Annual Financial Information and Audited Financial Statements as specified in Section 3 hereof. Such notice shall be deemed an official notice from the City only upon the approval of the City Representative.

¹ For the purposes of the event identified in subparagraph (4)(12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

Section 5. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Undertaking, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word- searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

Section 6. Term. This Disclosure Undertaking shall be in effect from and after the issuance and delivery of the Series 2018A-B Bonds and shall extend to the earlier of (a) the date all principal and interest on the Series 2018A-B Bonds shall have been deemed paid pursuant to the terms of the Bond Ordinance; (b) the date that the City shall no longer constitute an “obligated person” with respect to the Series 2018A-B Bonds within the meaning of Rule 15c2-12; and (c) the date on which those portions of Rule 15c2-12 which require this Disclosure Undertaking are determined to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds, which determination shall be evidenced by an opinion of nationally recognized Co-Bond Counsel selected by the City, a copy of which opinion shall be given to the Managing Underwriter. The City Representative shall file a notice of any such termination with the MSRB.

Section 7. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived (a) if such amendment occurs prior to the actual issuance and delivery of the Series 2018A-B Bonds and the Managing Underwriter consents thereto, (b) if such amendment is consented to by the Owners of no less than a majority in aggregate principal amount of the Bonds, or (c) if such amendment or waiver is otherwise consistent with Rule 15c2-12. Written notice by any such amendment or waiver shall be provided by the City Representative to the MSRB, and the Annual Financial Information shall explain the reasons for the amendment and the impact of any change in the type of information being provided.

Section 8. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other annual information or notice of occurrence of an event which is not an Event, in addition to that which is required by this Disclosure Undertaking, provided that the City shall not be required to do so. No such information shall be deemed an official notice from the City without the approval of the City Representative. If the City chooses to include any annual information or notice of occurrence of an event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future annual filing or notice of occurrence of an Event.

Section 9. Default and Enforcement. If the City or the City Representative fail to comply with any provision of this Disclosure Undertaking, any Owner of any Bond may take action in the District Court for the Second Judicial District in the State of Colorado to seek specific performance by court order, to compel the City and the City Representative to comply with its obligations under this Disclosure Undertaking; provided that any Owner of the Series 2018A-B Bonds seeking to require compliance with this Disclosure Undertaking shall first provide to the City Representative at least 30 days’ prior written notice of the City’s or the City Representative’s failure, giving reasonable details of such failure, following which notice the City and the City Representative shall have 30 days to comply. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the Bond Ordinance or the Bonds. The sole remedy under this Disclosure Undertaking in the event of any failure of the City or

the City Representative to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 10. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Participating Underwriters and Owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: June __, 2018

CITY AND COUNTY OF DENVER, COLORADO

By: _____
Chief Financial Officer, as Manager of Finance/*ex officio*
Treasurer

Schedule 1

Index of Official Statement Tables to be Updated

“Annual Financial Information” means the financial information or operating data with respect to the City substantially similar to the type set forth in the Official Statement under Tables 4 through 17.

APPENDIX E

FORM OF OPINIONS OF CO-BOND COUNSEL

June __, 2018

City and County of Denver
City and County Building
Denver, Colorado 80202

\$193,000,000*

**GENERAL OBLIGATION Elevate Denver BONDS
SERIES 2018A**

\$71,740,000*

**GENERAL OBLIGATION JUSTICE SYSTEM FACILITIES REFUNDING BONDS
SERIES 2018B**

Ladies and Gentlemen:

We have acted as Co-Bond Counsel to the City and County of Denver, Colorado (the “City”) in connection with the issuance of its General Obligation Elevate Denver Bonds, Series 2018A, in the aggregate principal amount of \$193,000,000* and its General Obligation Justice System Facilities Refunding Bonds, Series 2018B, in the aggregate principal amount of \$71,740,000* (collectively, the “Series 2018A-B Bonds”), pursuant to an authorizing ordinance of the City Council of the City adopted on May 21, 2018 (the “Bond Ordinance”). In such capacity, we have examined the City’s certified proceedings, the City’s charter, and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the City’s certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as Co-Bond Counsel that:

1. The Series 2018A-B Bonds constitute valid and binding general obligations of the City.
2. All of the taxable property in the City is subject to the levy of an ad valorem tax to pay the Series 2018A-B Bonds without limitation of rate and in an amount sufficient to pay the Series 2018A-B Bonds when due.
3. Under existing statutes, regulations, rulings and court decisions, subject to the assumptions stated herein, interest on the Series 2018A-B Bonds is excludable from gross income for federal income tax purposes. Furthermore, interest on the Series 2018A-B Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. Federal legislation enacted in 2017 eliminates alternative minimum tax for corporations for taxable years beginning after December 31, 2017. For taxable years beginning before January 1, 2018,

*Preliminary, subject to change.

corporations should consult their tax advisor regarding alternative minimum tax implications of owning the Series 2018A-B Bonds. Co-Bond Counsel will express no opinion regarding other federal tax consequences resulting from the ownership, receipt or accrual of interest on, or disposition of the Bonds.

4. Co-Bond Counsel is further of the opinion that under State of Colorado statutes as presently enacted and construed, to the extent interest is excluded from gross income for federal income tax purposes, such interest is excluded from income for State of Colorado income tax purposes.

The opinions expressed in this opinion letter are subject to the following:

In rendering the opinions set forth in Paragraphs (3) and (4) above, we have assumed the accuracy of the certifications and representations of the City and the continuing compliance by the City with the requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder that must be met after the delivery of the Series 2018A-B Bonds in order that interest on the Series 2018A-B Bonds be and remain excludable from gross income for federal income tax purposes. The failure by the City to meet such requirements may cause interest on the Series 2018A-B Bonds to be included in gross income for federal income tax purposes retroactively to the date of delivery of the Bonds. The City has covenanted to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Series 2018A-B Bonds .

Except as stated in Paragraph (3) and (4) above, we express no opinion as to any other tax consequences regarding the Bonds.

The obligations of the City pursuant to the Series 2018A-B Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado, and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including, without limitation, bankruptcy powers.

In this opinion letter issued in our capacity as Co-Bond Counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy, or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Series 2018A-B Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is issued as of the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

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