

**NEW ISSUE
BOOK-ENTRY ONLY**

**RATINGS: Moody's: "____"
S&P: "____"
Fitch: "____"
See "RATINGS"**

In the opinion of Sherman & Howard L.L.C., Special Counsel, assuming continuous compliance with certain covenants described herein, the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates is excluded from gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2023 Certificates (the "Tax Code") and such interest portion on the Series 2023 Certificates is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest portion is included in calculating the "adjusted financial statement income" of "applicable corporations" (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest portion is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. Also, the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates is excluded from Colorado income tax laws in effect on the date of execution and delivery of the Series 2023 Certificates. See "TAX MATTERS."

\$ _____ *

**CERTIFICATES OF PARTICIPATION, SERIES 2023
(WELLINGTON E. WEBB MUNICIPAL OFFICE BUILDING)**

**Evidencing Proportionate Interests in the Base Rentals and Other Revenues
Under an Annually Renewable Lease Purchase Agreement by and between
Civic Center Office Building Inc., as Lessor, and the**

**CITY AND COUNTY OF DENVER, COLORADO
as Lessee**

Dated: Date of Execution and Delivery

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

The Series 2023 Certificates are executed and delivered as fully registered certificates in denominations of \$5,000 or integral multiples thereof. The Series 2023 Certificates initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which is acting as the securities depository for the Series 2023 Certificates. Purchases of the Series 2023 Certificates are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2023 Certificates. The Series 2023 Certificates bear interest at the rates set forth herein, payable on _____ 1, 202_, and semiannually thereafter on _____ 1 and _____ 1, to and including the maturity dates shown on the inside cover page, by check, draft or wire transfer to the registered owner of the Series 2023 Certificates, initially Cede & Co. The principal and the final installment of interest on the Series 2023 Certificates will be payable upon presentation and surrender at Zions Bancorporation, National Association, Denver, Colorado, or its successor as the Paying Agent for the Series 2023 Certificates. See "THE SERIES 2023 CERTIFICATES."

The maturity schedule for the Series 2023 Certificates appears on the inside cover page of this Official Statement.

The Series 2023 Certificates are subject to redemption prior to their respective maturities in the event the City and County of Denver, Colorado (the "City") determines to exercise its purchase option under the 2023 Lease as described in "THE SERIES 2023 CERTIFICATES – Redemption Provisions."

The net proceeds of the Series 2023 Certificates are being used for the purpose of funding improvements to the leased property and providing moneys to pay the costs of execution and delivery of the Series 2023 Certificates, as described herein. See "INTRODUCTION—The Leased Property," "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

The Series 2023 Certificates evidence proportionate interests in the assignment of rights to receive Base Rentals and certain other Revenues under an annually renewable Fourth Amended and Restated Build to Suit Lease Purchase Agreement No. 2023 dated its date of execution and delivery (the "2023 Lease"), between the Civic Center Office Building Inc., a Colorado nonprofit corporation (the "Corporation"), as landlord or lessor, and the City, as tenant or lessee. The Series 2023 Certificates are executed and delivered pursuant to a Second Supplement and Amendment to the Second Amended and Restated Mortgage and Indenture of Trust dated its date of execution and delivery (the "2008A Indenture"), between the Corporation and Zions Bancorporation, National Association, Denver, Colorado, as trustee.

The Series 2023 Certificates are payable solely from certain Revenues which include (1) annually budgeted and appropriated Base Rentals, Prepayments, Net Proceeds and any Purchase Option Price paid by the City under the 2023 Lease, (2) moneys and securities held by the Trustee under the 2008A Indenture, and (3) following an Event of Nonappropriation or an Event of Lease Default, moneys received by the Trustee from the sale or lease of the Leased Property or the exercise of other remedies under the 2023 Lease. Neither the 2023 Lease nor the Series 2023 Certificates constitute a general obligation or other

* Preliminary, subject to change.
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indebtedness of the City. Neither the 2023 Lease nor the Series 2023 Certificates constitute a multiple fiscal year direct or indirect debt or other financial obligation of the City or obligates the City to make any payments beyond those appropriated for any fiscal year in which the 2023 Lease is in effect. The City may choose not to renew, and therefore terminate its obligations under, the 2023 Lease on an annual basis.

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

The Series 2023 Certificates are offered when, as, and if issued by the Trustee and accepted by the Underwriters of the Series 2023 Certificates, subject to the approval of legality of the Series 2023 Certificates by Sherman & Howard L.L.C., Denver, Colorado, as Special Counsel, and the satisfaction of certain other conditions. Sherman & Howard L.L.C., Denver, Colorado has also acted as Special Counsel to the City in connection with the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the City Attorney and for the Underwriters by their counsel, Hogan Lovells US LLP, Denver, Colorado. Hilltop Securities Inc., Denver, Colorado, is acting as financial advisor to the City. It is expected that the Series 2023 Certificates will be available for delivery through the facilities of DTC on or about _____, 2023.*

	BofA Securities	
Academy Securities	J.P. Morgan	Ramirez & Co., Inc.

Official Statement dated _____, 2023

* Preliminary, subject to change.

\$ _____ *

CERTIFICATES OF PARTICIPATION, SERIES 2023
(WELLINGTON E. WEBB MUNICIPAL OFFICE BUILDING)

Evidencing Proportionate Interests in the Base Rentals and other Revenues under an Annually Renewable Lease Purchase Agreement by and between Civic Center Office Building Inc., as Lessor, and the City and County of Denver, Colorado, as Lessee

MATURITY SCHEDULE

(CUSIP® 6-digit issuer number: 249183)

Maturing (____1)	Principal <u>Amount</u> *	Interest <u>Rate</u>	Price or <u>Yield</u>	CUSIP® Issue <u>Number</u>
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* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2023 Certificates in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2023 Certificates, and if given or made, such information or representations must not be relied upon as having been authorized by the City, the Trustee or the Corporation. The City maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2023 Certificates.

The information set forth in this Official Statement has been obtained from the City and the sources referenced throughout this Official Statement and from other sources believed to be reliable. No representation is made by the City, the Trustee or the Corporation, however, as to the accuracy or completeness of information received from parties other than the City. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2023 Certificates shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Series 2023 Certificates and may not be reproduced or used in whole or in part for any other purpose.

The Series 2023 Certificates have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Series 2023 Certificates have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE SERIES 2023 CERTIFICATES ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS

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OFFICIAL STATEMENT

Relating to

\$_____*

CERTIFICATES OF PARTICIPATION, SERIES 2023 (WELLINGTON E. WEBB MUNICIPAL OFFICE BUILDING)

**Evidencing Proportionate Interests in the Base Rentals and Other Revenues
Under an Annually Renewable Lease Purchase Agreement by and between
Civic Center Office Building Inc., as Lessor, and the**

**CITY AND COUNTY OF DENVER, COLORADO
as Lessee**

INTRODUCTION

General

This Official Statement, including its inside cover page and Appendices, is provided in connection with the offering of \$_____ * Certificates of Participation, Series 2023 (the “Series 2023 Certificates”). The Series 2023 Certificates evidence proportionate interests in the assignment of rights to receive Base Rentals and certain other Revenues payable by the City and County of Denver, Colorado (the “City”) pursuant to an annually renewable Fourth Amended and Restated Build to Suit Lease Purchase Agreement No. 2023 dated its date of execution and delivery (the “2023 Lease”), between Civic Center Office Building Inc., a Colorado nonprofit corporation (the “Corporation”), as landlord or lessor, and the City, as tenant or lessee. The Series 2023 Certificates are executed and delivered pursuant to a Second Supplement and Amendment to Second Amended and Restated Mortgage and Indenture of Trust dated its date of execution and delivery (the “2008A Indenture”), between the Corporation, as settlor and mortgagor, and Zions Bancorporation, National Association, Denver, Colorado, as trustee and mortgagee (the “Trustee”). See “THE SERIES 2023 CERTIFICATES.” Unless otherwise defined herein, capitalized terms used herein are defined in APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – Definitions.

The Lessor

The lessor under the 2023 Lease is the Corporation, a Colorado nonprofit corporation. The Corporation was organized for the purposes of, among other things, assisting in facilitating the acquisition and financing of real and personal property to be used by the City. The Lessor has settled its real and personal property interests into the renamed Denver Public Facilities Trust 2023 (the “Trust”). For additional information regarding the Corporation, see “THE CORPORATION.”

The Lessee

The City and County of Denver, Colorado, as tenant or lessee, will lease the Leased Property from the Corporation, as landlord or lessor, under the 2023 Lease. The City is a political subdivision of the State of Colorado (the “State”) organized under the Colorado Constitution. The City is the capital of the State and is a service, retail, financial, transportation and distribution center of the Rocky Mountain region. See APPENDIX C – THE CITY and APPENDIX E – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA for more information concerning the City.

* Preliminary, subject to change.

Security and Sources of Payment

Limited Obligations. The Series 2023 Certificates evidence proportionate interests in the Base Rentals payable by the City under the 2023 Lease and certain other “Revenues” pledged thereto under the 2008A Indenture as, when, and if the same are received by the Trustee, including: (1) all amounts payable by or on behalf of the City or with respect to the Leased Property pursuant to the 2023 Lease, including annually budgeted and appropriated Base Rentals, Prepayments (as defined herein), Purchase Option Prices and Net Proceeds (as defined herein); (2) the portion of the proceeds of the Series 2023 Certificates deposited with the Trustee in the Base Rentals Fund established by the 2008A Indenture (the “Base Rentals Fund”) and (3) any moneys and securities, including investment income, held by the Trustee in the Funds and Accounts established under the 2008A Indenture (except the Rebate Fund). The Series 2023 Certificates are payable solely from the Revenues. Neither the 2023 Lease nor the Series 2023 Certificates constitute a general obligation or other indebtedness of the City or a multiple fiscal year direct or indirect debt or other financial obligation of the City, nor obligates the City to make any payments beyond those appropriated for any Fiscal Year in which the 2023 Lease is in effect. *The City has the right to renew or not renew, and therefore terminate, the 2023 Lease on an annual basis.* See “THE SERIES 2023 CERTIFICATES – Security.”

Series 2008A Certificates. The Series 2023 Certificates are being executed and delivered as Additional Certificates under the 2008A Indenture and accordingly evidence a proportionate interest in the assignment of rights to receive Revenues under the 2008A Indenture without preference, priority or distinction of any Certificates over any other. The Original Project was funded in 2000 through the execution and delivery of certificates of participation which were refunded in 2003 and then refunded again in 2008 through the execution and delivery of Refunding Certificates of Participation, Series 2008A1-A3 (the “Series 2008A Certificates”) which are currently outstanding in the aggregate principal amount of \$159,345,000. Revenues collected under the 2023 Lease are to be applied to Base Rentals supporting the Series 2008A Certificates and the Series 2023 Certificates on a parity basis. The Series 2008A Certificates currently bear interest at a variable rate. A Standby Certificate Purchase Agreement delivered by JPMorgan Chase Bank, N.A. permits the Trustee to draw an amount sufficient to pay the purchase price of Series 2008A Certificate tendered for purchase and not paid from remarketing proceeds plus up to 34 days’ accrued interest on the outstanding Series 2008A Certificates computed at the Maximum Rate of 12% per annum. In connection with the execution and delivery of each series of the Series 2008A Certificates, the Corporation entered into separate interest rate swap agreements with JPMorgan Chase Bank, N.A. as the counterparty to the interest rate swap agreements pertaining to the Series 2008A1 Certificates and the Series 2008A2 Certificates, and the Royal Bank of Canada as the counterparty to the interest rate swap agreement pertaining to the Series 2008A3 Certificates. The Corporation’s obligation to pay amounts owed to JPMorgan Chase Bank, N.A. as the counterparty for the Series 2008A1 Certificates and Series 2008A2 Certificates is insured by interest rate swap surety bonds executed and delivered by Ambac Assurance Corporation (“AMBAC”). Further, amounts are held on behalf of Owners of the Series 2008A Certificates in a Base Rental Reserve Fund and a Reserve (Variable Interest Portion) Subaccount established under the 2008A Indenture. The above-referenced insurance, credit facilities and reserve amounts are only applicable in connection with the Series 2008A Certificates and do not secure the Series 2023 Certificates.

The 2008A Trustee shall exercise any and all remedies provided under the 2008A Indenture for the equal and ratable benefit of and on a parity basis between the owners of the Series 2023 Certificates, the owners of the Series 2008A Certificates and the counterparties to the interest rate swaps relating to the Series 2008A Certificates, except, in the event the Trustees sells the Leased Property, the holders of the Series 2008A Certificates hold a lien position in the real property portion of the Original Project senior to the lien position of the holders of the Series 2023 Certificates. Accordingly, Net Proceeds derived from the sale of the Original Project will inure to the benefit of holders of the Series 2008A Certificates prior to the holders of the Series 2023 Certificates. See “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Results of Termination.”

The Leased Property

General. The Leased Property is owned by the Corporation, leased by the Corporation, as landlord or lessor, to the City, as tenant or lessee, and secured under the 2023 Indenture for the benefit of the Owners of the Series 2023 Certificates and certain other parties. The Leased Property under the 2023 Lease is comprised of the Original Project and the Improvements Project described below.

The Original Project. In 2000, the City began construction on a 12-story building that connects to a four-story renovated structure through a four-story atrium and is adjoined by several bridges and walkways in order to provide an array of public services from one downtown location (the “Original Project”). The building was originally referred to as the Civic Center Office Building, but was later officially named the Wellington E. Webb Municipal Office Building. The Original Project has been occupied by the City since November 25, 2002.

The Original Project is situated diagonally across from the City and County Building, which is the headquarters for the operations of the City. Specifically, the Original Project is located at 201 West Colfax Avenue on the corner of Colfax Avenue and 15th Street, two blocks west of Broadway, on the southeastern edge of the Denver Central Business District.

The Original Project consists of a 750,916 gross square foot building, an on-site, approximately 248,000 gross square foot, 550-space, three-level, underground parking structure and the furniture, fixtures and equipment installed in the building. The Leased Property has never been the subject of an independent appraisal. The current insured value of the Leased Property is approximately \$258.9 million. It is not possible to predict the current or future sale or lease (to others) value of the Leased Property. See also “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Factors Related to the 2023 Lease – Results of Termination.”

The Original Project provides office space and public services function areas currently occupied by approximately 18 municipal agencies and divisions of the City and County of Denver, space for three retail leases and the District Attorney’s office. Approximately 2,350 City and County of Denver employees are located in the building, which is currently at full occupancy.

The Improvements Project. The finishes in the Original Project are generally 20 years old and are in need of updated investment, including furniture, carpet, paint and collaborative office space configurations. Accordingly, the City has determined that the Original Project requires significant renovation and rehabilitation in order to facilitate the consolidation of office space for employees currently working from different locations into an efficient and collaborative setting through enhanced utilization of space (the “Improvements Project”). The Improvements Project will upgrade dated and worn-out office finishes and replace discontinued furniture to meet current office building standards, codes and ADA requirements.

It is anticipated the Improvements Project will upgrade the Original Project in a way that promotes physical well-being for the City’s employees through a positive and healthy work environment. In addition to carpet, paint, and finishes, highlights include accessibility improvements, construction of added wellness rooms (mother’s room/health room), much-needed technology upgrades, space configurations for collaboration and efficiency, increased cubicle space for added employees and growth in a hybrid environment and replacement of discontinued and outdated furniture systems. Where possible, high efficiency appliances will be installed in break rooms and high efficiency lavatory faucets, as well as other flush/flow fixtures, installed as fixtures are being replaced. There are no exterior improvements anticipated in the scope of this project.

The interior renovation scope may include, but is not limited to, staff open and private offices, conference rooms, break areas, secure storage areas, public interface spaces, and other support functions. The project will require a phased and partial renovation including partial demolition, new interior construction, updated finishes, data and technology upgrades, limited mechanical upgrades as needed, limited electrical and plumbing (“MEP”) systems as impacted, and security. Multiple utilities are shared between occupied floors within the Webb Building and phased and occupied construction will need to be analyzed to minimize disruption of services to continuously occupied portions of the building. The existing fire alarm system will need to be protected and kept functional per code requirements.

The public facing spaces within the Webb Building will need to be kept accessible during all phases of construction as well as some upper floors of the building that will not be renovated within this scope (including City Attorney’s Office and other departments to be determined). This project is on a dense urban site requiring considerations for site logistics, access, and coordination with multiple City agencies.

The 2023 Lease

On the date the Series 2023 Certificates are executed and delivered (the “Closing Date”), the Corporation will enter into the 2023 Lease with the City and lease the Leased Property to the City.

The Original Project was initially acquired, constructed and installed pursuant to the terms of an Amended and Restated Build to Suit Lease Purchase Agreement dated as of July 15, 2000, which was replaced by a Second Amended and Restated Build to Suit Lease Purchase Agreement dated as of July 15, 2003 (the “2003C Lease”), which was replaced by a Third Amended and Restated Build to Suit Lease Purchase Agreement dated as of October 1, 2008 (the “2008A Lease”). The 2023 Lease amends, restates, replaces and supersedes in its entirety the 2008A Lease.

The 2023 Lease has an initial term expiring on December 31, 2023 (the “Initial Term”), but is subject to annual renewal by the City for subsequent one year terms (each a “Renewal Term”), each coinciding with the City’s “Fiscal (calendar) Year,” to and including Fiscal Year ____ (collectively, the “Lease Term”). During the Initial Term and each Fiscal Year in which the 2023 Lease has been renewed, the City is required to pay “Base Rentals” at the times and in the amounts specified in the 2023 Lease. The Base Rentals have been calculated to be sufficient to pay the principal of and interest coming due on the outstanding Series 2023 Certificates during such Fiscal Year, as well as “Additional Rentals.” Additional Rentals consist generally of administrative costs of the Corporation and the Trustee and expenses of the Corporation and the Trustee in respect of costs of maintaining and insuring the Leased Property. “Additional Certificates” may be executed and delivered pursuant to the 2023 Indenture (together with the Series 2023 Certificates, the “Certificates”) subject to additional approval from the City Council of the City. The City has already appropriated the Base Rentals and Additional Rentals payable during the Initial Term.

At any time during the Lease Term, the City may elect to prepay Base Rentals and purchase the Leased Property for an amount specified in the 2023 Lease (the “Purchase Option Price”). The purchased Leased Property will thereupon be conveyed to the City and released from the lien of the 2023 Indenture, and the Series 2023 Certificates will be subject to optional redemption as discussed in “THE SERIES 2023 CERTIFICATES – Redemption Provisions – *Optional Redemption*” and APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease - *Purchase Option*.

The 2023 Lease and the City’s obligations thereunder do not constitute a mandatory charge or requirement of the City in any Fiscal Year beyond the then current Fiscal Year, do not constitute or give rise to a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory or home rule charter debt limitation and do not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. The City is also under no obligation whatsoever to exercise its option to purchase the Leased Property. The execution and delivery by the Trustee of the Series 2023 Certificates does not directly or indirectly obligate the City to renew the 2023 Lease from Fiscal Year

to Fiscal Year or to make any payments beyond those budgeted and appropriated for the City's then current Fiscal Year. *The City may determine to not renew, and therefore terminate the City's obligations under, the 2023 Lease on an annual basis by failing to specifically appropriate moneys sufficient to pay all Base Rentals and reasonably estimated Additional Rentals for the ensuing Fiscal Year (an "Event of Nonappropriation").* The City has never chosen not to renew its obligations or failed to appropriate moneys to pay base rentals or additional rentals with respect to its lease of the Original Project.

The 2023 Lease is an "absolute net lease," and, subject to the annual budget and appropriation requirements thereof, the City is required to pay the Base Rentals, Additional Rentals and all expenses of, or other payments in respect of, the Leased Property as required to be paid by the City under the 2023 Lease, for which a specific appropriation has been effected by the City for such purpose, free of any deductions, without abatement, deduction or setoff (other than credits against Base Rentals expressly provided for in the 2023 Lease). The City may, however, terminate the 2023 Lease upon the occurrence of certain events of casualty or loss of title or use of the Leased Property as described herein.

The City will enter into the 2023 Lease pursuant to authority granted by the constitution and laws of the State and the City's home rule charter (the "Charter"), and pursuant to an ordinance adopted by the City Council of the City. The 2023 Lease does not require prior voter approval as discussed in APPENDIX C – THE CITY – FINANCIAL INFORMATION CONCERNING THE CITY – State Constitutional Revenue and Spending Limitations.

See generally "THE 2023 LEASE; "INTRODUCTION – The Leased Property," "RISKS AND OTHER INVESTMENT CONSIDERATIONS," APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease, APPENDIX C – THE CITY and APPENDIX D – GENERAL PURPOSE FINANCIAL STATEMENTS OF THE CITY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022.

The Series 2023 Certificates

Authorization. The Series 2023 Certificates are being executed and delivered in accordance with the constitution and laws of the State and pursuant to the 2008A Indenture. See "THE SERIES 2023 CERTIFICATES – Authorization" and APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS.

Purpose. The net proceeds of the Series 2023 Certificates are to be used to fund the Improvements Project and the costs of execution and delivery of the Series 2023 Certificates.

See generally "THE 2023 LEASE," "INTRODUCTION – The Leased Property," "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

General Provisions. The Series 2023 Certificates will be dated the date of execution and delivery thereof and will bear interest, mature and be subject to redemption prior to maturity as described on the cover page and inside cover page hereof and in "THE SERIES 2023 CERTIFICATES."

Investment Considerations

The purchase and ownership of Beneficial Ownership Interests in the Series 2023 Certificates involves investment risk. Prospective purchasers are urged to read this Official Statement in its entirety, giving particular attention to the matters discussed under "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

Continuing Disclosure

The City has delivered to the initial purchasers of the Series 2023 Certificates (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 F – FORM OF CONTINUING DISCLOSURE UNDERTAKING.

Forward-Looking Statements

This Official Statement contains statements relating to future results 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,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to 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.

Additional Information

This introduction is only a brief summary of the Series 2023 Certificates. A full review of the entire Official Statement should be made by potential investors. Brief descriptions of the Series 2023 Certificates, the Improvements Project, and the City are included in this Official Statement. All references herein to the Series 2023 Certificates, the 2023 Lease, the 2008A Indenture and other documents are qualified in their entirety by reference to such documents. This Official Statement speaks only as of its date and the information contained herein is preliminary, subject to change.

This Official Statement contains economic and demographic information as of May 2023 about the City and its metropolitan area prepared by Development Research Partners for use by the City. See APPENDIX E – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN REGION.

Legal and Tax Matters

All legal matters incident to the validity, enforceability and tax-exempt status of the interest on the Series 2023 Certificates will be passed upon by Sherman & Howard L.L.C., Denver, Colorado, and as Special Counsel, who will deliver its opinion on the Closing Date in substantially the form appended to this Official Statement. Certain legal matters will be passed upon for the City by Kerry Tipper, Esq., City Attorney, and for the Underwriters by Hogan Lovells US LLP Denver, Colorado. See “LEGAL MATTERS.”

In the opinion of Special Counsel, assuming continuous compliance with certain covenants described herein, interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Series 2023 Certificates (the “Tax Code”), and such interest portion on the Series 2023 Certificates is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such interest portion is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such interest portion is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. Also, the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates is excluded from Colorado income tax laws in effect on the date of execution and delivery of the Series 2023 Certificates. See “TAX MATTERS.”

Miscellaneous

The cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement.

Information contained in this Official Statement has been obtained from sources believed to be reliable. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Corporation or the City since the date hereof. So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

This Official Statement is not to be construed as a contract or agreement between any party and the registered owners (the “Registered Owners”) or Beneficial Owners (collectively, the “Owners”) of the Series 2023 Certificates.

THE CORPORATION

Generally

The Corporation is a Colorado nonprofit corporation that was incorporated in January 2000. The Corporation is limited by its articles of incorporation to only enter into contracts, agreements and instruments necessary, desirable, or convenient for the acquisition, development, financing, construction, ownership, maintenance and operation of the Original Project. The Corporation has transferred and assigned all of its rights, properties and interests available to secure the payment of the Series 2008A Certificates and the Series 2023 Certificates to the Trustee as those interests may appear. The Corporation has no other assets. The Corporation is managed by the Trust described below.

Pursuant to an Irrevocable Declaration of Trust (“Declaration of Trust”), Capital Asset Finance Corporation (“CAFCo”), a Colorado nonprofit corporation, has created the Trust. The Trust is the manager of the Corporation and may enter into contracts, agreements and instruments necessary, desirable, or convenient for the acquisition, development, financing, construction, ownership, maintenance and operation of the Improvements Project. Under the Declaration of Trust, the Trustee has been appointed to exercise, on behalf of the Trust as manager of the Corporation, the rights and responsibilities of the Trust. After the 2023 Indenture has been discharged as provided therein, and under circumstances and upon conditions described therein, the Trustee, on behalf of the Trust as manager of the Corporation, is to transfer and convey to the City all real and personal property conveyed to the Corporation pursuant to the 2023 Indenture. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN LEGAL DOCUMENTS – The 2023 Indenture – Defeasance.

Neither the Trust nor CAFCo (1) has participated in the preparation of this Official Statement or any other disclosure documents relating to the Series 2023 Certificates or (2) has or assumes any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents, except that each is responsible for information concerning, obtained specifically from and relating only to such entity for inclusion herein.

Corporation Liability

The Corporation, by its manager, the Trust, has entered into the 2023 Lease with the City and into the 2008A Indenture with the Trustee. The Corporation has assigned all of its rights and interests under the 2023 Lease to the Trustee for the benefit of the registered owners of the Series 2023 Certificates, as provided in the 2008A Indenture. The Corporation is not liable for the payment of Base Rentals or Additional Rentals, and the registered owners of the Series 2023 Certificates may not look to the Corporation for any payments of the Series 2023 Certificates or for any other payment relating to the 2023 Lease. The rights and benefits of the Series 2023 Certificates and the registered owners thereof are further limited to those described in the 2023 Lease and the 2008A Indenture.

THE 2023 LEASE

Under the 2023 Lease, the City will lease the Leased Property for the Initial Term. The Initial Term of the 2023 Lease is from the date of its delivery until December 31, 2023, and is subject to annual renewal and annual appropriation, at the sole option of the City, for a period of [___] additional one-year terms. Pursuant to the 2023 Lease, upon the payment of a Purchase Option Price, the City may acquire the Leased Property.

The City has a right to renew or not renew (and therefore terminate) the 2023 Lease for each fiscal year. The Lease Term terminates under the 2023 Lease if an Event of Nonappropriation occurs under the 2023 Lease. The City has purchase option rights under the 2023 Lease. The City’s purchase option rights under the 2023 Lease are subject to the circumstances and conditions described under the 2008A Indenture. See “INTRODUCTION – The Leased Property,” “THE SERIES 2023 CERTIFICATES

– Security” and “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Rights of City to Not Renew and to Terminate Lease Annually.”

The 2023 Lease does not prohibit the City from entering into other lease purchase agreements with the Corporation or any other lessor in respect of real or personal property. The property leased by the City under any such other lease purchase agreement would not become the Leased Property under the 2023 Lease. An event of default or event of nonappropriation under any other lease purchase agreement into which the City has entered or may enter does not constitute an Event of Lease Default or Event of Nonappropriation under the 2023 Lease. See also “INTRODUCTION – The 2023 Lease,” – Base Rentals” below and “THE SERIES 2023 CERTIFICATES – Security.” A summary of certain provisions of the 2023 Lease appears in APPENDIX B to this Official Statement.

Tax Covenant

In the 2023 Lease, the City covenants for the benefit of the Owners of the Series 2023 Certificates that it will not take any action or omit to take any action with respect to the Series 2023 Certificates, the proceeds thereof, any other funds of the City or any facilities financed or refinanced with the proceeds of the Series 2023 Certificates if such action or omission (i) would cause the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause such interest portion on the Series 2023 Certificates to lose its exclusion from alternative minimum taxable income as defined in Section 55(b) of the Tax Code or (iii) would cause interest on the Series 2023 Certificates of Participation to lose its exclusion from Colorado taxable income or to lose its exclusion from Colorado alternative minimum taxable income under present Colorado law. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2023 Certificates until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code have been met. The City makes no covenant with respect to taxation of interest on the Series 2023 Certificates as a result of the inclusion of that interest portion in the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code).

Base Rentals

Under the 2023 Lease, the City is to pay certain Base Rentals directly to the Trustee, as assignee of the Corporation, with respect to the 2023 Lease, for and in consideration of the right to possess and use the Leased Property. Base Rentals consist of two components: principal portions and interest portions (or variable interest portions in the case of the outstanding 2008A Certificates). The principal portions of the Base Rentals are equal to the principal portions payable by the Trustee, as the Corporation’s assignee, of the 2023 Lease in respect of the execution and delivery of the Series 2023 Certificates by the Trustee under the 2008A Indenture.

With respect to the outstanding Series 2008A Certificates, the Variable Interest Portions of the Base Rentals are equal to the total of (1) the separately designated interest portions payable to the Owners of the Series 2008A Certificates by the Trustee, as the Corporation’s assignee of the 2023 Lease, in respect of the execution and delivery of the Series 2008A Certificates by the Trustee under the 2008A Indenture and (2) the net amounts payable to the 2008A Counterparties by the Trustee, as the Corporation’s assignee, with respect to all of the 2008A Swap Agreements (the “Swap Base Rentals Portions”). The term “Base Rentals” does not include Additional Rentals (including any termination payment due under any 2008A Swap Agreement). See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Lease.

With respect to the Series 2023 Certificates, the Interest Portions of the Base Rentals are equal to the interest portions payable by the trustee, as the Corporation’s assignee, of the 2023 Lease in respect of the execution and delivery of the Series 2023 Certificates by the Trustee under the 2008A Indenture. The term “Base Rentals” does not include Additional Rentals. See APPENDIX B –

DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease.

The following table sets forth the principal portions and estimated annual interest portions of Base Rentals payable under the 2023 Lease for the Initial Term and each Renewal Term under the 2023 Lease.

Schedule of Estimated Annual Base Rentals^{(1)*}

(Related to the Series 2008A Certificates and the Series 2023 Certificates)

Fiscal Year	2008A Base Rental Principal Portion	Estimated 2008A Base Rentals Interest Portion⁽²⁾	2023 Base Rentals Principal Portion	2023 Base Rentals Interest Portion	Total Base Rentals
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					

(1) Numbers rounded for presentation.

(2) Calculation is based on an assumed interest rate of ___% per annum in respect of the Series 2008A1 Certificates and the Series 2008A2 Certificates and on an assumed interest rate of ___% per annum in respect of the Series 2008A3 Certificates; the City expects to budget Base Rentals estimated to become due each year under the 2023 Lease, as described under APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease – Budget and Appropriation Procedures.

THE 2008A INDENTURE

Under the 2008A Indenture, the Trustee accepts certain duties to act on behalf of the Owners of the Series 2023 Certificates and certain other persons in the receipt and application of amounts which become payable under the 2023 Lease. The 2008A Indenture provides that upon the occurrence of an Event of Indenture Default, the Trustee may exercise certain remedies and apply amounts received to the payment of interest then owing to the Owners of the Series 2023 Certificates and certain other parties on a parity basis and with other priorities as set forth therein. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Indenture – Application of Moneys in Event of Indenture Default. Under the 2008A Indenture, the Corporation has absolutely assigned in trust to the Trustee and pledged, mortgaged and granted a lien on and a security interest in all of the Corporation's right, title and interest in and to: (1) the 2023 Lease; (2) all Base Rentals, other Revenues and collateral, security interests and attendant rights and obligations derived under the 2023 Lease, and (3) the Leased Property. A summary of certain provisions of the 2008A Indenture appears in APPENDIX B to this Official Statement.

Funds and Accounts under the 2008A Indenture

As further described in APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Indenture – Certain Funds Created under the 2008A Indenture, the 2008A Indenture provides for the maintenance by the Trustee of certain funds, including , but not limited to, (a) a Project Fund under which moneys are to be disbursed monthly to the City to provide for the payment of the anticipated costs of the Improvements Project, (b) a Base Rentals

* Preliminary, subject to change.

Fund to be used for the deposit of all Revenues received by the Trustee and the payment of the principal and interest on the Series 2008A Certificates and the Series 2023 Certificates, as well as Swap Base Rentals Portions (c) the Base Rentals Reserve Fund to be used for the payment of the principal and interest on the Series 2008A Certificates, as well as Swap Based Rentals Portions, to the extent of any deficiencies in the Base Rentals Fund and (d) a Reserve (Variable Interest Portion) Subaccount to be used to further secure the payment of interest on the Series 2008A Certificates and Swap Base Rentals Portions. **The Series 2023 Certificates are not secured by either the Base Rental Reserve Fund or the Reserve (Variable Interest Portion) Subaccount that secure the Series 2008A Certificates.**

PLAN OF FINANCE

Generally

The net proceeds of the Series 2023 Certificates, together with certain other moneys transferred under the 2008A Indenture, are to be used to fund the Improvement Project and to pay certain expenses incurred in connection with the execution and delivery of the Series 2023 Certificates.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The following sources and uses of funds are anticipated in connection with the sale of the Series 2023 Certificates:

Table 1
Sources and Uses of Funds

Sources

Original principal amount	\$ _____ *
Plus: net reoffering premium.....	
Total.....	

Uses

The Improvements Project	
Costs of execution and delivery (including underwriting discount)...	
Total.....	

Source: Hilltop Securities Inc. (the "Financial Advisor").

THE SERIES 2023 CERTIFICATES

Authorization

The Series 2023 Certificates are being executed and delivered in accordance with the constitution and laws of the State and pursuant to the 2008A Indenture. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS.

General Provisions

The Series 2023 Certificates are being executed and delivered in the aggregate principal amounts set forth on the cover page and inside cover page hereof and will be registered in the name of Cede & Co., as nominee of DTC, securities depository for the Series 2023 Certificates. Individual purchases

may be made in book-entry only form in Authorized Denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2023 Certificates.

The Series 2023 Certificates are executed and delivered by the Trustee solely as fully registered certificates of participation in the denomination of \$5,000 or integral multiples thereof. The Series 2023 Certificates are dated, mature and bear interest as described on the cover page and inside cover page hereof. For a schedule of the Base Rentals relating to the Series 2023 Certificates, see “THE 2023 LEASE – Base Rentals.”

DTC Book-Entry Form

The Series 2023 Certificates will be executed and delivered 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 2023 Certificates. Beneficial Ownership Interests in the Series 2023 Certificates, in non-certificated book-entry only form, may be purchased in Authorized Denominations by or through DTC Participants. Beneficial Ownership Interests will be recorded in the name of the Beneficial Owners on the books of the DTC Participants from whom they are acquired, and transfers of such Beneficial Ownership Interests will be accomplished by entries made on the books of the DTC Participants acting on behalf of the Beneficial Owners. References herein to the Owners of the Series 2023 Certificates mean Cede & Co. or such other nominee as may be designated by DTC, and not the Beneficial Owners. For a more detailed description of the DTC book-entry system, see APPENDIX F – DTC BOOK-ENTRY SYSTEM.

Principal and interest payments with respect to the Series 2023 Certificates will be payable by the Trustee, as paying agent for the Series 2023 Certificates, to Cede & Co., as the Owner of the Series 2023 Certificates, for subsequent credit to the accounts of the Beneficial Owners as discussed in APPENDIX F – DTC BOOK-ENTRY SYSTEM.

None of the Corporation, the Trustee, the City or the Underwriters has any responsibility or obligation to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC or any DTC Participant, (ii) 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 2023 Certificates under the 2008A Indenture, (iii) the payment by DTC or any DTC Participant of any amount received under the 2008A Indenture, (iv) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2023 Certificates or (v) any other related matter.

Security

Base Rentals; Mortgage and Security Interest in the Leased Property; Payment of Series 2023 Certificates. The Series 2023 Certificates are payable annually solely from Base Rentals payable under the 2023 Lease and certain other limited funds. The City has the right to renew or not renew (and therefore terminate) the 2023 Lease for each fiscal year. The Lease Term terminates under the 2023 Lease if an Event of Nonappropriation or an Event of Lease Default occurs under the 2023 Lease. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease – Nonappropriation; Supplemental Appropriation. See also “THE 2023 LEASE– Base Rentals” and “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Right of City to Not Renew and to Terminate Lease Annually – Results of Termination.”

Pursuant to the 2008A Indenture, the Corporation has absolutely assigned in trust to the Trustee and pledged, mortgaged and granted a lien on and a security interest in all of the Corporation’s right, title and interest in and to (1) the 2023 Lease; (2) all Base Rentals as specified in Exhibits E-1 and E-2 to the 2023 Lease, other Revenues and collateral, security interests and attendant rights and obligations derived under the 2023 Lease, and (3) the Leased Property for the benefit of the Owners of the Series 2008A Certificates and the Series 2023 Certificates as their interests appear, and for the benefit of certain other parties. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF

LEGAL DOCUMENTS – The 2008A Indenture – Events of Indenture Default – Remedies and “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Enforceability of Remedies.”

The Series 2023 Certificates evidence proportionate interests in the assignment of rights of the Corporation to receive Base Rentals under the 2023 Lease and other Revenues. The Series 2023 Certificates are payable solely from Revenues as, when, and if the same are received by the Trustee. The 2023 Lease and the Series 2023 Certificates do not constitute a mandatory charge or requirement of the City in any ensuing Fiscal Year beyond the then current Fiscal Year, do not constitute or give rise to a general obligation or other indebtedness of the City within the meaning of any constitutional or statutory debt limitation and do not constitute a multiple fiscal year direct or indirect City debt or other financial obligation whatsoever. The execution and delivery by the Trustee of the Series 2023 Certificates do not directly or indirectly obligate the City to renew the 2023 Lease from Fiscal Year to Fiscal Year or to make any payments beyond those budgeted and appropriated for the City’s then current Fiscal Year. **The Series 2023 Certificates are not secured by either the Base Rental Reserve Fund or the Reserve (Variable Interest Portion) Subaccount that secure the Series 2008A Certificates.**

Collateral Security. As security for the Series 2023 Certificates, the Corporation has granted a mortgage on and the security interest in the Leased Property, subject to the prior existing mortgage and security interest of the Series 2008A Certificates, including the land, building and site improvements, together with furniture, fixtures and equipment attached thereto, to the Trustee for the benefit of the Owners of the Series 2023 Certificates, all as provided in the 2008A Indenture. For a detailed description of the Leased Property, see “INTRODUCTION – The Leased Property.”

The 2008A Trustee shall exercise any and all remedies provided under the 2008A Indenture for the equal and ratable benefit of and on a parity basis between the owners of the Series 2023 Certificates, the owners of the Series 2008A Certificates and the counterparties to the interest rate swaps relating to the Series 2008A Certificates, except, in the event the Trustees sells the Leased Property, the holders of the Series 2008A Certificates hold a lien position in the real property portion of the Original Project senior to the lien position of the holders of the Series 2023 Certificates. Accordingly, Net Proceeds derived from the sale of the Original Project will inure to the benefit of holders of the Series 2008A Certificates prior to the holders of the Series 2023 Certificates. See “RISKS AND OTHER INVESTMENT CONSIDERATIONS – Results of Termination.”

Additional Certificates

So long as no Event of Indenture Default, Event of Nonappropriation or Event of Lease Default has occurred and is continuing and the Lease Term is in effect, one or more series of Additional Certificates may be executed and delivered without consent of or notice to the Owners of Outstanding Series 2023 Certificates to provide moneys to pay any one or more of the following: (a) costs of making, at any time or from time to time, such substitutions, additions, modifications and improvements for or to the Leased Property; or (b) the refunding or refinancing of all or any portion of Outstanding Certificates.

Each Additional Certificate executed and delivered will evidence a proportionate interest in the assignment of rights to receive Revenues under the 2008A Indenture, collectively, without preference, priority or distinction of any Series 2023 Certificates over any other.

If Additional Certificates are to be executed and delivered, the Base Rentals under the 2023 Lease are required to reflect the principal and interest portion of Base Rentals in the outstanding amount of the Additional Certificates. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Indenture – Additional Certificates.

Payment of Principal and Interest

While the Series 2023 Certificates remain in book-entry only form, payments to Beneficial Owners and transfers of ownership by Beneficial Owners are governed by the rules of DTC as described above under “DTC Book-Entry Form.” If DTC ceases to act as securities depository for the Series 2023 Certificates, payment of the principal of and interest on the Series 2023 Certificates is to be made and transfers of ownership may be effected as provided in the 2008A Indenture.

Redemption Provisions

The Series 2023 Certificates are subject to redemption prior to their respective maturities described as follows.

Optional Redemption. If the City exercises its right to purchase the Leased Property under the 2023 Lease or otherwise prepay Base Rentals with the Approval of Special Counsel and the amount of such prepayment has been deposited to the Prepayments Subaccount on or before the Optional Redemption Date, the Series 2023 Certificates designated in writing by the City’s Manager of Finance shall be subject to Optional Redemption, in whole or in part, in integral multiples of \$5,000 on _____, 202__, or on any date thereafter, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the applicable Optional Redemption Date. Such redemption may be made from the moneys deposited therefor in the Prepayments Subaccount in the 2023 Base Rentals Account of the Base Rentals Fund.

If part, but not all, of the Series 2023 Certificates is called for Optional Redemption, the Series 2023 Certificates to be redeemed are to be allocated by the Trustee on a reasonably proportionate basis to the reduction of the remaining Mandatory Sinking Fund Redemption Dates, determined and effectuated as nearly as practicable by the Trustee by multiplying the total principal amount of the Series 2023 Certificates to be redeemed pursuant to such Optional Redemption by the ratio which the principal amount of all of the Series 2023 Certificates required to be redeemed on each remaining Mandatory Sinking Fund Redemption Date, bears to the principal amount of all of the Series 2023 Certificates outstanding before such Optional Redemption. The Series 2023 Certificates are to be selected for Optional Redemption by the Trustee by lot.

Mandatory Sinking Fund Redemption. The Series 2023 Certificates are subject to Mandatory Sinking Fund Redemption prior to maturity in part, by lot at 100% of the principal amount thereof plus interest accrued to the redemption date, on the dates and in the amounts set forth on the following schedule:

Mandatory Sinking Fund Redemption Schedule

Mandatory Sinking Fund Redemption Date (_____ 1)	Series 2023 Principal Amount
_____	_____

The Trustee is required to credit against any Mandatory Sinking Fund Redemption obligation the principal amount of outstanding Series 2023 Certificates theretofore delivered to the Trustee for such purpose.

Extraordinary Mandatory Redemption. If the 2023 Lease is terminated by reason of the occurrence of an Event of Nonappropriation or an Event of Lease Default or the Trustee, as assignee of the Corporation with the written consent of the City, fails to repair or replace the Leased Property, if: (1) the Leased Property is damaged or destroyed in whole or in part by fire or other casualty; (2) title to, or the temporary or permanent use of the Leased Property, or any portion thereof, has been taken by eminent domain by any governmental body; (3) breach of warranty or any material defect with respect to the Leased Property becomes apparent; or (4) title to or the use of all or any portion of the Leased Property is lost by reason of a defect in title thereto, and the Net Proceeds (as defined in the 2023 Lease) of any insurance, performance bond or condemnation award, or Net Proceeds received as a consequence of defaults under contracts relating to the Leased Property, made available by reason of such occurrences, are insufficient to pay in full, the cost of repairing or replacing the Leased Property, as the case may be, and the City does not appropriate sufficient funds for such purpose or cause the 2023 Lease to be amended in order that Additional Certificates may be executed and delivered pursuant to the 2008A Indenture for such purpose, the Certificates, including the Series 2023 Certificates are required to be called for redemption. If called for redemption, as described herein, the Certificates are to be redeemed in whole on such date or dates as the Trustee may determine, for a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date (subject to the availability of funds as described below).

If the Net Proceeds, including the Net Proceeds from the exercise of any Lease Remedy under the 2023 Lease, otherwise received and other moneys then available under the 2008A Indenture are insufficient to pay in full the principal of and accrued interest on all Outstanding Certificates, the Trustee may, or at the request of Owners of a majority in aggregate principal amount of the Outstanding Certificates, and upon indemnification as to costs and expenses as provided in the 2008A Indenture, without any further demand or notice, is to exercise all or any combination of Lease Remedies as provided in the 2023 Lease, and the Series 2023 Certificates are to be redeemed by the Trustee from the Net Proceeds resulting from the exercise of such Lease Remedies and all other moneys, if any, then on hand and being held by the Trustee for the Owners of the Series 2023 Certificates.

If the Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are insufficient to redeem all Outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, then such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are to be allocated proportionately among the Outstanding Certificates, according to the principal amount thereof Outstanding. In the event that such Net Proceeds resulting from the exercise of such Lease Remedies and other moneys are in excess of the amount required to redeem the Outstanding Certificates at 100% of the principal amount thereof plus interest accrued to the redemption date, such excess moneys are to be paid to the City as an overpayment of the Purchase Option Price. Prior to any distribution of the Net Proceeds resulting from the exercise of any of such remedies, the Trustee is entitled to payment of its reasonable and customary fees for all services rendered in connection with such disposition, as well as reimbursement for all reasonable costs and expenses, including attorneys' fees, incurred thereby, from proceeds resulting from the exercise of such Lease Remedies and other moneys.

APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Indenture.

IF THE SERIES 2023 CERTIFICATES ARE REDEEMED FOR AN AMOUNT LESS THAN THE AGGREGATE PRINCIPAL AMOUNT THEREOF PLUS INTEREST ACCRUED TO THE REDEMPTION DATE, SUCH PARTIAL PAYMENT IS DEEMED TO CONSTITUTE A REDEMPTION IN FULL OF THE SERIES 2023 CERTIFICATES, AND UPON SUCH A PARTIAL PAYMENT NO OWNER OF SUCH SERIES 2023 CERTIFICATES SHALL HAVE ANY FURTHER CLAIM FOR PAYMENT AGAINST THE CORPORATION, THE TRUSTEE OR THE CITY.

Notice of Redemption

Whenever Series 2023 Certificates are to be redeemed, the Trustee is required to, not less than 30 and not more than 60 days prior to the redemption date (except for Extraordinary Mandatory Redemption notice of which is required to be immediate), mail notice of redemption to all Owners of all Certificates to be redeemed at their registered address, by first class mail, postage prepaid. Any notice of redemption is to (1) be given in the name of the Corporation; (2) identify the Series 2023 Certificates to be redeemed; (3) specify the redemption date and the redemption price; (4) (in the event of Optional Redemption) state that the City has given notice of its intent to exercise its option to purchase or prepay Base Rentals under the 2023 Lease; (5) state that such redemption is subject to the deposit of funds related to such option by the City on or before the stated redemption date; and (6) state that on the redemption date the Series 2023 Certificates called for redemption will be payable at the corporate trust office of the Trustee and that from that date interest will cease to accrue. The Trustee may use “CUSIP” numbers in the notice of redemption as a convenience to the Series 2023 Certificate Owners, provided that any such notice is required to state that no new representation is made as to the correctness of such numbers either as printed on the Series 2023 Certificates or as contained in any notice of redemption and that reliance may be placed only on the identification numbers containing the prefixes established under the 2008A Indenture.

RISKS AND OTHER INVESTMENT CONSIDERATIONS

An investment in the Series 2023 Certificates is subject to certain risks. Each prospective investor should read this Official Statement in its entirety, giving particular attention to the factors described below which, among others, could affect the payment of the principal of and interest on the Series 2023 Certificates and could also affect the market price of the Series 2023 Certificates to an extent that cannot be determined.

Right of City to Not Renew and to Terminate Lease Annually

The obligation of the City to make payments under the 2023 Lease does not constitute an obligation of the City to levy taxes or apply its general resources beyond the current Fiscal Year. Except to the extent payable from the Net Proceeds of certain insurance policies and condemnation awards, from the Net Proceeds of a sale of the Leased Property under the 2023 Lease, or from other amounts made available under the 2008A Indenture, the Series 2023 Certificates, and the interest thereon are payable solely from the Revenues, consisting principally of the Base Rentals and the Purchase Option Price derived from the 2023 Lease, if paid.

The requirements that the City pay Base Rentals and Additional Rentals under the 2023 Lease constitute a currently budgeted expenditure of the City, payable only if funds are appropriated by the City Council and for which an Encumbrance has been effected in each year, for all Base Rentals and Additional Rentals due under the 2023 Lease. There is no assurance that the City will renew the 2023 Lease from Fiscal Year to Fiscal Year and therefore not terminate the 2023 Lease, and the City has no obligation to do so.

The likelihood that the 2023 Lease will continue in effect until the Series 2023 Certificates are paid is dependent upon factors that are beyond the control of the Owners of the Series 2023 Certificates. These factors include but are not limited to, (1) the continuing need of the City for facilities such as the Leased Property and (2) the continued ability of the City to generate sufficient funds to pay obligations associated with the 2023 Lease and other obligations of the City. See generally “THE 2023 LEASE” and INTRODUCTION—The Leased Property” above and APPENDIX C – THE CITY – Financial Information Concerning the City. Payment of the principal of and interest on the Series 2023 Certificates upon the occurrence of an Event of Lease Default or an Event of Nonappropriation will be dependent upon (1) the value of the Leased Property under the 2023 Lease in a liquidation proceeding instituted by the Trustee or (2) any rental income from leasing (to others) the Leased Property. See also “Results of Termination” below.

As described under APPENDIX C – THE CITY – Financial Information Concerning the City – State Constitutional Revenue and Spending Limitations, the Colorado Constitution was amended in 1992 (“TABOR”) resulting in the imposition of various fiscal limits and requirements on the City, including a limitation on any increase in the City’s fiscal year spending and tax revenues from one year to the next. Because payments made by the City the 2023 Lease will constitute current fiscal year spending by the City and may be made, at least in part, from sales tax revenues and real property tax revenues, any requirement that the City reduce its spending or refund such tax or other revenues to comply with TABOR could increase the risk that the City will not continue the Lease Term from one Fiscal Year to the next.

Results of Termination

In the event that the City does not budget and appropriate, with respect to the 2023 Lease on or before the last day of each Fiscal Year, moneys sufficient to pay all Base Rentals and the reasonably estimated Additional Rentals coming due under the 2023 Lease for the ensuing Fiscal Year, an “Event of Nonappropriation” is deemed to have occurred. See APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease – Base Rentals and Additional Rentals – Nonappropriation; Supplemental Appropriation for a discussion of the results of an Event of Nonappropriation, and the ability of the Trustee to waive, under certain circumstances, the effects of the occurrence of an Event of Nonappropriation without notice to or the consent of the Owners of the Series 2023 Certificates.

If the 2023 Lease is terminated because an Event of Nonappropriation or an Event of Lease Default has occurred, the City is required to vacate or surrender possession of all the Leased Property under the 2023 Lease (1) by March 1 of the Renewal Term in respect of which an Event of Nonappropriation occurs or (2) within 60 days after notice by the Trustee (in the case of an Event of Lease Default). The City may also terminate the 2023 Lease as a result of certain events described herein in APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease – Damage, Destruction and Condemnation. Upon the occurrence of an Event of Nonappropriation or an Event of Lease Default, the Trustee may foreclose and sell or lease the Leased Property under the 2023 Lease. The Net Proceeds derived from a sale or lease of the Leased Property under the 2023 Lease or the exercise of other remedies under the 2023 Lease, along with other moneys then held by the Trustee under the 2008A Indenture (with certain exceptions as provided in the 2023 Lease and the 2008A Indenture), are required to be used to redeem the Series 2008A Certificates and the Series 2023 Certificates to the extent of such moneys and to make payments to certain other parties consistent with the priorities set forth the 2008A Indenture.

The 2008A Trustee shall exercise any and all remedies provided under the 2008A Indenture for the equal and ratable benefit of and on a parity basis between the owners of the Series 2023 Certificates, the owners of the Series 2008A Certificates and the counterparties to the interest rate swaps relating to the Series 2008A Certificates, except, in the event the Trustees sells the Leased Property, the holders of the Series 2008A Certificates hold a lien position in the real property portion of the Original Project senior to the lien position of the holders of the Series 2023 Certificates. Accordingly, Net Proceeds derived from the sale of the Original Project will inure to the benefit of holders of the Series 2008A Certificates prior to the holders of the Series 2023 Certificates. See “THE SERIES 2023 CERTIFICATES – Redemption Provisions – Extraordinary Mandatory Redemption,” and APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2008A Indenture – Application of Moneys in Event of Indenture Default.

The Original Project consists of real property and improvements thereon and related equipment of particular designs and uses for office, parking and other purposes, and was constructed, beginning in July 2000, for a total project cost, including land, furniture, fixtures and equipment, of \$166,750,000. The Leased Property has never been the subject of an independent appraisal. See “INTRODUCTION – The Leased Property.” A potential purchaser of the Series 2023 Certificates should

not assume that it will be possible to sell or lease (to others) the Leased Property after a termination of the Lease Term of the 2023 Lease (1) for an amount equal to the aggregate principal amount of the Series 2023 Certificates and Series 2008A Certificates then outstanding plus accrued interest thereon plus any other payments required to be made on a parity basis with the Series 2023 Certificates and Series 2008A Certificates or, (2) within a time period that would prevent a default in the timely payment of the principal of and interest on the Series 2023 Certificates and Series 2008A Certificates. If the Series 2023 Certificates and Series 2008A Certificates are redeemed subsequent to a termination of the Lease Term for an amount less than the aggregate principal amount thereof and accrued interest thereon, no Owner of any Series 2023 Certificate has any further claim for payment against the Corporation, the Trustee or the City.

The Leased Property is to be insured by policies of casualty and property insurance as described in APPENDIX B – DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS – The 2023 Lease – Insurance. In the event of damage to, destruction of, or the discovery of a defect in construction with respect to, the Leased Property, and if the Net Proceeds from such insurance policies or certain other sources are insufficient to repair or replace such Leased Property, the City may terminate its obligations under the 2023 Lease by paying such Net Proceeds to the Trustee. If the City exercises its option to not renew and therefore terminate the 2023 Lease, with respect to the Leased Property under the 2023 Lease in such an event, the Leased Property may be liquidated by the Trustee under certain circumstances and the proceeds of such liquidation are required to be applied to the redemption of the Series 2023 Certificates and the Series 2008A Certificates. See “THE SERIES 2023 CERTIFICATES – Redemption Provisions – Extraordinary Mandatory Redemption.”

Enforceability of Remedies

A termination of the 2023 Lease as a result of an Event of Nonappropriation or an Event of Lease Default will give the Trustee the right to take possession of, and to dispose of the Leased Property in accordance with the provisions of the 2023 Lease and the 2008A Indenture. The enforceability of the 2023 Lease, the 2008A Indenture and the Series 2023 Certificates is subject to applicable bankruptcy laws, principles of equity affecting the enforcement of creditors’ rights generally and liens securing such rights, the police and condemnation powers of the State and its political subdivisions, including the City, and judicial discretion. In addition, the application of zoning and land use requirements and regulations or requirements of the City could adversely affect the ability of the Trustee to sell, lease or otherwise dispose of the Leased Property under the 2023 Lease. Because of the delays inherent in enforcing the remedies of the Trustee upon the Leased Property under the 2023 Lease through the courts, a potential purchaser of the Series 2023 Certificates should not anticipate that the remedies of the Trustee could be accomplished rapidly. Any delays in resolving the Trustee’s claim to possession of or title to the Leased Property under the 2023 Lease may result in delays in the payment of the Series 2023 Certificates.

As a State political subdivision with condemnation powers, the City may be able to assert various claims to possession of the Leased Property under the 2023 Lease that may be superior to the Trustee’s rights to possess and sell the Leased Property under the 2023 Lease and the 2008A Indenture. The City has not waived, and may not be able to waive, such powers.

Effect of Event of Nonappropriation or Event of Lease Default

Special Counsel will not render any opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to transfers of Series 2023 Certificates subsequent to a termination of the 2023 Lease by reason of an Event of Nonappropriation or an Event of Lease Default. If the 2023 Lease is terminated by reason of an Event of Nonappropriation or an Event of Lease Default, there is no assurance that the Series 2023 Certificates may be transferred without compliance with the registration provisions of the Securities Act of 1933, as amended, or the availability of an exemption therefrom.

In addition, Special Counsel will render no opinion as to the treatment for federal or state income tax purposes of any amounts received by the Owners of the Series 2023 Certificates subsequent to an Event of Nonappropriation or an Event of Lease Default. There is no assurance that amounts received by the Owners of the Series 2023 Certificates as interest subsequent to an Event of Nonappropriation or an Event of Lease Default will be excludable from gross income for purposes of federal income taxation or exempt from State income taxes.

Effect if Construction Not Completed

The Improvements Project is to be constructed with the proceeds of the sale of the Series 2023 Certificates, and other proceeds as described hereunder under “THE PLAN OF FINANCE.” Construction is currently expected to be complete in late 2025. The Improvements Project will be undertaken on a phased basis with between three and five floors anticipated to be part of the active Improvements Project construction at any one time while remaining floors shall continue to be occupied and utilized by City employees. Elevator work is scheduled to be undertaken two elevators at a time to ensure access and accommodate the continued occupancy. However, failure to complete the construction of the Improvements Project, as planned, or expenditure of the sources of construction funds without completion of the construction, may result in only partially complete facilities being available for the Corporation to lease to the City pursuant to the 2023 Lease.

Factors Related to Secondary Market

There can be no assurance that a secondary market for the Series 2023 Certificates will be established or maintained. Accordingly, each purchaser should expect to bear the risk of the investment represented by the Series 2023 Certificates to maturity.

Nothing in the 2008A Indenture prohibits the Corporation, the Trustee or the City from purchasing or owning Series 2023 Certificates. The Corporation, the Trustee and the City may, but are not obligated, to purchase Series 2023 Certificates for their own accounts from time to time.

ECONOMIC AND DEMOGRAPHIC OVERVIEW

APPENDIX C contains an economic and demographic overview of the Denver Metropolitan Area as of May 2023.

LEGAL MATTERS

Legal matters incident to the authorization, execution and delivery of the 2023 Lease and the Series 2023 Certificates are subject to approval of legality by Sherman & Howard, L.L.C., Denver, Colorado, as Special Counsel, whose opinions are expected to be delivered in the proposed form set forth in APPENDIX A hereto. Sherman & Howard, L.L.C., in its Special Counsel capacity, have also advised the City concerning, and have assisted in the preparation of, this Official Statement. Certain legal matters will be passed upon for the City by Kerry Tipper, Esq., City Attorney, and for the Underwriters by Hogan Lovells US LLP, Denver, Colorado

LITIGATION

There is no litigation now pending, to the knowledge of the City officials responsible for the execution and performance of the 2023 Lease, which questions the validity of the 2023 Lease or the 2008A Indenture or of any proceedings of the City taken with respect to the execution, delivery and performance thereof. See also APPENDIX C – THE CITY – Litigation for a description of certain outstanding litigation.

TAX MATTERS

In the opinion of Special Counsel, assuming continuous compliance with certain covenants described below, the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates (the “Interest Portion”) is excluded from gross income pursuant to Section 103 of the Tax Code, and the Interest Portion is excluded from alternative minimum taxable income as defined in Section 55(b) of the Tax Code; however, to the extent such Interest Portion is included in calculating the “adjusted financial statement income” of “applicable corporations” (as defined in Sections 56A and 59(k), respectively, of the Tax Code), such Interest Portion is subject to the alternative minimum tax applicable to those corporations under Section 55(b) of the Tax Code for tax years beginning after December 31, 2022. . Also, the interest portion of the Base Rentals to be paid with respect to the Series 2023 Certificates is excluded from Colorado income tax laws in effect on the date of execution and delivery of the Series 2023 Certificates. For purposes of this paragraph and the succeeding discussion, Interest Portion includes the original issue discount on certain of the Series 2023 Certificates only to the extent such original issue discount is accrued as described herein.

The opinion of Special Counsel does not cover the treatment for federal or Colorado income tax purposes of any moneys received in payment of or in respect to the Certificates subsequent to the occurrence of an Event of Default or an Event of Nonappropriation.

The Tax Code and Colorado law impose several requirements which must be met with respect to the Series 2023 Certificates in order for the Interest Portion to be excluded from gross income and alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income. Certain of these requirements must be met on a continuous basis throughout the term of the Series 2023 Certificates. These requirements include: (a) limitations as to the use of proceeds of the Series 2023 Certificates; (b) limitations on the extent to which proceeds of the Series 2023 Certificates may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the Series 2023 Certificates above the yield on the Series 2023 Certificates to be paid to the United States Treasury. The System will covenant and represent in the 2023 Lease that it will take all steps to comply with the requirements of the Tax Code and Colorado income tax laws (in effect on the date of delivery of the Series 2023 Certificates) to the extent necessary to maintain the exclusion of interest on the Series 2023 Certificates from gross income and alternative minimum taxable income under such federal income tax laws and Colorado taxable income and Colorado alternative minimum taxable income under such Colorado income tax laws. Special Counsel’s opinion as to the exclusion of interest on the Series 2023 Certificates from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income is rendered in reliance on these covenants and assumes continuous compliance therewith. The failure or inability of the System to comply with these requirements could cause the interest on the Series 2023 Certificates to be included in gross income, alternative minimum taxable income, Colorado taxable income or Colorado alternative minimum taxable income, from the date of issuance. Special Counsel’s opinion also is rendered in reliance upon certifications of the System and other certifications furnished to Special Counsel. Special Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 15% alternative minimum tax on the “adjusted financial statement income” of “applicable corporations” (as those terms are defined in Sections 56A and 59(k), respectively, of the Tax Code). “Applicable corporations” are generally corporations with average annual adjusted financial statement income over a three-year period of \$1 billion or more. “Adjusted financial statement income” generally means the net income or loss of a corporation (including interest on the Series 2023 Certificates) as set forth on the corporation’s applicable financial statement, adjusted as provided in Section 56A of the Tax Code. This 15% alternative minimum tax is applicable for tax years beginning after December 31, 2022. Corporations should consult their tax advisors about whether the corporation is an “applicable corporation” and if the corporation is such an applicable corporation, about

the calculation of “adjusted financial statement income” and the alternative minimum tax for the corporation.

The Tax Code contains numerous provisions which may affect an investor’s decision to purchase the Series 2023 Certificates. Owners of the Series 2023 Certificates should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain “subchapter S” corporations may result in adverse federal and Colorado tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the Series 2023 Certificates made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports “reportable payments” (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. Certain of the Series 2023 Certificates may be sold at a premium, representing a difference between the original offering price of those Series 2023 Certificates and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such certificates (if any) may realize a taxable gain upon their disposition, even though such certificates are sold or redeemed for an amount equal to the owner’s acquisition cost. Special Counsel’s opinion relates only to the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Series 2023 Certificates from gross income, alternative minimum taxable income, Colorado taxable income and Colorado alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the Series 2023 Certificates. Owners of the Series 2023 Certificates should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Special Counsel are based on existing law as of the delivery date of the Series 2023 Certificates. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the Series 2023 Certificates, the exclusion of interest (and, to the extent described above for the Discount Certificates, original issue discount) on the Series 2023 Certificates from gross income or alternative minimum taxable income from the date of issuance of the Series 2023 Certificates or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the Series 2023 Certificates. Owners of the Series 2023 Certificates are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Series 2023 Certificates. If an audit is commenced, the market value of the Series 2023 Certificates may be adversely affected. Under current audit procedures the Service will treat the System as the taxpayer and the owners of the Series 2023 Certificates may have no right to participate in such procedures. The City has covenanted in the 2023 Lease not to take any action that would cause the interest on the Series 2023 Certificates to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income except to the extent described above for the owners thereof for federal income tax purposes. None of the City, the Financial Advisor or Special Counsel is responsible for paying or reimbursing any owner of the Series 2023 Certificates with respect to any audit or litigation costs relating to the Series 2023 Certificates.

FINANCIAL STATEMENTS

The general purpose financial statements of the City for the fiscal year ended December 31, 2022, included in APPENDIX D to this Official Statement, have been audited by BDO USA, LLP, Denver, Colorado (“BDO”), independent public accountants, as stated in their report appearing therein. BDO, the City’s independent external auditor, has not been engaged to perform and has not performed, since the date of its report included in APPENDIX D hereto, any procedures on the financial statements addressed in that report. BDO also has not performed any procedures relating to this Official Statement. The consent of BDO to the inclusion of APPENDIX D was not sought or obtained.

RATINGS

Moody’s Investors Service (“Moody’s”), S&P Global Ratings (“S&P”) and Fitch Ratings (“Fitch”) have assigned the Series 2023 Certificates 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 or liquidity of the Series 2023 Certificates.

CONTINUING DISCLOSURE

The City will execute and deliver a continuing disclosure undertaking (the “Disclosure Undertaking”) at the time of the closing for the Series 2023 Certificates. The Disclosure Undertaking will be executed for the benefit of the Beneficial Owners of the Series 2023 Certificates 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 2023 Certificates 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 listed events to the MSRB, in compliance with the Disclosure Undertaking. The form of the Disclosure Undertaking is attached hereto as APPENDIX F.

Failure to perform under the Disclosure Undertaking does not constitute an Event of Lease Default, but the Disclosure Undertaking does provide that in the event of a failure to perform under the Disclosure Undertaking, the Trustee on behalf of the Owners of the Series 2023 Certificates has the right to seek a court order directing the City to perform its obligations thereunder.

FINANCIAL ADVISOR

Hilltop Securities Inc., Denver, Colorado (the “Financial Advisor”) has been retained as financial advisor in connection with the issuance of the Series 2023 Certificates. 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 2023 Certificates. 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 2023 Certificates, as reflected in the footnotes to certain tables herein.

UNDERWRITING

The Series 2023 Certificates are being purchased by the Underwriters specified on the cover page hereof (the “Underwriters”) at a price equal to \$_____, being the aggregate principal amount of the Series 2023 Certificates., plus net original issue premium of \$_____ and less an underwriting discount of \$_____. Pursuant to a Certificate Purchase Agreement by and between BofA Securities, as representative of the Underwriters and the Corporation (the “Certificate Purchase Agreement”), the Underwriters agree to accept delivery of and pay for all of the Series 2023 Certificates if any are delivered. The obligation to make such purchase is subject to certain terms and conditions set forth in the Certificate Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, financing, brokerage and other financial and non-financial services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, a variety of these services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans, credit support, leases, or derivative transactions) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

BofA Securities, Inc., an underwriter of the Series 2023 Certificates, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2023 Certificates.

J.P. Morgan Securities LLC (“JPMS”), an underwriter of the Series 2023 Certificates, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2023 Certificates from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2023 Certificates that such firm sells.

Academy Securities, Inc. has entered into third-party distribution agreements with various dealers for the retail distribution of certain municipal securities at the original issue prices. Pursuant to these

third-party distribution agreements, Academy Securities may share a portion of its underwriting compensation with the respective dealers.

RELATIONSHIP OF CERTAIN PARTIES

JPMorgan Chase Bank NA. is a counterparty to two interest rate swap agreements with the Corporation relating to the Series 2008A Certificates and also entered into a Master Repurchase Agreement and related letter agreements with the 2008A Trustee Agreement pertaining to investment of funds held in the Base Rental Reserve Fund established under the 2008A Indenture.

MISCELLANEOUS

The cover page, inside cover page, prefatory information and appendices to this Official Statement are integral parts hereof and must be read together with all other parts of this Official Statement. The descriptions of the documents, statutes, reports or other instruments included herein do not purport to be comprehensive or definitive and are qualified in the entirety by reference to each such document, statute, report or other instrument. During the offering period of the Series 2023 Certificates, copies of the 2008A Indenture and the 2023 Lease may be obtained from the Financial Advisor.

So far as any statements made in this Official Statement involve matters of opinion, forecasts, projections or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between any party and the Owners of the Series 2023 Certificates.

Neither the Corporation nor the Trustee has nor assumes any responsibility as to the accuracy or completeness of any information contained in this Official Statement or any other such disclosure documents, except for information concerning and obtained from the Trustee for inclusion herein.

APPENDIX A
FORM OF OPINION OF SPECIAL COUNSEL

APPENDIX B

DEFINITIONS AND SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS

APPENDIX C

THE CITY

General Information

The City is located on the front range of the Rocky Mountains in the north-central part of the State. The City is the capital of the State of Colorado (“State”) and is the service, retail, financial, transportation and distribution center of the Rocky Mountain region. Over 3.2 million people, representing more than half of the population of the State, currently reside in the Denver metropolitan area, of which more than 721,000 currently reside in the City limits. See APPENDIX E – AN ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN REGION.

CITY GOVERNMENT ORGANIZATION

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 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 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 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 Charter. The City Council consists of thirteen members, two of whom are elected on an at-large basis and eleven of whom are elected by districts, all for four-year terms with a three-consecutive-term limit. Seven members constitute a meeting quorum, and the vote of seven members is necessary to adopt any ordinance or resolution. Ordinances passed by the City Council are subject to a qualified veto by the Mayor (except certain ordinances concerning Charter amendments or conventions). The Mayor’s veto may be overridden by the vote of nine City Council members. In accordance with the Charter, as amended by voters at the November 2021 election, beginning in 2023, the general election for the City has been moved from the first Tuesday in May of odd-numbered years to the first Tuesday in April of odd-numbered years. In 2023 the Mayor and some Council members were term limited or otherwise determined not to run again. The City held an election on April 4, 2023 and a run-off election on June 6, 2023. The swearing in and seating of the elected for the next term is set by Charter for the third Monday in July which will be July 17, 2023. After the June 6, 2023 run-off election, elected officials are:

Mike Johnston
Timothy M. O’Brien, CPA
Paul D. López
Stacie Gilmore
Jamie Torres
Diana Romero Campbell

Table continued on following page:

Mayor
Auditor
Clerk and Recorder
Councilmember and President - District 11
Councilmember and *Pro Tem*- District 3
Councilmember - District 4

Darrell Watson	Councilmember - District 9
Flor Alvidrez	Councilmember - District 7
Kevin Flynn	Councilmember - District 2
	Councilmember - District 8
Chris Hinds	Councilmember - District 10
Paul Kashmann	Councilmember - District 6
Serena Gonzales-Guitterez	Councilmember - At-Large
Sarah Parady	Councilmember - At-Large
Amanda Sandoval	Councilmember - District 1
Amanda Sawyer	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 Annual Comprehensive Financial Report ("ACFR"). The Auditor is elected every four years and is limited to three consecutive terms by the Charter. Powers to conduct financial and performance audits are carried out by the City Auditor.

The Clerk and Recorder is responsible for performing all the duties of the City Clerk as provided for in the 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 by the Charter.

The Manager of Finance/Chief Financial Officer is a Mayoral appointee serving on the Mayor's cabinet and is responsible for the management of the City's debt and financial obligations. The Manager of Finance has designated and appointed persons to fill the positions of the Manager of Cash and Capital Funding, the Director of Risk and Workers' Compensation, the Controller, the Treasurer, the Budget Manager, the Assessor, the Director of Communications and Administration, and the Director of Capital Planning and Real Estate. Only the Assessor and the Treasurer positions are required to be in the Department of Finance by law, while other positions may be reorganized by a new Manager of Finance. Responsibilities for issuance of payments, payroll and other general accounting functions are performed by the Department of Finance.

As of the date of this Official Statement, the appointed members of the Mayor's cabinet were the following individuals: **[UPDATE IF NEW APPOINTMENTS ARE MADE PRIOR TO POSTING]**

Margaret Danuser	Chief Financial Officer as Manager of Finance/ <i>ex officio</i> Treasurer
Jay Morein	Executive Director of the Department of Human Services
Laura Aldrete	Deputy Mayor, Executive Director of the Department of Community Planning and Development
Kerry Tipper, Esq.	City Attorney
Adam Phipps	Executive Director of the Department of Transportation and Infrastructure
Phil Washington	Executive Director of the Department of Aviation
Andrew Amador	Executive Director of the Department of General Services
Allegra "Happy" Haynes	Executive Director of the Department of Parks and Recreation
Robert M. McDonald	Executive Director of the Department of Public Health and Environment
Armando Saldate	Executive Director of the Department of Safety

In addition to the members of the cabinet, other advisors who have significant advisory roles in formulating policy include Chief of Staff Alan Salazar, Deputy Chief of Staff and Chief Strategy Officer Evan Dreyer, Deputy Chief of Staff Tracy Winchester, Deputy Chief of Staff LaTonya Lacy, Chief Projects Officer Josh Laipply, Deputy Chief Projects Officer Jen Welborn, Deputy Chief Projects Officer Shannon Gifford, Director of Strategic Operations, Senior Advisor to the Mayor and Chief of Staff Lisa

Carpenter, and Director of Economic and Community Partnerships and Senior Advisor to the Mayor Derrick Fuller. **[UPDATE IF NEW APPOINTMENTS ARE MADE PRIOR TO POSTING]**

Until new member of the cabinet or advisors are selected by the new Mayor, existing cabinet members and advisors will either retain their positions and responsibilities or interim replacements will be appointed in order to ensure continuity of City services during the transition between administrations.

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

FINANCIAL INFORMATION CONCERNING THE CITY

Budget Policy

The 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. By a voter approved amendment adopted in November 2020 the City Council, following consultation with the Manager of Finance, may during the fiscal year, authorize an ordinance appropriating new revenue or revenue in excess of those estimated in the budget or may authorize a transfer of an unencumbered balance in whole or in part from a specified non-enterprise fund, provided the supplemental appropriation or transfer does not conflict with any uses for which such revenue specifically accrued or exceed total estimated revenues.

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 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 City has multiple reserves in the General Fund to address unforeseen revenue shortfalls or unanticipated expenditures. The annual budget includes a Contingency Reserve of no less than 2% of total estimated General Fund 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. A portion of the TABOR Reserve requirement is fulfilled by pledging real property in lieu of cash. This reserve may only be used for emergency purposes as specified in the State Constitution. And finally, by Department of Finance policy, the General Fund targeted undesignated or unassigned reserve is 15% of General Fund expenditures and should not be drawn below 10%. These three reserves provide between 15% to 20% of the General Fund’s expected expenditures to respond to shortfalls or unanticipated expenditures. In 2020, in response to COVID-19, a portion of the TABOR Reserve’s cash was supplemented with real property. The reserve remains fully funded and transitioning back cash in lieu of property will be evaluated on an annual basis, with the next evaluation anticipated to occur during the

City's 2023 budget process. Fund Balance was also used to supplement the loss in revenue and over the next couple of years will be restored to pre-pandemic levels consistent with the City's reserve policies.

The City administration uses 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 "SECURITY FOR THE SERIES 2023 CERTIFICATES" and Table 9 - 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 2022 and 2023 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, as of January 1, 2023, was a fixed-rate (4.81%) tax imposed on the sale of all tangible personal property not specifically exempted and on certain services. The general use tax, as of January 1, 2023, was a fixed-rate (4.81%) 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 Excise/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; Transportation and Infrastructure; Health; Parks and Recreation; Cultural Activities; and Housing Stability. The largest portion of expenditures in the 2023 Budget were (36.8%) was allocated to Public Safety, which is primarily responsible for administering police, fire and the sheriff's departments' services.

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. In 2020, due to the COVID-19 global pandemic, the City deployed unrestricted General Fund monies to reduce the balance to approximately 12% of estimated expenditures to end 2020. Since the pandemic, the City has increased its reserves to pre-pandemic levels. The adopted 2023 budget estimated an ending unrestricted General Fund balance at 14.9% of projected expenditures. The current unaudited projections for the revised 2023 budget estimate an ending unrestricted General Fund balance at 18.4% of projected expenditures.

Core sales and use taxes are collected in the ordinary course of business under Denver Revised Municipal Code Section 53. Additionally, the City collects sales and use taxes that were not previously collected through routine audits ("audit revenues").

For purposes of the following statements, "compensation savings" consists of vacancy savings when positions were not filled the entire year. Compensation savings can also be a result of agencies hiring vacant positions at a lower rate than what was originally budgeted.

For purposes of the following statements, "personnel costs" are due to merit increase (and affected benefits related to salary increase such as Federal Insurance Contributions Act and Denver Employees Retirement Plan ("DERP")), health insurance increases, DERP increases (if required), and finally increases in full-time employee count (new positions).

2018. The General Fund's 2018 core revenue collections of sales and use tax, which do not include audit revenues, were 5.8% higher than 2017. Audit revenues increased year-over-year in 2018. For the General Fund, total 2018 revenues including audit revenues grew 2.7% over 2017. Excluding a one-time legal settlement in 2017 related to online travel companies, total 2018 revenues grew 3.5% over 2017. Growth in actual 2018 General Fund revenue was approximately \$8.6 million below the revised 2018 budget due in part to delays in receiving certain anticipated revenues in 2018 that will now be received in 2019 (representing approximately \$3.6 million of the lesser growth) and to a lesser extent due to reclassification of certain General Fund revenues to a special revenue fund (representing approximately

\$2 million of the lesser growth) and slightly lower than expected sales tax performance (representing approximately \$1.4 million of the lesser growth). With respect to final General Fund expenditures, City departments saved \$41.3 million from the revised 2018 budget as a result of unspent appropriations by 2.9%, due in large part to compensation savings and returning unspent contingency of \$9.4 million. General Fund expenditures increased by 5.6% from 2017, primarily driven by personnel cost increases and transfers between City funds. With respect to audited General Fund and GASB 54 funds per ACFR, expenditures increased by \$49.3 million or 4.1% from 2017.

2019. The General Fund's 2019 core revenue collections of sales and use tax, which do not include audit revenues, were 4.9% higher than 2018. Audit revenues decreased year-over-year in 2019. For the General Fund, total 2019 sales tax revenues including audit revenues grew by a net 4.3% over 2018. Total 2019 revenues grew 4.5% over 2018. Growth in actual 2019 General Fund revenue was approximately \$13.6 million higher than the revised 2019 forecast due in part to overperformance in sales tax, lodgers' tax, indirect cost reimbursement, and billings revenue from non-General Fund agencies. With respect to final General Fund expenditures, City departments saved \$36.4 million from the revised 2019 budget as a result of unspent appropriations by 2.5%, due in larger part to compensation and services and supplies savings and returning unspent contingency of \$7.0 million. General Fund expenditures increased by 4.8% from 2018, primarily driven by personnel cost increases and transfers between City funds. With respect to audited General Fund and GASB 54 funds per ACFR, expenditures increased by \$97.5 million or 7.7% from 2018.

2020. The General Fund's 2020 core revenue collections of sales and use tax, which do not include audit revenues, were 10.4% lower than 2019 core revenue collections of sales and use tax. Audit revenues decreased by 38.3% year-over-year in 2020. For the General Fund, total 2020 sales and use tax revenues including audit revenues decreased by 11.3% compared to 2019. Total 2020 revenue was 9.4% lower than 2019. These decreases were due to the financial impacts of COVID-19 and, as a result, the 2020 budget was also revised over the year to address the impacts of COVID-19 on the budget as originally adopted. General Fund revenue was approximately \$9.1 million higher than the revised 2020 budgeted total General Fund revenue due in part to overperformance in certain agency-generated revenue streams, tax revenues, and indirect cost reimbursement revenue. The City projected to reduce General Fund spending by \$129.68 million, and actual spending was within 0.3% of the revised 2020 budget. General Fund expenditures, including transfers out, decreased by 5.9% from 2019, primarily driven by 2020 mid-year reductions to align with a reduction in revenue due to the COVID-19 pandemic. Expenditure reductions were derived through personnel, service and supplies, and internal transfers. The 2020 General Fund, unassigned fund balance, excluding GASB 54 funds, totaled 12.4%. With respect to final audited General Fund and GASB 54 funds, the 2020 fund balance totaled approximately \$289.9 million.

2021. The General Fund 2021 core revenue collections of sales and use tax, which do not include audit revenues, were 21.6% higher than 2020 core revenue collections of sales and use tax and 9.0% higher than 2019 collections. Audit revenue increased by 43.8% year-over-year in 2021. For the General Fund, total 2021 sales and use tax revenues including audit revenues increased by 25.6% compared to 2020 and by 11.4% compared to 2019. Total 2021 revenue to the General Fund was 12.1% higher than 2020 and 1.5% higher than 2019. These increases largely reflect recovery from the financial impacts of COVID-19. The General Fund's revenue performance in 2021 exceeded expectations, with actuals exceeding the revised forecast by approximately \$50.4 million. Nearly three-quarters of this overperformance is attributable to overperformance in sales and use tax revenue. Other areas of overperformance include lodgers' tax, parking fines, and construction-related revenue streams. The 2021 expenditures underspent by \$41 million or 3.1% from 2021 revised budget expenditures. Expenditure savings were due to personnel attrition and the inability to fill vacant positions, supply chain delays, fewer events and decreased employee

travel. The 2021 General Fund, unassigned fund balance, excluding GASB 54 funds, totaled 23.8% of actual expenditures, or \$306.7 million.

Unaudited 2022. The unaudited General Fund 2022 core revenue collections of sales and use tax, which do not include audit revenues, were 12.9% higher than 2021 collections and 23.2% higher than pre-pandemic 2019 collections. Unaudited audit revenue decreased by 5.2% year-over-year in 2022. For the General Fund, total unaudited 2022 sales and use tax revenues including audit revenues increased by 10.6% compared to 2021 and by 23.2% compared to 2019. Total unaudited 2022 revenue to the General Fund was 9.3% higher than 2021 and 11.0% higher than pre-pandemic 2019 collections. These increases largely reflect recovery from the financial impacts of COVID-19 as well as inflationary impacts on the prices of taxable goods and services. The General Fund's unaudited revenue performance in 2022 came in slightly below expectations, with actuals totaling \$1.8 million below the revised forecast. Areas of underperformance include parking revenue, motor vehicle ownership tax, billings for services, and recorder fees. These areas of underperformance were largely offset by overperformance in other areas, including lodgers' tax, construction permitting revenue, investment income, and the City's Occupational Privilege Tax collections. The unaudited 2022 expenditures underspent by \$18.5 million or 1.2% from 2022 revised budget expenditures. Expenditure savings were due to personnel attrition and vacant positions, supply chain delays, and decreased employee travel.

Management Discussion of 2023 Budget

Adopted 2023 Budget. The 2023 Budget was adopted in November of 2022. Adopted 2023 General Fund revenue is expected to grow by \$51.5 million or 3.3% over the revised 2022 projection. Most of the General Fund's projected 2023 revenue growth is attributable to improvements in sales tax and lodgers' tax, due largely to continued recovery from COVID-19 impacts on consumer spending and travel as well as inflationary impacts on the prices of taxable goods and services. Due to the projected increase in 2022 revenue over 2021, the City was able to transfer 210 positions previously funded through ARPA in 2021 to the General Fund, eliminate furloughs for 2022, provide merit and raises for Career Service Authority and Uniform employees, increase the number of safety recruit classes above 2019 levels, increase cyber security and technology, and other citywide expansions to support both the Mayor and City Council priorities. The original 2023 General Fund budgeted expenditures total approximately \$1.66 billion in 2023, an increase of approximately 11% over revised 2022 appropriations. The original 2023 unassigned fund balance of \$248 million, or 14.9 % of projected expenditures has been adjusted due to the change in 2022 unaudited revenue and expenditures (revenue slightly under performing and higher unspent expenditures). The 2023 year-end unassigned fund balance (unaudited) is estimated at \$305million or 18,4% of budgeted expenditures.

Revision of 2023 Budget. The 2023 Budget will be revised as part of the City's 2024 Budget process, which began in late April 2023 and will conclude in September 2023. At this time, it is too early to revise 2023 projections given limited year-to-date 2023 results. Expenditures for 2023 are currently performing on track to the 2023 Budget. The City will continue to reassess its revised 2023 budget throughout its 2024 Budget process based upon continued actual results in 2023.

General Fund Financials

The following pages include: Table 4, General Fund Balance Sheet; Table 5, Statement of Revenues, Expenditures and Changes in Fund Balance; and Table 6, General Fund Budget Summary – 2022 Actual Results, 2022 Revised Budget and 2023 Proposed Budget. **[UPDATE ONCE ACFR IS RELEASED]**

Table 4
General Fund Balance Sheet
For the years ending December 31, 2018-2022
(\$ in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Unaudited</u> <u>2022</u>
ASSETS					
Cash and cash equivalents	\$253,936	\$221,393	\$243,788	\$355,628	\$403,346
Cash on hand	137	171	183	195	179
Receivables (net of allowances for uncollectibles):					
Taxes	207,373	238,457	\$242,482	\$269,817	\$280,523
Notes	3,579	2,735	2,677	3,388	4,703
Accounts	22,116	30,128	\$28,432	31,033	45,858
Leases	--	--	--	--	7,328
Accrued interest	1,750	2,495	\$2,162	1,429	2,896
Interfund receivable	31,230	37,758	19,059	50,535	37,732
Dues from other governments	--	5	3	--	--
Prepaid items and other assets	4,709	11,651	14,254	14,231	21,490
Restricted assets:					
Cash and cash equivalents	76,018	84,654	20,044	20,351	33,237
TOTAL ASSETS	<u>\$600,848</u>	<u>\$629,447</u>	<u>\$573,084</u>	<u>\$746,607</u>	<u>\$837,292</u>
LIABILITIES					
Vouchers payable	\$46,110	\$52,785	\$43,724	\$55,756	\$59,920
Accrued liabilities	24,524	30,987	55,240	49,623	64,126
Due to other funds	869	483	416	504	972
Interfund Payable	8	16	1,147	2,277	13
Deferred revenue	144,403	174,998	182,578	197,903	220,589
Advances	154	97	98	107	106
TOTAL LIABILITIES	<u>\$216,068</u>	<u>\$259,366</u>	<u>\$283,203</u>	<u>\$306,170</u>	<u>\$345,726</u>
FUND BALANCE					
Nonspendable	\$4,709	\$11,651	\$14,254	\$14,231	\$21,489
Restricted	75,838	85,127	71,056	81,161	103,867
Committed	74,024	74,677	41,555	76,472	71,964
Unassigned	<u>230,209</u>	<u>198,626</u>	<u>163,016</u>	<u>268,573</u>	<u>294,246</u>
TOTAL FUND BALANCE	<u>\$384,780</u>	<u>\$370,081</u>	<u>\$289,881</u>	<u>\$440,437</u>	<u>\$491,566</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$600,848</u>	<u>\$629,447</u>	<u>\$573,084</u>	<u>\$746,607</u>	<u>\$837,292</u>

Sources: City and County of Denver Annual Comprehensive Financial Reports, 2018-2022.

Table 5
General Fund Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ending December 31, 2018-2022
(\$ in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Unaudited 2022</u>
REVENUES					
Taxes:					
Property	\$129,299	\$131,294	\$152,554	\$164,429	\$170,613
Sales and Use	690,873	720,416	638,796	802,273	887,228
Other	117,478	123,414	91,196	106,608	116,769
Licenses and Permits	66,428	67,754	62,032	67,135	70,287
Intergovernmental Revenues	36,230	40,509	41,263	39,424	38,314
Charges for Services	195,600	216,736	181,083	194,768	214,457
Investment and Interest Income	15,936	26,915	29,335	712	(25,050)
Fines and Forfeitures	44,582	39,182	30,197	37,196	34,103
Other Revenues	8,898	11,440	9,565	11,755	15,045
TOTAL REVENUES	<u>\$1,305,324</u>	<u>\$1,377,660</u>	<u>\$1,236,021</u>	<u>\$1,424,300</u>	<u>\$1,521,766</u>
EXPENDITURES					
Current:					
General Government	\$288,130	\$318,230	\$328,610	\$352,408	\$398,543
Public Safety	595,814	631,274	629,422	574,704	662,975
Public Works	145,556	162,932	148,705	132,180	150,040
Health and Human Services	57,233	59,674	58,996	51,184	70,658
Parks and Recreation	75,690	80,846	68,916	68,200	86,355
Cultural Activities	51,101	54,135	52,133	47,641	51,996
Community Development	33,961	33,598	51,170	52,880	70,022
Economic Opportunity	745	1,692	1,773	1,619	1,940
Obligation Retirement	1,466	26,195	19,986	19,875	21,020
Capital Outlay	--	--	--	--	--
TOTAL EXPENDITURES	<u>\$1,249,696</u>	<u>\$1,368,576</u>	<u>\$1,359,711</u>	<u>\$1,300,691</u>	<u>\$1,518,225</u>
Excess of Revenues Over Expenditures	\$55,628	\$9,084	\$(123,690)	\$123,609	\$3,541
OTHER FINANCING SOURCES (USES)					
Other	\$4,661	\$5,876	\$4,074	\$862	\$21,470
Operating Transfers In	41,064	50,405	58,003	45,772	55,830
Operating Transfers Out	(110,632)	(80,064)	(18,571)	(19,687)	(29,712)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$(64,907)</u>	<u>\$(23,783)</u>	<u>\$43,506</u>	<u>\$26,947</u>	<u>\$47,588</u>
Net Change in Fund Balance	(9,279)	(14,699)	(80,184)	150,556	51,129
Fund Balance – January 1, as previously reported	394,059	384,780	370,081	289,881	440,437
Changes in accounting principal (GASB 84)	--	--	(16)	--	--
Fund Balance – January 1, as restated	<u>394,059</u>	<u>384,780</u>	<u>370,065</u>	<u>289,881</u>	<u>440,437</u>
Fund Balance – December 31	<u>\$384,780</u>	<u>\$370,081</u>	<u>\$289,881</u>	<u>\$440,437</u>	<u>\$491,566</u>

Sources: City and County of Denver Annual Comprehensive Financial Reports, 2018-2022.

Table 6
General Fund Budget Summary-2022 Actual Results,
2022 Revised Budget and 2023 Adopted Budget

Prepared in Budgetary Format

(\$ in thousands – columns may not sum to totals due to rounding)

	Unaudited 2022 Actual ⁽¹⁾	2022 Revised Budget	2023 Adopted Budget
REVENUES			
Taxes			
Property	\$170,613	\$171,877	\$170,709
Sales and Use	887,228	886,940	927,480
Other	116,769	113,696	119,154
Intergovernmental Revenues	38,314	38,233	40,166
Licenses and Permits	70,287	60,864	60,795
Fines and Forfeitures	34,103	49,601	50,003
Charges for Services	214,457	168,282	174,993
Investment Income	(25,050)	13,040	16,977
Transfers In	55,830	55,727	49,481
Other Revenues and Financing Sources	36,515	4,711	4,671
TOTAL FINANCIAL SOURCES	\$1,599,066	\$1,562,972	\$1,614,429
EXPENDITURES⁽¹⁾			
General Government	\$470,505	\$469,707	\$530,568
Public Safety	662,975	567,671	610,692
Transportation and Infrastructure	150,040	139,823	132,068
Health	70,658	64,383	70,499
Parks and Recreation	86,355	138,140	151,404
Cultural Activities	51,996	--	--
Housing Stability	--	33,766	35,906
Debt Service	21,020	--	--
Transfers Out	29,712	76,683	119,848
General Fund Contingency	--	27,289	32,540
Sequestered and Other Budget Savings	--	--	--
Estimated Unspent Appropriation	--	(22,000)	(24,000)
Payment to Paying Agent	--	--	--
Capital Outlay	4,676	--	--
TOTAL EXPENDITURES BUDGET	<u>\$1,547,937</u>	<u>\$1,495,463</u>	<u>\$1,659,525</u>
FUND BALANCES⁽²⁾			
Net Change in Fund Balance	\$51,129	\$67,509	(45,096)
Fund Balance Jan 1	440,437		
Fund Balance Dec 31	<u>491,566</u>		
Undesignated Fund Balance Jan 1	--	<u>\$306,741</u>	<u>\$334,250</u>
Undesignated Fund Balance Dec 31	\$294,246	\$374,250	\$289,154
Prepaid Items & Other Reserves	--	\$(40,000)	\$(40,000)
Total Fund Balance Dec 31	\$294,246	\$334,250	\$249,154

(1) The City's Annual Comprehensive 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) The City's Annual Comprehensive Financial Report follows GASB 54, which clarifies existing fund type definitions. The Annual Comprehensive Financial Report lists Fund Balance as a change in all fund balances, which includes the General Fund and other Governmental Funds. The City's Budget Division does not use this methodology for the budget; therefore, fund balances should only be compared within the budget columns.

Sources: City and County of Denver 2022 Annual Comprehensive Financial Report and 2023 Mayor's Proposed Budget.

Collection of Taxes

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

Sales and Use Taxes

The City's sales and use tax collections historically account for approximately 50% of the General Fund revenues. As of December 31, 2022, a fixed-rate general sales tax of 4.81% was imposed on the sale of all tangible personal property not specifically exempted and on certain services and a general use tax of 4.81% was also imposed on the storage, use and consumption of tangible personal property not specifically exempted.

The sales and use tax rate includes a 0.15% preschool tax authorized by voters to be in effect through December 31, 2026 to fund increased access to and quality of preschool programs for City residents. Effective as of January 1, 2021, the sales and use tax also includes 0.25% dedicated solely to fund a Climate Protection Fund Program and 0.25% dedicated solely to fund a Homeless Resolution Program, both approved by voters at the November 3, 2020 general election. The City's practice is to account for sales and use taxes on a combined basis. Both the 2020 approved taxes overperformed from their estimates and the City received electoral authorization in November 2022 to retain and spend the full amounts collected. The revenue from these portions of the sales and use tax is only available for the described purposes and cannot be used for General Fund purposes.

In addition to other applicable taxes, a 3.5% special tax is imposed on all retail recreational marijuana sales, proceeds of which are deposited in the General Fund for expenditures authorized in the Denver Revised Municipal Code. Effective October 1, 2018, an additional 2% special sales tax on all retail recreational marijuana is required to be deposited in the Affordable Housing Property Tax and Other Local Revenue Fund for affordable housing purposes, resulting in a total 5.5% special sales tax on retail recreational marijuana sales.

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	4.81% ⁽¹⁾
Retail marijuana special sales tax	5.5% ⁽²⁾
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% ⁽³⁾

(1) The total sales and use tax rate of 4.81% includes several portions dedicated to specific purposes as follows: 0.15% City sales tax dedicated to increasing access to and quality of preschool programs for City residents; 0.25% dedicated to fund Denver parks, trails, and open space; 0.25% dedicated for mental health services and substance abuse prevention; 0.8% dedicated for post-secondary institution enrollment and completion options, including college scholarships; 0.8% dedicated to improved availability of healthy food for children; 0.25% dedicated to fund environmental and climate related programs; and 0.25% dedicated to fund housing and homeless services. The revenue generated from these dedicated portions of the sales tax are only available for the purpose to which the applicable portion is dedicated and cannot be used for General Fund revenue or other purposes.

[Footnotes continued on following page]

- (2) The State's imposition of a maximum tax of 15% on the sale of retail marijuana and marijuana products was approved by State voters. The City Council further approved the increase of the retail marijuana tax rate from 3.5% to 5.5% effective as of October 2018, on the sale of retail marijuana products sold in Denver. The additional tax revenue generated from the 2.0% tax rate increase is required to support affordable housing.
- (3) In addition to the 10.75% Lodger's Tax imposed by the City, at an election held in 2017, certain hoteliers in Denver approved the creation of the Denver Tourism Improvement District, which imposes an additional hotel and lodger's tax of 1.0% on every hotel within the City limits with 50 or more rooms. The purpose of the additional lodger's tax is to contribute to an increase in marketing services provided by Visit Denver and to contribute to tourism-related capital improvements, including improvements at the Colorado Convention Center. Collection of this tax started on January 1, 2018.

The above General Fund Sales and Use Tax Rates effective for 2023 reflect the City's total tax rate for goods and services as set forth in the Denver Revised Municipal Code; however, portions of the Lodger's Tax, Auto Rental Tax, and Food and Beverage Tax are reflected in the General Fund's Sales and Use Tax category while the remainder is either contractually pledged to the Denver Metropolitan Convention and Visitors Bureau or to certain Excise Tax/Dedicated Tax Revenue bonds and recorded in other funds.

Table 7 reflects the City's General Fund sales and use tax collections for the past ten years.

Table 7
City and County Of Denver - General Fund Sales and Use Tax Revenues
2013-2022 (\$ in thousands)

<u>Year</u>	<u>Revenues</u> ⁽¹⁾	<u>Percent Change</u> ⁽¹⁾
2013	\$493,002	9.23%
2014	555,428	12.66
2015	581,922	4.77
2016	613,617	5.45
2017	656,531	6.99
2018	690,873	5.23
2019	720,416	4.28
2020	638,796	(11.33)
2021	802,273	25.59
2022 ⁽²⁾	887,228	10.59

(1) Revenues include amounts received from audit revenues.

(2) Unaudited.

Source: Department of Finance.

Financial Statements

The City's audited basic financial statements, derived from the City's 2022 ACFR, are attached to this Official Statement as APPENDIX D. Those financial statements are the most current audited financial information available for the City. Such financial statements should be read in their entirety. Financial statements of the City for Fiscal Years ending prior to December 31, 2022, are available for inspection at the Department of Finance, 201 West Colfax Avenue, 10th Floor, Denver, Colorado 80202. The City's financial statements are also available by navigating to the Department of Finance page on the City's website: www.denvergov.org. 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 2023 Certificates.

The basic financial statements of the City for the year ending December 31, 2022, included in APPENDIX D to this Official Statement have been audited by BDO USA, LLP ("BDO"), independent public accountants, as stated in their report appearing herein. The agreement between the City and BDO relating to provision of audit services provides that the City is not required to obtain BDO's consent for the

inclusion of financial statements in the City's offering documents. Accordingly, the consent of BDO to the inclusion of APPENDIX A was not sought or obtained. BDO, the City's independent external auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on any financial statements addressed in that report. BDO also has not performed any procedures related to this Official Statement.

Property Taxation

Property Subject to Taxation. Subject to the limitations imposed by the Taxpayers Bill of Rights ("TABOR," as described in "Revenue, Spending and Debt Limitations" below), the City Council has the power to certify a levy for collection of ad valorem taxes against all taxable property within the City.

Property taxes are uniformly levied against the assessed valuation of all property subject to taxation by the City. Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. Exempt property includes, but is not limited to: property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; property used for charitable or religious purposes; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner's land; household furnishings and personal effects not used to produce income; intangible personal property; inventories of merchandise and materials and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; and works of art, literary materials and artifacts on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the Assessor to determine its statutory "actual" value. This amount is then multiplied by the appropriate assessment percentage to determine each property's assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory "actual" value of all taxable property within the City as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate. The statutory actual value of a property is not intended to represent its current market value.

The assessed value of property for tax purposes is computed using statutory actual values as determined from manuals published by the Administrator of the State Division of Property Taxation and from data developed by the Chief Financial Officer, ex officio Assessor, based on evidence collected from the marketplace. Table 8 sets forth the State property appraisal method for property tax assessment (levy) years 2013 through 2023.

Table 8
State Property Appraisal Method

Collection Year⁽¹⁾	Assessment Year	Value Calculated As of	Based on the Market Period
2013	2012	June 30, 2010	July 1, 2008 to June 30, 2010
2014	2013	June 30, 2012	July 1, 2010 to June 30, 2012
2015	2014	June 30, 2012	July 1, 2010 to June 30, 2012
2016	2015	June 30, 2014	July 1, 2012 to June 30, 2014
2017	2016	June 30, 2014	July 1, 2012 to June 30, 2014
2018	2017	June 30, 2016	July 1, 2014 to June 30, 2016
2019	2018	June 30, 2016	July 1, 2014 to June 30, 2016
2020	2019	June 30, 2018	July 1, 2016 to June 30, 2018
2021	2020	June 30, 2018	July 1, 2016 to June 30, 2018
2022	2021	June 30, 2020	July 1, 2018 to June 30, 2020
2023	2022	June 30, 2020	July 1, 2018 to June 30, 2020

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

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

The Assessor may consider market sales for periods up to 60 months immediately prior to the June 30 value calculation date if there were insufficient sales during the stated market period to accurately determine the level of value.

The statutory actual value of certain classes of property are anticipated to be temporarily reduced in accordance with SB 238 (defined below) and SB 303 (defined below). The temporary reductions in actual value imposed by SB 303 are conditioned on voter approval of Proposition HH (defined below).

Oil and gas leaseholds and lands, producing mines and other lands producing nonmetallic minerals are valued based on production levels rather than by the base year method. Public utilities are valued by the State Property Tax Administrator based upon the value of the utility's tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. For levy year 2021 (collection year 2022), residential property is assessed at 7.15%, subject to certain temporary reductions as further described below. At the State level, residential assessment rates may be changed by the General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR. Set forth below are

descriptions of: (i) the Gallagher Amendment (defined below), which reduced residential assessment rates from 1982-2019 and was repealed in November 2020, and (ii) SB 293 (defined below) which became law in 2021 and which temporarily reduces the assessment rates on certain classes of real property in levy years 2022 and 2023, (iii) SB 238 (defined below) which became law in 2022 and further temporarily reduces the assessment rates on certain classes of real property in levy year 2023, temporarily reduces the actual value on certain classes of real property in levy year 2023, and extends the temporary reductions in assessment rates on certain classes of real property to levy year 2024; and (iv) SB 303 (defined below) portions of which became law on May 24, 2023, and, portions of which will become law upon voter approval, would further temporarily reduces the assessment rates on certain classes of real property in levy years 2023-2032, would temporarily reduce the actual value on certain classes of real property in levy years 2023-2032, limits a local government's (including the City) annual increase in property tax revenue, and would allow the State to retain and spend revenues above the amount permitted under TABOR up to the Proposition HH Cap (defined below). ***The temporary assessed value and actual value reductions, limit on increases in property tax revenue and increase in the State's ability to retain and spend revenues, in addition to all other material provisions of SB 303, are conditioned on voter approval of Proposition HH (defined below).***

Gallagher Amendment. From 1982 to 2020, the State constitution (in a provision referred to as the "Gallagher Amendment") divided the State's total property tax burden between residential and non-residential (commercial) property. According to the Gallagher Amendment, residential property should account for 45% of the total value in the State, and non-residential property should account for 55% of the total value in the State. Further, the Gallagher Amendment mandated that the assessment rate for non-residential property be fixed at 29%. The residential rate, on the other hand, was annually adjusted to maintain the 45/55 split. On June 3, 2019, the residential assessment rate was changed from 7.20% of statutory "actual" value to 7.15% of statutory "actual" value. On November 3, 2020, Colorado voters approved an amendment to the Colorado Constitution which repealed the Gallagher Amendment.

SB 293. On June 23, 2021, Senate Bill 21-293 ("SB 293") became law. SB 293 classifies multi-family residential real property as a new subclass of residential real property and temporarily reduces residential assessment rates. SB 293 re-structures the law so that the assessment rate for multi-family residential property will be temporarily reduced from 7.15% to 6.80% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024. In accordance with SB 293, the assessment rate for all residential real property other than multi-family residential real property will be temporarily reduced from 7.15% to 6.95% for levy years 2022 and 2023, and then indefinitely return to 7.15% in levy year 2024. SB 293 defines multi-family residential property as property that is a duplex, triplex or multi-structure of four or more units, all of which are based on the class codes established by the State.

SB 238. On May 16, 2022, Senate Bill 22-238 ("SB 238") became law. SB 238: (i) further reduces the assessment rate for all residential real property to 6.765% in levy year 2023, and reduces the calculation of the actual value of such property (as described above in "--Determination of Statutory Actual Value") by the lesser of: (a) \$15,000 or (b) the amount that reduces the value for assessment to \$1,000; (ii) temporarily reduces the assessment rate for multi-family residential property from 7.15% to 6.80% in levy year 2024; and (iii) adjusts the ratio of valuation for assessment for all residential real property other than multi-family residential real property for levy year 2024, so that the aggregate decrease in local government property tax revenue during the 2023 and 2024 property tax collection years, as a result of SB 238, equals \$700,000,000.

Also, in accordance with SB 238, the State treasurer is required to reimburse counties (including the County) for all or some portion of the reduction in property tax revenue resulting from SB 22-238, as further set forth therein, during the 2023 property tax collection year. County treasurers must then distribute these reimbursements to certain local governmental entities (potentially including the City) which realized a reduction in property tax revenues as a result of SB 238. The provisions of SB 238 described in this paragraph were repealed in accordance with SB 303, subject to approval of Proposition HH.

SB 303. On May 24, 2023, Senate Bill 23-303 (“SB 303”) was signed by the Governor and portions of which became law upon signature. A majority of SB 303 is conditioned on voter approval of Proposition HH, as described below. SB 303 classifies primary residence real property and qualified-senior primary residence real property as new subclasses of residential real property and further temporarily reduces the assessment rates for the various classes of residential real property as follows:

All Other Residential Real Property. For levy year 2023, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$50,000 or (ii) the amount that reduces the value for assessment to \$1,000. For levy year 2024, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$40,000 or (ii) the amount that reduces the value for assessment to \$1,000.

Multi-family Residential Real Property. For levy year 2023, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$50,000 or (ii) the amount that reduces the value for assessment to \$1,000. For levy years 2024-2032, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$40,000 or (ii) the amount that reduces the value for assessment to \$1,000. For levy years 2025-2032, the assessment rate is reduced to 6.7%.

Primary Residence Real Property. For levy years 2025-2032, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$40,000 or (ii) the amount that reduces the value for assessment to \$1,000. “Primary Residence Real Property” is generally defined as the property of an Owner-Occupier, or the individual (and their spouse or civil union partner) who is the owner of record of the residential real property that the individual occupies as the individual’s primary residence.

Qualified-Senior Primary Residence Real Property. For levy years 2025-2032, the assessment rate is reduced to 6.7%, and the actual value of such property is reduced by the lesser of: (i) \$140,000 or (ii) the amount that reduces the value for assessment to \$1,000. Qualified-Senior Primary Residence Real Property is generally defined as the Primary Residence Real Property where the Owner-Occupier of the property previously qualified for the Senior Homestead Exemption for a different property and does not qualify for the Senior Homestead Exemption for the current property tax year.

In levy year 2033, the assessed value of all residential property is set to return to 7.15%; however, the assessment rates can be further reduced by the Colorado General Assembly. In accordance with SB 303, commencing on and after levy year 2033, if the Colorado General Assembly does not enact legislation to establish valuations for assessment that are less than or equal to the temporarily reduced assessed valuations set forth therein for levy year 2032, for the same classes of property, the State may forfeit its ability to retain and spend excess revenues up to the Proposition HH Cap. No assurance is provided that the residential assessment rate will return to 7.15% in 2033, or in any year thereafter.

In accordance with SB 303, certain local governments are eligible for reimbursement (described therein as the “backfill”) for reductions in property tax revenue resulting from the temporary reductions in assessed and actual value imposed by SB 238 and SB 303. For counties with a population that is 300,000 or less, the reimbursement is equal to: (i) the entire amount of total property tax revenue reduction for each local government entity that had an increase of less than 10% in the assessed value from 2022 to the property tax year for which the reimbursement is being calculated, and (ii) 90% of the total property tax revenue reduction for each local government entity that had an increase of 10% or more in the assessed value from 2022 to the property tax year for which the reimbursement is being calculated. For counties with a population that is more than 300,000, 65% of the total property tax revenue reduction for all local governmental entities (such as the City) besides a municipality or select special district. Notwithstanding the foregoing, a local governmental entity is not eligible for any reimbursement if it has

an increase of 20% or more in the assessed value of real property from the levy year 2022 to the year for which the reimbursement is calculated beginning in tax year 2024.

Also, in accordance with SB 303, beginning in levy year 2023, a local government's (including the City) property tax revenue for a property tax year shall not increase by more than inflation from the local government's property tax revenue from the prior year unless the governing body of the local government approves the increase in the manner set forth therein. For purposes of calculating the property tax limit, property tax revenue that is from the following sources or is used for the following purposes is excluded from property tax revenue: (i) property tax revenue from the increased valuation for assessment within the taxing entity for the preceding year that is attributable to new construction and personal property connected therewith; (ii) an amount to provide for the payment of bonds and interest thereon (including the Bonds), or for the payment of any other contractual obligation that has been approved by a majority of the local government's voters; (iii) any revenue from a mill levy that has been approved by the voters of the local government; and (iv) other exceptions as further described therein.

Further, SB 303 includes a ballot proposition anticipated to be presented to the State's voters on November 7, 2023 ("Proposition HH"). Proposition HH is anticipated to request approval for the State to reduce property taxes and backfill a portion of the reduced property tax revenue, as described above, in addition to allowing the State to retain and spend a portion of the State surplus above what would be permitted under TABOR (the "Proposition HH Cap"). The Proposition HH Cap is generally defined as maximum amount the State was permitted to retain and spend under TABOR in the prior year, adjusted for: (i) inflation plus 1%, (ii) the percentage change in State population, (iii) the qualification or disqualification of enterprises, and (iv) debt service changes.

Approval of Proposition HH by a majority of electors voting is a condition to the reductions in assessed and actual value, the backfill of reduced property tax revenue, the limit on increases in a local government's property tax revenue, the State's ability to retain and spend excess revenue up to the Proposition HH Cap and all other material provisions of SB 303. No assurance is provided that a majority of the electors voting will approve Proposition HH. If Proposition HH is not approved, SB 238 would govern the temporary reductions in assessed and actual value for levy years 2023 and 2024.

Non-Residential Property. The assessed valuation for all non-residential property, with certain specified exceptions, is 29% of the actual value thereof, subject to temporary reductions as further described below. Producing oil and gas property is generally assessed at 87.5% of the selling price of the oil and gas. Non-residential assessment rates may be changed by the General Assembly and by the eligible electors at a State-wide election, and any increases would require voter approval pursuant to TABOR. SB 293 temporarily reduces the assessment rates on certain classes of real property; (ii) SB 238 further temporarily reduces the assessment rates and actual value on certain classes of real property in levy years 2023 and 2024; and (iii) SB 303 further temporarily reduces the assessment rates and actual value on certain classes of real property in levy years 2023-2032. *The temporary assessed value and actual value reductions, in addition to all other material provisions of SB 303, are conditioned on voter approval of Proposition HH.*

SB 293. SB 293 classifies agricultural property, lodging property, and renewable energy production property as new subclasses of non-residential property, and temporarily reduces certain non-residential assessment rates. In accordance with SB 293, the assessment rate for lodging property will remain at 29%. SB 293 also provides that the assessment rate for agricultural property and renewable energy production property will be temporarily reduced from 29% to 26.4% for levy years 2022 and 2023, and then indefinitely return to 29% in levy year 2024.

SB 238. SB 238: (i) reduces the assessment rate for lodging property and all property listed by the Assessor under any Improved Commercial Subclass Codes from 29% to 27.9% in

levy year 2023, and reduces the calculation of the actual value of such property by the lesser of: (a) \$30,000 or (b) the amount that reduces the value for assessment to \$1,000; (ii) reduces the assessment rate for all non-residential property other than lodging property, agricultural property, renewable energy production property or property listed by the Assessor under any Improved Commercial Subclass Codes, from 29% to 27.9% in levy year 2023; and (iii) reduces the assessment rate for agricultural property and renewable energy production property from 29% to 26.4% for levy year 2024.

SB 303. All material provisions of SB 303 are conditioned on voter approval of Proposition HH, as described above. SB 303 classifies renewable energy agricultural land as a new subclass of agricultural property, and further temporarily reduces the assessment rates for the various classes of non-residential real property as follows:

Lodging Property. For levy year 2023, the assessment rate is reduced to 27.85%, and the actual value of such property is reduced by the lesser of: (i) \$30,000 or (ii) the amount that reduces the value for assessment to \$1,000. For levy years 2024-2026, the assessment rate is reduced to 27.85% of the actual value thereof. For levy years 2027 and 2028, the assessment rate is reduced to 27.65% of the actual value thereof. For levy years 2029 and 2030, the assessment rate is reduced to 26.9% of the actual value thereof. For levy years 2031 and 2032, the assessment rate is reduced to: (i) 25.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is greater than or equal to 3.7% from the prior tax year; or (ii) 26.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is less than 3.7% from the prior tax year.

Agricultural. For levy years 2023-2030, the assessment rate is reduced to 26.4% of the actual value thereof. For levy years 2031 and 2032, the assessment rate is reduced to: (i) 25.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is greater than or equal to 3.7% from the prior tax year; or (ii) 26.4% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is less than 3.7% from the prior tax year.

Renewable Energy Agricultural Land. For levy year 2023, the assessment rate is reduced to 26.4% of the actual value thereof. For levy years 2024-2032, the assessment rate is reduced to 21.9% of the actual value thereof.

Improved Commercial Subclass. For levy year 2023, the assessment rate is reduced to 27.85%, and the actual value of such property is reduced by the lesser of: (i) \$30,000 or (ii) the amount that reduces the value for assessment to \$1,000. For levy years 2024-2026, the assessment rate is reduced to 27.85% of the actual value thereof. For levy years 2027 and 2028, the assessment rate is reduced to 27.65% of the actual value thereof. For levy years 2029 and 2030, the assessment rate is reduced to 26.9% of the actual value thereof. For levy years 2031 and 2032, the assessment rate is reduced to: (i) 25.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is greater than or equal to 3.7% from the prior tax year; or (ii) 26.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is less than 3.7% from the prior tax year.

All other Non-Residential Real Property. SB 303 also temporarily reduces the assessed value of non-residential real property that is not classified as lodging property, agricultural property, renewable energy agricultural land or improved commercial subclass. For levy year 2023, the assessment rate is reduced to 27.85% of the actual value thereof. For levy years 2024-2026, the assessment rate is reduced to 27.85% of the actual value thereof (excluding vacant property). For levy years 2027 and

2028, the assessment rate is reduced to 27.65% of the actual value thereof (excluding vacant property). For levy years 2029 and 2030, the assessment rate is reduced to 26.9% of the actual value thereof (excluding vacant property). For levy years 2031 and 2032, the assessment rate is reduced to: (i) 25.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is greater than or equal to 3.7% from the prior tax year; or (ii) 26.9% if, for property tax year 2031, the average increase in total valuation for assessment of taxable real property within the 32 counties with the smallest increases in total valuation is less than 3.7% from the prior tax year (excluding vacant property).

In levy year 2033, the assessed value of all non-residential property is set to return to 29%; however, the assessment rates can be further reduced by the Colorado General Assembly. In accordance with SB 303, commencing on and after levy year 2033, if the Colorado General Assembly does not enact legislation to establish valuations for assessment that are less than or equal to the temporarily reduced assessed valuations set forth therein for levy year 2032, for the same classes of property, the State may forfeit its ability to retain and spend excess revenues up to the Proposition HH Cap. No assurance is provided that the non-residential assessment rate will return to 29% in 2033, or in any year thereafter.

In addition to temporary reductions in assessed and actual valuations of certain residential and non-residential property, SB 303 provides for the reimbursement of certain reductions in property tax revenue, limits increases on a local government's property tax revenue, and increases the State's ability to retain and spend excess revenue up to the Proposition HH Cap. For additional information SB 303, see “ – Residential Property – SB 303” above.

Approval of Proposition HH by a majority electors voting is a condition to all material provisions of SB 303. No assurance is provided that a majority of the electors voting will approve Proposition HH. If Proposition HH is not approved SB 238 would govern the temporary reductions in assessed and actual value for levy years 2023 and 2024

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their real property or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property and may petition for a hearing thereon before the City's Board of Equalization. Upon the conclusion of such hearings, the Assessor is required to complete the assessment roll of all taxable property and, no later than August 25th each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15th of each year and, if necessary, the State Board of Equalization orders the Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the State courts or by arbitrators appointed by the County Board of Equalization. On the report of an erroneous assessment, an abatement or refund must be authorized by the County Board of Equalization; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Legislature is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Legislature and the State Board of Equalization by September 15th of the year in which the study is conducted. Subsequently, the State Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the City's assessed valuation may be subject to modification following any such annual assessment study.

Taxation Procedure. The Assessor is required to certify to the City the assessed valuation of property within the City no later than August 25th of each year. If the Assessor makes changes in the valuation for assessment or the total actual value prior to December 10, the Assessor notifies the City of those changes. Subject to the limitations of TABOR, based upon the valuation certified by the Assessor, the City's Budget Office computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the City's property tax, and together with other legally available City revenues, will raise the amount required by the City in its upcoming Fiscal Year. The City subsequently certifies the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15th of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per one thousand dollars of assessed valuation. For example, a mill levy of 25 mills would impose a \$250 tax on a parcel of property with an assessed valuation of \$10,000.

The City Council levies the tax on all property subject to taxation by the City. By December 22nd of each year, levies are presented to City Council for certification. If the City Council fails to so certify, it is the duty of the Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the Assessor of the tax list and warrant to the Treasurer.

The 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.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. 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.

All taxes levied on property, together with interest thereon and penalties for default, as well as all other costs of collection, constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It is the Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property.

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. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. When any real property has been stricken off to a county and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the City Council after that time.

Overlap with Tax Increment Authorities. State law allows the formation of public highway authorities. Pursuant to statute, the board of directors of a public highway authority is entitled to designate areas within the authority's boundaries as "value capture areas" to facilitate the financing, construction, operation or maintenance of highways constructed by the authority; an authority is entitled to capture a portion of the property taxes in such an area to support these purposes. No public highway authority exists in the City.

Similarly, the State law allows the formation of urban renewal authorities and downtown development authorities in areas which have been designated by the governing bodies of municipalities as blighted areas. The City has formed the Denver Urban Renewal Authority, which includes numerous redevelopment areas. With respect to the property included in the boundaries of such districts (or within any urban renewal authority redevelopment area or downtown development authority created in the future and subject to a renewal plan), the assessed valuation of such property that is taxable does not change from the amount existing in the year prior to the adoption of the plan (except that it adjusts in the reassessment years proportionally to the increase or decreases due to market changes within the district). Any increase above the "base" amount is paid to the applicable authority. See Table 10 - Property Valuations, Tax Levies and Collections-Last Five Years below for information on the assessed valuation attributable to the existing increment districts.

Property Tax Data

Table 9 sets forth the mill levies for the City, School District No. 1, and the Urban Drainage and Flood Control District for the last five levy years. See “DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities” for a discussion of mill levies attributable to other taxing entities which overlap or partially overlap the boundaries of the City.

Table 9
City and County of Denver
City-Wide Mill Levies - Direct and Overlapping Governments⁽¹⁾
 (By Assessment Year)

<u>Taxing Entity</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
City and County of Denver:					
General Fund	7.869	7.451	7.897	7.911	8.137
Bond Principal Fund	7.000	4.500	5.500	5.500	4.250
Bond Interest Fund	1.433	2.000	1.000	1.000	2.250
Social Services	3.374	2.479	2.627	2.586	2.618
Developmentally Disabled	1.009	1.011	1.011	1.009	1.012
Fire Pension	1.183	1.042	1.041	1.039	1.052
Police Pension	1.411	1.243	1.242	1.238	1.255
Capital Maintenance ⁽²⁾	2.525	2.528	2.528	2.513	2.517
Capital Improvement	2.053	1.809	1.921	1.909	1.934
Affordable Housing ⁽³⁾⁽⁴⁾	0.444	0.392	0.417	0.415	0.421
Library ⁽⁵⁾	--	--	--	--	<u>1.500</u>
TOTAL DENVER MILL LEVY	<u>28.301</u>	<u>24.455</u>	<u>25.184</u>	<u>25.120</u>	<u>26.946</u>
School District No. 1	48.244	46.664	48.011	48.498	51.579
Urban Drainage and Flood Control District ⁽⁶⁾	<u>0.820</u>	<u>0.997</u>	<u>1.000</u>	<u>1.000</u>	<u>1.000</u>
TOTAL MILL LEVY:	<u>77.365</u>	<u>72.116</u>	<u>74.195</u>	<u>74.618</u>	<u>79.525</u>

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

- (1) The columnar heading shows the year for which property is assessed and property taxes are levied. Taxes are collected the following year. The table excludes certain overlapping government entities that impose mill levies in certain discrete portions of the City, but whose boundaries are not co-terminus with the City’s boundaries. For Overlapping Taxing Districts with General Obligation Debt, see Table 15 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.
- (3) In 2016, in addition to an affordable housing linkage fee applicable to new construction, the City Council approved a dedicated mill levy to support affordable housing development and preservation, for collection beginning on January 1, 2017. See footnote 4 below for affordable housing information.
- (4) In August 2018, the City Council approved a new revenue framework for Affordable Housing by increasing the special sales tax on recreational marijuana by two percent (2%), effective October 1, 2018, and depositing such revenue into the Affordable Housing Fund. The City then entered into a new Intergovernmental Agreement with Denver Housing Authority (“DHA”) pursuant to which DHA will develop and deliver certain affordable housing units and the City will make an annual payment to DHA of the property tax revenues derived from the current affordable housing mills, subject to annual appropriation, from the Affordable Housing Fund for a period of 20 years.
- (5) In the November 2022 Election, voters approved 1.5 mills to create a dedicated funding stream for Denver Public Library. The funding will be used to maintain services and meet increased demand for additional services including: increased pay for librarians and staff, increased technology support, enhanced programs and services for children, youth, older adults, communities of color, and vulnerable groups like immigrants and refugees, expanding resources for those in the job market, returning library branches from reduced hours to normal schedules, extending hours, and expanding the collection of books, media, and other popular items to reduce wait times.
- (6) Urban Drainage and Flood Control District is now doing business as “Mile High Flood District.”

Source: Department of Finance.

Table 10 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. Information about the assessed valuation of various tax increment districts is found in footnote 2 to Table 10; the City does not realize the revenue from incremental property taxes attributable to the assessed value of tax increment districts. Collection data in the table is reported as of December 31, 2022, unless otherwise indicated.

Table 10
Property Valuations, Tax Levies and Collections - Last Five Years
(\$ in millions)

ACTUAL AND ASSESSED VALUATION:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Statutory Actual Valuation (est.) ⁽¹⁾	<u>\$139,408</u>	<u>\$171,450</u>	<u>\$166,203</u>	<u>\$187,562</u>	<u>\$189,065</u>
Assessed Valuation:					
Real Property – Land	5,631	7,474	7,375	8,612	8,462
Real Property – Improvement	10,428	12,731	13,217	13,227	13,043
Personal Property	918	989	970	817	851
Public Utilities	<u>948</u>	<u>914</u>	<u>966</u>	<u>873</u>	<u>879</u>
Total Assessed Valuations ⁽²⁾	<u>\$17,925</u>	<u>\$22,108</u>	<u>\$22,528</u>	<u>\$23,529</u>	<u>\$23,236</u>
Total Assessed Valuation					
Percentage Change ³	2.15%	23.34%	1.90%	4.44%	-1.25%
LEVIES AND COLLECTIONS:⁽⁴⁾⁽⁵⁾					
Taxes Levied:	<u>\$433,101</u>	<u>\$460,127</u>	<u>\$484,545</u>	<u>\$552,901</u>	<u>\$582,902</u>
Total Collections	<u>\$429,024</u>	<u>\$454,889</u>	<u>\$477,826</u>	<u>\$542,444</u>	N/A
Total Collections at Year End (as Percentage of Original Levy)	99.06%	98.86%	98.61%	98.11%	N/A

- (1) State statutes establish property valuation methods with actual valuation representing estimated appraisal value before the respective assessment ratios are applied. In general, an income and expense value are 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: \$1,044,702,284 for levy year 2018, \$1,385,827,342 for levy year 2019, \$1,436,368,493 for levy year 2020, \$1,487,097,505 for levy year 2021, and \$1,470,082,495 for levy year 2022. 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. See “Property Taxation – Determination of Statutory Actual Value” and Table 8 above.
- (4) The columnar headings show the years for which property taxes have been assessed and levied. Taxes shown in a column are actually collected in the following year. For example, property taxes levied in 2022 are collected in 2023.
- (5) Total collections represent City retained collections; therefore, figures do not include mills levied for the Fire Pension and Police Pension funds, School District No.1 or Urban Drainage and Flood Control District (now doing business as Mile High Flood District).

Source: Department of Finance.

The City’s 2022 assessed valuation (for collection of taxes in 2023) is \$23,235,806,840 (including \$1,470,082,495 of assessed valuation attributable to the tax increment districts located within the City’s boundaries).

Assessed Valuation of Major Taxpayers

Table 11 lists the major property taxpayers based on assessed valuations for the 2022 assessment year.

Table 11
City and County of Denver Major Property Taxpayers - Assessed Valuations 2022
(For Collection in 2023) (\$ in thousands)

<u>Name</u>	<u>Business</u>	<u>Assessed Valuation</u>	<u>Percentage of City's Total Assessed Valuation⁽¹⁾</u>
Brookfield Office Properties	Real Estate	\$475,327	2.05%
Public Service Co	Utility	311,649	1.34
Beacon Capital Partners	Real Estate	174,799	0.75
Hines Securities Inc	Real Estate	159,335	0.69
Kroenke Sports Enterprises	Real Estate	147,044	0.63
Invesco Realty Advisors Inc	Real Estate	146,295	0.63
Franklin Street Properties	Real Estate	135,197	0.58
Columbia-Healthone	Health Care	116,656	0.50
Simon Property Group	Real Estate	114,910	0.49
ProLogis	Real Estate	<u>103,715</u>	<u>0.45</u>
TOTAL:		<u>\$1,884,928</u>	<u>8.11217%</u>

(1) Based on a 2022 assessed valuation of \$23,235,806,840. This includes the assessed valuation that generates tax increment revenues, a portion of which are paid to DURA or DDDA and are not retained by the City. See “DEBT STRUCTURE OF THE CITY – Overlapping Debt and Taxing Entities.”

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

Constitutional Revenue, Spending and Debt Limitations

Taxpayer’s Bill of Rights. 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 (“Measure 2A”) that permanently removed all TABOR restrictions described above regarding the collection and retention of all taxes. Effective January 1, 2013, 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 Public Health and Environment, and City-owned golf courses.

Pension Plans

The City's career service employees are covered under the Denver Employees Retirement Plan ("DERP"). Employees of the police department and the fire department are covered by separate retirement plans affiliated with and administered by the Fire and Police Pension Association ("FPPA"). DERP's pension plan and the FPPA Plans are described below and at Note F in the "Other Note Disclosures" section in the City's audited basic financial statements included in APPENDIX D.

Denver Employees Retirement Plan. The following information is from the independently audited 2022 Annual Comprehensive Financial Report of DERP (the "DERP 2022 ACFR") 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 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. As a participating employer, DHHA added DHHA employees as new members to the DERP plan. As of January 1, 2001, DHHA closed DERP to new members. DHHA makes contributions to DERP to fund the pension liabilities owed to DHHA members of DERP. As of 2021, DHHA has approximately 240 employees upon which DHHA's pensionable payroll is determined for contributions. DHHA makes supplemental contributions to DERP for its portion of the Unfunded Actuarial Liability (UAL) which are not based on pensionable payroll. UAL supplemental contributions commence in the fiscal year 2023.

DERP membership consisted of the following as of December 31, 2021 and 2022.

Denver Employees Retirement Plan Membership

	<u>2021</u>	<u>2022</u>
Retirees and beneficiaries currently receiving benefits	10,690	10,895
Terminated employees entitled to benefits but not yet receiving such benefits	3,550	3,703
Current employees:		
Vested	5,136	5,064
Non-vested	<u>3,615</u>	<u>4,164</u>
TOTAL	<u>22,991</u>	<u>23,826</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. As illustrated by the table below, there were no contribution requirement changes in January 2016 or 2017. Effective as of the first payroll after January 1, 2019, the City contribution was increased to 13.00%. The employee contribution was increased to 8.50%. Effective as of the first payroll after January 1, 2020, the City contribution was increased to 15.75%. The employee contribution was increased to 9.25%. Effective as of the first payroll after January 1, 2021, the City contribution was increased to 16.75% and the employee contribution rate decreased to 8.85%. Effective January 1, 2023 the City contribution rate increased to 17.95% and the employee contribution rate decreased to 8.45%. In light of the DHHA shrinking pensionable payroll, the City modified DERP to add a new supplemental contribution for the participating employer. The supplemental contribution is to include the difference in the normal cost of benefits for current employees of the participating employer and amortization of the unfunded actuarial liability attributable to current or former employees of the participating employer, as actuarially determined. Additional changes 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 or is pending with the City Council.

	January 1, <u>2018</u>	January 1, <u>2019</u>	January 1, <u>2020</u>	January 1, <u>2021</u>	January 1, <u>2022</u>	January 1, <u>2023</u>
City Contribution	12.50%	13.00%	15.75%	16.75%	16.75%	17.95%
Employee Contribution	<u>8.00</u>	<u>8.50</u>	<u>9.25</u>	<u>8.85</u>	<u>8.85</u>	<u>8.45</u>
Total	20.50%	21.50%	25.00%	25.60	25.60	26.40

The total net plan assets were \$2,829,319,759 and \$2,469,967,185 as of December 31, 2021 and December 31, 2022. As of January 1, 2022, the date of the last verifiable actuarial valuation, 61.2% of the plan's actuarial accrued liabilities were funded by actuarial value of assets. Due to 2023 being an experience study year, the 2023 valuation results are not yet known. That valuation is to be presented at the DERP July meeting incorporating assumption changes approved with the 2023 experience study., respectively. According to the DERP 2022 ACFR, as of January 1, 2022, 61.7% of the plan's actuarial accrued liabilities were covered by actuarial value of assets. As of January 1, 2023, the date of the last actuarial valuation, 60.32% of the plan's actuarial accrued liabilities were funded by actuarial value of assets.

In late 2019, DERP discovered two errors related to statutory benefit limitations that were not being properly applied, leading to two separate operational noncompliance failures. In both cases, the Internal Revenue Code ("IRC") and Revised Municipal Code of the City and County of Denver ("DRMC") specifically prohibited DERP from paying certain benefits that were paid.

The first error related to IRC Sec. 401(a)(17), which limits the amount of compensation that can be used by a qualified plan for calculating pension benefits. DERP discovered that this limitation

was being acknowledged, but not used to limit benefits. This error affected one former City employee and forty former Denver Health and Hospital Authority (“DHHA”) employees.

The second error related to IRC Sec. 415(b), which limits the total amount of pension benefits a qualified plan can pay to any individual retiree in any given year. Since 2006, DERP has had a valid IRC Sec. 415(m) governmental excess benefit arrangement which can be used to pay benefits in excess of the IRC Sec. 415(b) limits. However, DERP had never secured separate funding for the excess benefit arrangement, as required by IRC Sec. 415(m), and had paid excess benefits from the qualified plan trust. Excess benefits were paid to former DHHA employees only (no former City employees).

DERP has taken steps towards rectifying these errors and has filed a Voluntary Correction Program (“VCP”) application with the IRS to correct both errors. DERP received the final signed compliance statement back from the IRS in August 2021, effectively successfully exiting the VCP program.

In 2021, DERP introduced to City Council a recommendation to lower the prospective interest rate credited to both Deferred Retirement Option Plans, which recommendations were adopted by Ordinance in July of 2021. DERP also made a recommendation that the IRC section 401(a)(17), which applied as a matter of law, be expressly included in the Denver Revised Municipal Code. The latter recommendation was adopted by City Council via separate Ordinance in July of 2021.

On December 21, 2020, City Council passed a reduction of the Assumed Rate of Return from 7.5% to 7.25% to better reflect future return expectations and the current investment environment. The change went into effect on January 1, 2021.

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

The City’s unaudited contributions to FPPA Old Hire Plans, for the years ended December 31, 2022, 2021, and 2020, were \$27,934,000, \$27,934,000, and \$26,051,000, respectively. For FPPA, covered employees under the New Hire Plan contribute at the rate of at least 8% of base salary. The City also made unaudited contributions for the years ended December 31, 2022, 2021, and 2020, to the New Hire Plan, in the amounts of \$22,013,000, \$19,818,000, and \$19,528,000, respectively. Due to the implementation of the provisions of GASB 68 in 2015, the funded status of the FPPA Old Hire and New Hire Plans will no longer be disclosed. For additional information on the implementation of GASB 68, refer to the City’s 2015 ACFR.

Other Post-Employment Benefits

In addition to the pension benefits described above, the City provides health insurance benefits to eligible retirees and their qualifying dependents. Current and retired employees participate in the same group plans with blended premium rates creating an implicit benefit for the retirees in the plans. The City’s contribution toward the implicit rate subsidy is based on pay-as-you-go funding for the retirees.

The plans for eligible DERP and FPPA retirees are described below and at Note F in the “Other Note Disclosures” section of the City’s 2022 ACFR.

DERP OPEB Plan. DERP retirees are responsible for 100% of the blended premium rate. They may choose to use their health benefit toward the premium costs. The health benefit associated with the DERP pension provides monthly health insurance premium reduction of \$12.50 per year of service for retired participants not eligible for Medicare and \$6.25 per year of service for retirees eligible for Medicare. According to the DERP 2022 ACFR, 47.7% of the plan’s accrued, OPEB liabilities were covered by valuation assets. Per DERP’s Actuarial Valuation dated January 1, 2022, 47.7% of the plan’s accrued, OPEB Retiree Medical Plan liabilities were covered by actuarial valuation assets. Due to 2023 being an experience study year, the 2023 valuation results are not yet known. That valuation is to be presented at the DERP July meeting incorporating assumption changes approved with the 2023 experience study.

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 at a lower interest rate, Denver voters must approve general obligation debt prior to issuance. Under the 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 November 2017 election, the City’s voters approved seven general obligation ballot measures collectively known as the “Elevate Denver Bond Program”, authorizing debt in the aggregate principal amount of \$937,418,500. Pursuant to the 2017 election authorization, in June 2018, the Series 2018A Bonds were issued in the principal amount of \$193,000,000, in May 2019, the Series 2019A Bonds were issued in the principal amount of \$81,910,000, in November 2019, the Series 2019C Bonds were issued in the principal amount of \$117,265,000, in December 2020, the Series 2020A Bonds were issued in the principal amount of \$169,925,000, and in May 2022, the Series 2022A Bonds were issued in the principal amount of \$246,080,000. Following issuance of the Series 2022A Bonds in May 2022, \$129,238,500 in debt authorization under the November 2017 election remains.

At the November 2021 election, the City’s voters approved five general obligation ballot measures collectively known as the “RISE Denver Bonds Program”, authorizing debt in the aggregate

principal amount of \$260,030,000. Pursuant to the November 2021 election authorization, in May 2022, the Series 2022B and Series 2022C Bonds were issued in the principal amount of \$81,710,000 and \$38,600,000, respectively. Following issuance of the Series 2022B and Series 2022C in May 2022, \$139,720,000 in debt authorization under the November 2021 election remains.

Table 12 sets forth the computation of the general obligation debt margin of the City as of December 31, 2022.

Table 12
Computation of the General Obligation Debt Margin
(\$ in thousands)

TOTAL ESTIMATED ACTUAL VALUATION – December 31, 2022	<u>\$189,064,566</u>
Maximum general obligation debt, limited to 3% of actual valuation	5,671,937
Less outstanding bonds chargeable to limit ⁽¹⁾	<u>999,625</u>
LEGAL DEBT MARGIN – December 31, 2022	<u>\$4,672,312</u>

(1) This figure represents outstanding gross principal of the City's General Obligation Bonds.

As of December 31, 2022, the City had outstanding general obligation bonds in the aggregate principal amount of \$999,625,000, which does not include accrued interest of \$5,597,576 on certain capital appreciation bonds.

General Obligation Bonded Debt

Table 13 lists the City's outstanding general obligation bonded debt as of December 31, 2022.

Table 13
Outstanding General Obligation Debt
(\$ in thousands)

<u>Issue</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
General Obligation Better Denver, Series 2013A	\$120,925	\$22,000
General Obligation Justice System Refunding Bonds, Series 2013B1-2 ⁽¹⁾	137,435	46,810
General Obligation Better Denver Bonds (Denver Mini-Bond Program), Series 2014A ⁽²⁾	12,000	12,000
General Obligation Elevate Denver Bonds, Series 2018A	193,000	60,720
General Obligation Justice System Facilities Refunding Bonds, Series 2018B	67,905	36,430
General Obligation Elevate Denver Bonds, Series 2019A	81,910	67,910
General Obligation Better Denver and Zoo Refunding Bonds, Series 2019B	50,140	26,905
General Obligation Elevate Denver Bonds, Series 2019C	117,265	25,790
General Obligation Elevate Denver Bonds, Series 2020A	169,925	145,500
General Obligation Better Denver Refunding Bonds, Series 2020B	222,700	218,645
General Obligation Elevate Denver Bonds, Series 2022A	246,080	226,460
General Obligation RISE Denver Bonds, Series 2022B	81,710	80,560
General Obligation RISE Denver Bonds, Series 2022C	<u>38,600</u>	<u>29,895</u>
TOTAL:	<u>\$1,539,595</u>	<u>\$999,625</u>

(1) Direct bank placement; no official statement prepared.

(2) Amount excludes \$5,597,576 of compound interest on the Series 2014A Capital Appreciation Bonds.

Source: Department of Finance.

Table 14 sets forth certain debt ratios based on the City's actual and assessed valuations and general obligation bonded debt as of December 31, 2022.

Table 14
Summary of Direct and Overlapping General Obligation Bonded Debt
(\$ in thousands)

Total Direct General Obligation Bonded Debt	\$999,625
Overlapping General Obligation Bonded Debt ⁽¹⁾	\$2,103,812
Total Direct and Overlapping General Obligation Bonded Debt	<u>\$3,103,437</u>
Actual Valuation	\$189,064,566
Assessed Valuation ⁽²⁾	\$23,235,807

- (1) As of December 31, 2021. 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⁽¹⁾

	2022		
	Actual Valuation	Assessed Valuation	Per Capita⁽²⁾
Total Direct G.O. Bonded Debt	0.53%	4.30%	\$1,386
Total Direct and Overlapping G.O. Bonded Debt	1.64%	13.36%	\$4,303

- (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 2022 population projection from the State Demography Office of 725,109. The 2022 ACFR presents a population estimate from the U.S. Census Bureau of 715,252

Source: Department of Finance.

Overlapping Debt and Taxing Entities

Except for the information contained in subsection titled "Other Overlapping Taxing Districts," the following information as of December 31, 2022 has been supplied by the overlapping entities described below and the City has not attempted to verify the accuracy thereof or update such information for developments that occurred in 2023. The City makes no representation as to the accuracy, truthfulness or completeness of information contained in this section except for the information contained in subsection titled "Other Overlapping Taxing District."

School District No.1 in the City and County of Denver. School District No. 1 (the "School District") has identical boundaries with the City. In 2020, the School District authorized \$795 million in bonds. As of December 31, 2022, the School District has \$2,103,812,000 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, 2022, the aggregate principal amount of such certificates outstanding was \$896,985,000. 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 Water Recovery (formerly known as “Metro Wastewater Reclamation District”). Metro Water Recovery, formerly known as Metro Wastewater Reclamation District (the “Metro”), a governmental and political subdivision of the State, was organized in 1961 and currently includes the City and numerous other adjacent municipal units. Each municipal unit presently owns and operates a sewer system and voluntarily became part of Metro in order to construct and operate a sewage disposal system in the Denver metropolitan area. Under service contracts with Metro, each municipal unit is obligated to pay Metro for the costs of services rendered (including debt service) based on usage of Metro’s facilities. Each municipal unit imposes taxes or charges sufficient to fund its share of Metro costs.

The City is meeting its obligation to the Metro from a sewer service charge collected from the System’s users. The Metro assessed the City charges of \$52,402,141 for 2022. The Metro had outstanding \$595,320,000 aggregate principal amount of bonds as of December 31, 2022.

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 boundaries 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, 2022, approximately \$2,342,920,000 of FasTracks debt was outstanding. RTD also had \$17,760,000 of principal outstanding on non-FasTracks debt and \$454,003,000 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, doing business as Mile High Flood District (the “Flood Control 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 Flood Control District was established to provide flood control and drainage facilities for the areas within the Flood Control District. The Flood Control 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 Flood Control District has no outstanding bonded indebtedness. Projects undertaken by the Flood Control District to date have been financed from ad valorem taxes, local government matching contributions and grants. In 2017 the Flood District created a Development Service Enterprise where the Flood District manages projects for regional drainage improvements required as part of the development and paid for by the developer.

Other Overlapping Taxing Entities. The Denver Tourism Improvement District (“TID”) is an overlapping tax district. At an election held in 2017, certain hoteliers in Denver approved the creation of the TID, which imposes an additional hotel and lodger’s tax of 1.0% on every hotel within the City limits with 50 or more rooms. The purpose of the additional lodger’s tax is to contribute to an increase in

marketing services provided by Visit Denver and to contribute to tourism-related capital improvements, including improvements at the Colorado Convention Center. Collection of this tax started January 1, 2018.

Additionally, there are a number of partially overlapping taxing districts, whose boundaries overlap the City or portions thereof, having general obligation debt in amounts which do not materially affect the ability of the City to pay debt service on its general obligation bonds. Assessed valuation and bond mill levy information for those taxing districts with general obligation debt outstanding as of December 31, 2022 is provided in the following table.

Additionally, 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, 2021, is provided in Table 15.

Table 15
City and County of Denver Overlapping Taxing Districts with General Obligation Debt
Year Ending December 31, 2022

<u>Taxing District</u>	<u>Assessed Valuation Attributable to Denver</u>	<u>% of Total Denver Assessed Value</u>	<u>2022 Mill Levy⁽⁴⁾</u>
9th Ave. Metro No 2 ⁽²⁾⁽³⁾	\$24,968,580	0.11%	34.000
9th Ave. Metro No 3 ⁽²⁾⁽³⁾	20,609,460	0.09	12.500
2000 Holly Metro	1,624,110	0.01	50.336
Aviation Station Metro No 2 ⁽²⁾	12,717,930	0.05	60.000
Aviation Station Metro No 3 ⁽²⁾	7,838,920	0.03	65.825
Aviation Station Metro No 4 ⁽²⁾	370	0.00	13.000
Aviation Station Metro No 5 ⁽²⁾	1,070,670	0.00	10.000
Bellevue Station Metro No 2 ⁽²⁾	96,855,950	0.42	33.000
Boulevard at Lowry Metro	11,710,780	0.05	25.000
Bowles Metro ⁽¹⁾	36,454,750	0.16	40.000
Broadway Park North Metro No 2 ⁽²⁾	28,433,730	0.12	54.155
Broadway Station Metro No 2 ⁽²⁾	10,267,190	0.04	61.000
Broadway Station Metro No 3 ⁽²⁾⁽³⁾	4,964,730	0.02	61.000
CCP Metro No 1 ⁽¹⁾⁽³⁾	6,642,630	0.03	43.000
Central Platte Valley Metro ⁽²⁾⁽³⁾	368,636,510	1.59	21.000
Central Platte Valley Metro (debt) ⁽²⁾	88,404,250	0.38	8.000
Cherry Creek North Business Improvement District	372,507,190	1.60	17.642
Colo. Int. Center Metro No 13 ⁽²⁾	5,156,910	0.02	82.545
Colo. Int. Center Metro No 14 ⁽²⁾	34,802,630	0.15	76.689
Denargo Market Metro No 2 ⁽²⁾	34,458,460	0.15	46.105
Denver Connection West Metro	17,932,490	0.08	92.625
Denver Gateway Center Metro	14,968,650	0.06	52.866
Denver Gateway Meadows Metro	1,260	0.00	50.000
Denver Intl. Bus. Ctr Metro No 1	52,261,980	0.22	47.000
DUS Metro No 2 ⁽²⁾⁽³⁾	124,482,760	0.54	22.368
DUS Metro No 3 ⁽²⁾⁽³⁾	7,716,630	0.03	22.368
Ebert Metro ⁽²⁾	139,861,880	0.60	53.600
Ebert Metro (debt) ⁽²⁾	16,154,300	0.07	29.350
First Creek Village Metro	10,947,080	0.05	77.669
Gateway Regional Metro	189,924,560	0.82	16.000
Goldsmith Metro ⁽¹⁾	400,562,770	1.72	7.500

Table continued on following page:

Loretto Heights Metro No 2	420,220	0.00	65.000
Loretto Heights Metro No 3	1,638,390	0.01	65.000
Loretto Heights Metro No 4	1,500,020	0.01	65.000
Midtown Metro	33,598,510	0.14	40.000
Mile High Business Center Metro	34,530,350	0.15	26.391
RiNo General Improvement District ⁽³⁾	345,061,170	1.49	4.000
River Mile Metro No 2	21,453,430	0.09	40.000
River Mile Metro No 3	1,547,800	0.01	60.000
Sand Creek Metro ⁽¹⁾⁽²⁾	45,364,070	0.20	22.750
Sand Creek Metro (debt) ⁽¹⁾⁽²⁾	23,617,860	0.10	16.000
SBC Metro ⁽³⁾	121,242,840	0.52	22.000
South Sloan's Lake Metro No 2 ⁽²⁾⁽³⁾	44,820,260	0.19	37.672
Southeast Public Improvement Metro ⁽¹⁾	380,682,730	1.64	2.000
Valley Sanitation District ⁽¹⁾	20,394,810	0.09	2.865
West Globeville Metro No 1	30	0.00	50.000
West Lot Metro No 1	45,280,470	0.19	8.000
West Lot Metro No 2	9,575,000	0.04	30.000
Westerly Creek Metro ⁽²⁾	744,475,420	3.20	61.785
Special District Total Assessed Value	\$4,018,143,490	17.29%	
Denver Total Assessed Value⁽³⁾	\$23,235,806,840		

(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 Department of Finance, Department of Finance

City Discretionary Support Payments

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

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

Denver Urban Renewal Authority Contingent and Discretionary Payments. The Denver Urban Renewal Authority ("DURA") has issued several series of tax increment revenue bonds secured by certain DURA tax increment revenues. With respect to one series of bonds (the "2010B-1 Bonds"), the City entered into a services agreement with DURA pursuant to which the City's Manager of Finance agreed to request that the City Council consider appropriating funds to replenish the reserve fund for the 2010B-1

Bonds in an amount not to exceed the maximum annual debt service payments (with a maximum of \$12 million) to the extent that DURA's pledged revenues are not sufficient to pay debt service and amounts drawn from the reserve fund for the on the 2010B-1 Bonds. The City Council's decision to appropriate such funds is solely in the City Council's discretion. The 2010B-1 Bonds mature on December 1, 2025 and were outstanding in the aggregate principal amount of \$24,975,000 as of December 31, 2022. The City Council has never been requested to appropriate funds under the services agreement.

National Western Center Authority Contingent Commitment Agreement Payments. The National Western Center Authority (the "Authority") is a Colorado non-profit corporation formed pursuant to a Framework Agreement, dated September 28, 2017, by and among the City, the Colorado State University System, and the Western Stock Show Association, for the purpose of operating and maintaining the National Western Center Campus located in Denver, Colorado (the "Campus"). The Authority has entered into a Campus Energy Agreement, dated July 30, 2020 (the "CEA"), with EAS Energy Partners, LLC ("EAS"), whereby EAS has agreed to design, build, finance, operate and maintain a district energy system serving the Campus for a primary term of forty (40) years. Pursuant to that certain Contingent Commitment Agreement, dated July 30, 2020, between the City and the Authority (the "CCA"), the City has provided a contingent commitment to make payments to a designated remittance account with respect to monetary obligations of the Authority arising under the CEA. The City's obligations under the CCA are contingent upon the occurrence of a shortfall in revenue to the Authority sufficient to make payments due under the CEA. The Authority's scheduled payments under the CEA, and any shortfall-related payments from the City under the CCA, if required, would not be made until 2022 at the earliest. Any payments made by the City under the CCA are subject to appropriation by the City. Any funds advanced by the City under the CCA constitute an interest-bearing loan from the City to the Authority subject to repayment terms set forth in the CCA.

Lease Purchase Agreements

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

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, 2022, are summarized in Table 16.

Table 16
Schedule of Certificated Lease Purchase Transactions and Release Dates⁽¹⁾

<u>Series</u>	<u>Outstanding Principal Amount</u>	<u>Leased Property</u>	<u>Date Lease Property Scheduled to be Acquired</u>
2008A1-A3	\$159,354,000	Wellington E. Webb Office Building ¹	December 1, 2031
2012C1-C3 ⁽²⁾	19,005,000	Denver Properties Leasing Trust	December 1, 2031
2013A	5,125,000	Buell Theatre	December 1, 2023
2015A	14,470,000	Blair-Caldwell African American Research Library, Fire Station Nos. 18, 19, and 22	December 1, 2034
2017A	9,720,536	Denver Botanic Gardens Parking Facility	December 1, 2028
2018A	122,370,000	Colorado Convention Center Expansion Project	June 1, 2048
2020A1-A2 ⁽³⁾	17,605,000	Central Platte Campus	December 1, 2030
TOTAL	<u>\$347,649,536</u>		

(1) The Series 2023 Certificates are not included.

(2) The Wellington E. Webb Office Building Certificates of Participation, Series 2008A1-A3, have associated swaps that are indexed to the one-month LIBOR rate. The phase out of the overnight, one-month, three-month, six-month, and 12-month LIBOR rate was extended from the end of 2021 to June of 2023. The City will take mitigating actions prior to the 2023 deadline. **[UPDATE]**

(3) Direct bank placements; no official statement prepared.

Source: Department of Finance.

Non-Certificated Lease Purchase Agreements

The City may also enter into non-certificated capital lease purchase arrangements for the lease purchase of real property and equipment. As of December 31, 2022, the City was the lessee under various other capitalized lease agreements for the lease purchase of equipment outstanding in the principal amount of \$43,554,846.17 compared to \$28,737,811 as of December 31, 2021. At the end of the final term of such leases, the City expects to own the equipment that is the subject of such leases. Such leases do not constitute general obligations or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitations.

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, 2022, the City's Airport Enterprise had \$7,539,325,000 of airport system revenue bonds and airport system subordinate bonds outstanding. Of this total, \$110,755,000 represents variable rate debt.

As of December 31, 2022, the City had dedicated tax revenue and dedicated tax revenue refunding bonds outstanding in the aggregate principal amount of \$833,089,984.

As of December 31, 2022, the City had Wastewater Enterprise Revenue Bonds outstanding in the aggregate principal amount of \$212,670,000.

As of December 31, 2022, the City had no Golf Enterprise Revenue Bonds outstanding.

CYBERSECURITY

Local governments, including the City's agencies and their partners, routinely collect and store various regulated and sensitive data sets. These include intellectual property, proprietary business information, client information, vendor data, personally identifiable information, protected health information, criminal justice information, and other regulated data. The secure processing, maintenance, and transmission of this information are crucial for efficient City operations. However, despite implementing security measures, there is a vulnerability of information technology and City infrastructure to network attacks, which may result in disruption, unauthorized access, public disclosure, loss, or misuse of stored information.

Cybersecurity incidents can occur due to unintentional events, such as breaches caused by employee errors, or deliberate attacks by unauthorized entities or individuals seeking to gain access to the City's computer networks. These attacks may have various objectives, including misappropriation of assets or information, operational disruption, and damage to the City's systems. Additionally, cybersecurity breaches can severely disrupt the City's operations and its ability to provide essential government services. Any disruption, unauthorized access, disclosure, or loss of information can expose the City to litigation and legal risks, leading to financial costs associated with legal claims or proceedings. Furthermore, the City may face liability under laws that protect the privacy of personal information, regulatory penalties, disruption in service delivery, and a loss of public trust in the City's ability to maintain the privacy and security of its collected data.

To mitigate risk, the City maintains a robust security posture to deter cybersecurity attacks and is dedicated to responding effectively to minimize their impact on operations. The City's cybersecurity and operational safeguards undergo consistent testing to ensure their effectiveness. Additionally, the City has obtained a cyber liability insurance policy that may offset significant costs associated with a cyber-attack. To promote a culture of cybersecurity awareness, the City ensures that all employees and relevant stakeholders receive regular cybersecurity awareness training, at least quarterly, covering topics such as phishing, password security, and safe browsing habits. The City has established clear guidelines for handling sensitive data and promotes a culture of security-conscious behavior. This required training equips employees with the knowledge and skills necessary to identify and mitigate potential cybersecurity risks. Furthermore, the City has implemented a stringent technology intake process to ensure that all partners meet evolving technology specific industry standards, thereby reducing the risk of a security incident.

The City has developed a risk management framework to prioritize and address identified risks effectively and has implemented appropriate controls, safeguards, and monitoring mechanisms to mitigate risks. To this end, the City has established a reporting system for suspicious emails, enabling prompt identification and mitigation of potential threats. Moreover, the City maintains a comprehensive record management system to minimize the volume of data stored, reducing the potential impact of a breach. The City conducts regular risk assessments to identify potential vulnerabilities and threats to the City's information systems and data. The City also has implemented strong authentication mechanisms, such as multi-factor authentication, for accessing City systems and information. The City regularly provides for network and system security by maintaining up-to-date antivirus, anti-malware, and intrusion detection/prevention systems on all devices and network infrastructure.

Despite the City's vigilance and its significant efforts to implement citywide security measures, no guarantee can be provided that all cybersecurity attacks will be prevented. In the event of a

successful attack, there is a possibility of a material adverse effect on the City's operations and financial condition, as well as the operations of its partners.

LEGAL MATTERS

Litigation and Other Legal Proceedings

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

For Fiscal Year 2023, the City Attorney's office received an appropriation of approximately \$2.0 million in addition to any unspent amounts from the 2022 appropriation. The City anticipates additional claims could be filed that may require a request for the City Council to transfer additional funds into the claims account in excess of the amounts described above.

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.

Adams County Litigation. Related to the Airport Enterprise, the County of Adams, Colorado ("Adams County"), the county from which much of the land for the Denver International Airport ("Airport") was annexed into the City, entered into an Intergovernmental Agreement on a New Airport, dated April 21, 1988 (the "Adams County IGA") that, among other things, governs land use in and around the Airport and establishes maximum levels of noise (the "Noise Standards"). On November 15, 2017, the City received a Notice of Default letter from Adams County, the City of Aurora, the City of Commerce City, the City of Brighton and the City of Thornton (the cities in which the property affected by the noise violations asserted by Adams County is located) (collectively, the "Claimants") which alleged a variety of noise claims.

On June 19, 2020 the Court issued a ruling (the "Ruling") finding, among other things, (i) that the Adams County IGA requires installation of a noise monitoring system as opposed to a noise modeling system, as the ARTSMAP system does not measure actual noise levels and is not a noise monitoring system, and (ii) the City is liable to Adams County for liquidated damages in the amount of \$500,000 for each of the 67 uncured Class II Violations from 2014 through 2016 for a total of \$33,500,000, plus interest, in liquidated damages. The City general fund is not responsible for payment of these claims and payment will be made from the airport enterprise, even should the Ruling be upheld following appeal.

Pursuant to the Ruling, the City will be required to make changes in its noise monitoring program and may need to make changes to the operations of the Airport and flight procedures that could materially adversely affect Net Revenues. An amendment to the Ruling was issued on September 1, 2020 in which the Court ruled on the City's post-trial motions, denying the City's request for claim preclusion, and calculating pre-trial interest. The total Amended Judgment with Prejudgment Interest is calculated as \$47,480,603.17, with post-judgment interest continuing to accrue at 8% per annum from June 19, 2020 until the date of payment. On October 16, 2020, the City filed a notice of appeal with the Colorado Court of Appeals appealing the Ruling, including specifically, the trial court's judgment in favor of the Plaintiffs on the claims for relief regarding the use of a noise monitoring system, liquidated damages for the Class II Violations from 2014 through 2016, calculation of prejudgment interest and the denial of the City's

affirmative defenses. On March 3, 2022, the Colorado Court of Appeals affirmed the District Court decision.

On April 12, 2022, the City filed a Petition for Writ of Certiorari (the “Petition”) with the Colorado Supreme Court asking the court to clarify certain rulings of the Appellate Court, including the method of calculating interest and accrual of cause of action related to breach of contract. On October 24, 2022, the Colorado Supreme Court granted the Petition only on the issue of whether the Appellate Court erred when it determined that a cause of action does not accrue for breach of contract until the extent of damages is fully ascertainable. The City, together with the Chamber of Commerce of the United States of America, Colorado Chamber of Commerce, Colorado Defense Lawyers Association and Colorado Civil Justice League filed Opening and Amicus Briefs on January 23, 2023. Adams County filed its Answer Brief on March 27, 2023. The City filed its Reply Brief on May 8, 2023. The City is not able to predict the outcome of the Colorado Supreme Court review of this issue.

As of December 31, 2022, the outstanding amount due to plaintiffs for 67 uncured Class II violations for 2014, 2015 and 2016, including interest, was \$57.6 million. To the extent the City ultimately is obligated to pay amounts ordered by the Court, the City’s General Fund is not responsible for payment of these claims. The City currently expects to fund these payments from the Airport’s Capital Fund.

On August 27, 2020, the City received updated Notices of Violation alleging twelve Class I and twenty-two Class II violations in 2017 and one Class I and fourteen Class II violations in 2018, and a new Notice of Violations alleging one Class I and eight Class II violations in 2019, in each case using methods of calculation endorsed by the Court and in each case including potential additional to be determined Class II violations depending on noise value detection threshold levels. The Department of Aviation is reviewing these Notices in the context of the March 3, 2022 Court of Appeals opinion, and as of the date of this Official Statement has not made a determination of their validity. These Notices will be interpreted in accordance with the Court of Appeals opinion, including the outcome of any rehearing or further appeal.

There can be no assurances that Adams County will not send additional notices of potential noise violations, or amend the notices described above, which could result in the City being required to pay additional amounts in liquidated damages. To the extent the City is obligated to pay all, or a portion of the liquidated damages described above, the City does not expect to include such amounts in its calculations of future airline rates and charges at the Airport.

Police Response Protest Litigation. The City is involved in 15 active lawsuits relating to the police response to the protests which occurred in the City in 2020 after the death of George Floyd on May 25, 2020. A number of Plaintiffs have filed lawsuits against the City claiming significant damages. The lawsuit with the largest number of Plaintiffs so far is the “BLM” case (named for the first plaintiff who originated the lawsuit), which the court consolidated with another filed protest case. In BLM, 312 plaintiffs have been certified as a class based upon being arrested pursuant to a curfew order issued by the Mayor on May 30, 2020 and the case has a tentative settlement amount pending City Council approval. A case brought by twelve individually named plaintiffs against the City for alleged injuries due to claimed violations of their First Amendment free speech rights and Fourth Amendment rights for excessive force was tried before a jury in March, 2022 (the “March, 2022 Jury Case”). The jury in the March, 2022 Jury Case returned a verdict against the City (and one individual officer) in the amount of \$14,000,000, not including interest, attorneys’ fees and costs. The City is awaiting the court’s certification of the case for appeal from the March, 2022 Jury Case, and it is not expected that the appeal will be ruled upon until later in 2023 at the earliest. The City has settled 13 of these suits so far for a total of \$3,582,500. With the exception of such settlements and the March, 2022 Jury Case verdict, the lawsuits described above are in their initial stages. The unsettled lawsuits are in the end stages of discovery, but most do not have trial dates set yet. If the remaining protest cases are not resolved by settlement and proceed to trial, additional judgments unfavorable to the City may occur and the potential aggregate amount of the City’s financial

exposure is potentially in an approximate \$80,000,000 range. The City currently expects that further judgments or settlements, if any, will be paid from the City's general liability fund. In the event that judgments or settlements are in excess of amounts in the City's general liability fund, the City anticipates that it would utilize funds available in the City contingency and/or reserve funds. The use of contingency or reserve funds to pay any such potential judgments or settlements would comply with all City policies and bond covenants and the City expects that the use of such funds would neither negatively impact its abilities to pay debt service on the Series 2023 Certificates nor impact regular City operations. The City continues to receive and respond to lawsuits related to the protests and will evaluate the City's potential liability on a case-by-case basis.

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 for claims accruing before January 1, 2018; or the sum of \$387,000 for claims accruing on or after January 1, 2018 and before January 1, 2022; or the sum of \$424,000 for claims accruing on or after January 1, 2022 and before January 1, 2026; (b) for an injury to two or more persons in any single occurrence, the sum of \$990,000 for claims accruing before January 1, 2018, except in such instance, no person may recover in excess of \$350,000; or the sum of \$1,093,000 for claims accruing on or after January 1, 2018, and before January 1, 2022, except in such instance, no person may recover in excess of \$387,000; or the sum of \$1,195,000 for claims accruing on or after January 1, 2022, and before January 1, 2026, except in such instance, no person may recover in excess of \$424,000. Those amounts will increase every four years pursuant to a formula based on the Denver-Boulder-Greeley Consumer Price Index. The City may increase any maximum amount that may be recovered from the City for certain types of injuries. However, the City may not be held liable either directly or by indemnification for punitive or exemplary damages unless the City voluntarily 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. 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.

APPENDIX D

**AUDITED BASIC FINANCIAL STATEMENTS OF THE CITY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

APPENDIX E

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

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

THIS CONTINUING DISCLOSURE UNDERTAKING (this “Disclosure Undertaking”) is delivered by the City and County of Denver, Colorado (the “City”), in connection with the execution and delivery of \$_____ in aggregate principal amount of Certificates of Participation, Series 2023 (collectively, the “Series 2023 Certificates” or “Certificates”) pursuant to Second Supplement and Amendment to Second Amended and Restated Mortgage and Indenture of Trust,

In consideration of the purchase of the Series 2023 Certificates 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 Owners of the Certificates (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 2008A Indenture 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:

“*2008A Indenture*” means the Second Supplement and Amendment to Second Amended and Restated Mortgage and Indenture of Trust dated its date of execution and delivery, between the Corporation, as settlor and mortgagor, and Zions Bancorporation, National Association, Denver, Colorado, as trustee and mortgagee.

“*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.

“*Owner of the Certificates*” means the registered owners of the Series 2023 Certificates and, so long as the Series 2023 Certificates 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 Certificates, which includes the power to dispose, or direct the disposition, of the Certificates.

“*City Representative*” means the Chief Financial Officer, as 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 underwriter of the Series 2023 Certificates required to comply with Rule 15c2-12 in connection with the offering of the Series 2023 Certificates 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 _____, 2023, together with any supplements thereto prior to the date on which the Series 2023 Certificates 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, 2023, and annually while the Series 2023 Certificates 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 two hundred and seventy (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 two hundred and seventy (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 (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Certificates:

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 2023 Certificates reflecting financial difficulties.
4. Unscheduled draws on any credit enhancement relating to the Series 2023 Certificates 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 Series 2023 Certificates, or other material events affecting the tax status of the Series 2023 Certificates.
7. Modifications to rights of the Owners of the Certificates, *if material*.
8. Bond calls, *if material*, and tender offers.
9. Defeasance of the Series 2023 Certificates or any portion thereof.
10. Release, substitution or sale of property securing repayment of the Series 2023 Certificates, *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*.
15. Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, *if material*.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

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

¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of Rule 15c2-12, 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.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of Rule 15c2-12, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with Rule 15c2-12.

(c) At any time the Series 2023 Certificates 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.

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 2023 Certificates and shall extend to the earlier of (a) the date all principal and interest on the Series 2023 Certificates shall have been deemed paid pursuant to the terms of the 2008A Indenture; (b) the date that the City shall no longer constitute an “obligated person” with respect to the Series 2023 Certificates 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 Certificates, which determination shall be evidenced by an opinion of nationally recognized Special 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 2023 Certificates 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 Series 2023 Certificates, 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 Series 2023 Certificates 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 2023 Certificates seeking to require compliance with this Disclosure Undertaking shall first provide to the City Representative at least thirty (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 thirty (30) days to comply. A default under this Disclosure Undertaking shall not be deemed an Event of Default under the 2008A Indenture or the Series 2023 Certificates. 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 Series 2023 Certificates and shall create no rights in any other person or entity.

Date: ____ ____, 2023

CITY AND COUNTY OF DENVER,
COLORADO

Chief Financial Officer, as the Manager of
Finance, *ex officio* Treasurer

Schedule 1
Annual Financial Information

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2023 Certificates. The Series 2023 Certificates will be issued as fully-registered securities 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 certificate will be issued for each maturity of the Series 2023 Certificates, 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.

Purchases of Series 2023 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2023 Certificates on DTC's records. The ownership interest of each actual purchaser of each Series 2022A Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. 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 2023 Certificates 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 Series 2023 Certificates, except in the event that use of the book-entry system for the Series 2023 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2023 Certificates 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 2023 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2023 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2023 Certificates 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 2023 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2023 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022A Certificates documents. For example, Beneficial Owners of Series 2023 Certificates may wish to ascertain that the nominee holding the Series 2023 Certificates 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 Registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2023 Certificates 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 Series 2023 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the Series 2023 Certificates 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 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 Participant 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. Payment of principal, interest or redemption proceeds to Cede & Co. (or 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 will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2023 Certificates at any time by giving reasonable notice to the City or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates of Series 2022A Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates of Series 2022A Certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.