

RESOLUTION NO. 2021-11-03

RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY

RESOLUTION OF THE BOARD OF DIRECTORS OF DUS METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF DENVER, COLORADO, PURSUANT TO SECTION 29-1-108, C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE BUDGET YEAR 2022

A. The Board of Directors of DUS Metropolitan District No. 2 (the “**District**”) has appointed CliftonLarsonAllen LLP to prepare and submit a proposed budget to said governing body at the proper time.

B. CliftonLarsonAllen LLP has submitted a proposed budget to this governing body by October 15, 2020 for its consideration.

C. Upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 3, 2021, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. The budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. Whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. It is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF DUS METROPOLITAN DISTRICT NO. 2, CITY AND COUNTY OF DENVER, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. The sums set forth as the total expenditures of each fund in the budget attached hereto as **Exhibit A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

[SIGNATURE PAGE FOLLOWS]

**[SIGNATURE PAGE TO RESOLUTION TO ADOPT BUDGET AND
APPROPRIATE SUMS OF MONEY]**

RESOLUTION APPROVED AND ADOPTED on November 3, 2021.

DUS METROPOLITAN DISTRICT NO. 2

By: 
Frank Cannon (Dec 6, 2021 09:25 MST)

Frank Cannon, President

Attest:

Donna Blair

By: _____
Donna Blair, Secretary

EXHIBIT A

Budget

DUS METROPOLITAN DISTRICT NO. 2

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2022

**DUS METROPOLITAN DISTRICT #2
SUMMARY
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	478,609	416,645	403,349
Specific ownership tax	166,173	154,000	138,844
Other income	-	-	7,000
Total revenues	<u>644,782</u>	<u>570,945</u>	<u>549,193</u>
Total funds available	<u>644,782</u>	<u>570,945</u>	<u>549,193</u>
EXPENDITURES			
General Fund	351,009	285,906	270,621
Debt Service Fund	293,773	285,039	278,572
Total expenditures	<u>644,782</u>	<u>570,945</u>	<u>549,193</u>
Total expenditures and transfers out requiring appropriation	<u>644,782</u>	<u>570,945</u>	<u>549,193</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

DUS METROPOLITAN DISTRICT #2
PROPERTY TAX SUMMARY INFORMATION
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,

1/10/22

ACTUAL	ESTIMATED	BUDGET
2020	2021	2022

ASSESSED VALUATION

Residential	\$ 18,203,520	\$ 12,085,570	\$ 19,559,560
Commercial	104,944,500	107,905,080	100,108,640
State assessed	246,200	246,200	340,500
Personal property	6,679,330	7,060,870	4,676,990
Other	-	119,790	-
	<u>130,073,550</u>	<u>127,417,510</u>	<u>124,685,690</u>
Adjustments	(110,107,747)	(108,616,679)	(106,574,723)
Certified Assessed Value	<u>\$ 19,965,803</u>	<u>\$ 18,800,831</u>	<u>\$ 18,110,967</u>

MILL LEVY

General	9.548	7.000	7.000
Debt Service	15.150	15.161	15.271
Total mill levy	<u>24.698</u>	<u>22.161</u>	<u>22.271</u>

PROPERTY TAXES

General	\$ 190,633	\$ 131,606	\$ 126,777
Debt Service	302,482	285,039	276,572
Levied property taxes	<u>493,115</u>	<u>416,645</u>	<u>403,349</u>
Adjustments to actual/rounding	(14,506)	-	-
Budgeted property taxes	<u>\$ 478,609</u>	<u>\$ 416,645</u>	<u>\$ 403,349</u>

BUDGETED PROPERTY TAXES

General	\$ 184,836	\$ 131,606	\$ 126,777
Debt Service	293,773	285,039	276,572
	<u>\$ 478,609</u>	<u>\$ 416,645</u>	<u>\$ 403,349</u>

No assurance provided. See summary of significant assumptions.

**DUS METROPOLITAN DISTRICT #2
GENERAL FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	184,836	131,606	126,777
Specific ownership tax	166,173	154,000	138,844
Other income	-	-	5,000
Total revenues	<u>351,009</u>	<u>285,906</u>	<u>270,621</u>
Total funds available	<u>351,009</u>	<u>285,906</u>	<u>270,621</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	1,849	1,320	1,268
Contingency	-	-	5,000
Transfer to DUS Metro District No. 1	349,160	284,586	264,353
Total expenditures	<u>351,009</u>	<u>285,906</u>	<u>270,621</u>
Total expenditures and transfers out requiring appropriation	<u>351,009</u>	<u>285,906</u>	<u>270,621</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**DUS METROPOLITAN DISTRICT #2
DEBT SERVICE FUND
2022 BUDGET
WITH 2020 ACTUAL AND 2021 ESTIMATED
For the Years Ended and Ending December 31,**

1/10/22

	ACTUAL 2020	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -
REVENUES			
Property taxes	293,773	285,039	276,572
Other income	-	-	2,000
Total revenues	<u>293,773</u>	<u>285,039</u>	<u>278,572</u>
Total funds available	<u>293,773</u>	<u>285,039</u>	<u>278,572</u>
EXPENDITURES			
Debt Service			
County Treasurer's fee	2,938	2,850	2,766
Intergovernmental transfer-DUSPA/Denver	290,835	282,189	273,806
Contingency	-	-	2,000
Total expenditures	<u>293,773</u>	<u>285,039</u>	<u>278,572</u>
Total expenditures and transfers out requiring appropriation	<u>293,773</u>	<u>285,039</u>	<u>278,572</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No assurance provided. See summary of significant assumptions.

**DUS METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District, a quasi-municipal corporation and a political subdivision of the State of Colorado, was organized by order and decree of the District Court on February 5, 2009 and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District's service area is located in the City and County of Denver, Colorado.

DUS Metropolitan District No. 2 was organized in conjunction with four other metropolitan districts, DUS Metropolitan District No. 1 and DUS Metropolitan District Nos. 3-5. DUS Metropolitan District Nos. 2 and 4 generally contain commercial property and DUS Metropolitan District Nos. 3 and 5 generally contain residential property (collectively, Districts 2-5 are known as the Taxing Districts). DUS Metropolitan District No. 1 (the Management District) was organized to finance, construct, own, manage, and operate District improvements, including streets, traffic and safety protection, water, sewer and storm drainage, transportation, mosquito control, and park and recreation improvements for the use and benefit of the inhabitants and taxpayers of the District. The Taxing Districts were organized to generate revenue to pay the costs of the District improvements. In 2017, DUS Metropolitan District Nos. 4 and 5 (now known as Market Station Metropolitan District Nos. 1-2) withdrew from the current structure and are not associated with DUS Metropolitan District Nos. 1-3.

On November 4, 2008, the District's voters authorized general obligation indebtedness of \$3,100,000,000 for the above listed facilities and powers. The District's service plan, as amended, acknowledges that the District fully utilized the aggregate debt of \$300,000,000, authorized under its original Service Plan. The Amended Service Plan provides the District an additional debt authorization of \$50,000,000, with a maximum debt mill levy of 50.000 mills.

The District has no employees, and all administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting, in accordance with requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

The calculation of the taxes levied is displayed on page 2 at the adopted mill levy of 22.271 mills.

**DUS METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 5% of the property taxes levied on the gross assessed value of the District.

Amended and Restated DDA/DUS District Nos. 1-5 Cooperation and Pledge Agreement

Pursuant to this agreement, the Denver Downtown Development Authority (DDA) is required to remit to DUS Metropolitan District No. 1 incremental property tax revenues (TIF) derived from any General Fund mill levies imposed by DUS Metropolitan District No. 2 and DUS Metropolitan District No. 3, which includes revenues to be transferred by DUS Metropolitan District No. 1 to the Regional Transportation District (RTD) as discussed under RTD Agreement below. The receipt of these revenues is shown in the General Fund Budget of DUS Metropolitan District No. 1 as "Payment from DDA – TIF."

Expenditures

Administrative and Operating Expenditures

Operating and administrative expenditures would normally include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance, meeting expense, and other administrative expenditures. However, these expenditures are minimal as most costs will be paid by DUS Metropolitan District No. 1 under the terms of the District Service Plans and the FFCOA (discussed below).

Transfer to District No. 1

Pursuant to the Facilities Funding, Construction and Operations Agreement (FFCOA) among District Nos. 1, 2, and 3, the District is required to transfer the net proceeds of all general property taxes collected, together with specific ownership taxes applicable to property within the District to District No. 1, to be used to fund the administrative and operational costs of District Nos. 1, 2, and 3.

RTD Agreement

On January 15, 2021, District Nos. 1, 2, and 3 entered into the Amended and Restated Intergovernmental Agreement for Denver Union Station Historic Station Zone At-Grade Public Improvement Operation and Maintenance with the Regional Transportation District (RTD). The District and District No. 3 agree to annually budget and appropriate an amount sufficient to fund costs equal to the DUS District Contribution and transfer such funds to District No. 1. District No. 1 will remit the DUS District Contribution to RTD for payment of the Historic Station Zone operations and maintenance costs. The DUS District Contribution is 60% of the actual Historic Station Zone operations costs.

**DUS METROPOLITAN DISTRICT NO. 2
2022 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures (continued)

DUS Project Mill Levy Pledge Agreement

District Nos. 1, 2, and 3 entered into a pledge agreement with the City and County of Denver (“City”) whereby all revenues derived from the imposition of a mill levy of 15 mills on property within District No. 2 and District No. 3 are pledged to the City until December 31, 2049 for repayment of the City’s Tax Increment Revenue Bonds, Series 2017 (“Bonds”). Further, all property tax increment revenue derived from the imposition of the above mill levy is pledged to the repayment of the Bonds.

Debt and Leases

The District has no outstanding debt, nor operating or capital leases.

Reserve Funds

Emergency Reserve

The District transfers all of its revenue in excess of expenses to DUS Metropolitan District No. 1. Therefore, no Emergency Reserve has been provided for in DUS Metropolitan District No. 2. The Emergency Reserve related to its revenue stream is captured in DUS Metropolitan District No. 1.

This information is an integral part of the accompanying budget.

I, Donna Blair, hereby certify that I am the duly appointed Secretary of the DUS Metropolitan District No. 2, and that the foregoing is a true and correct copy of the budget for the budget year 2022, duly adopted at a public meeting of the Board of Directors of the DUS Metropolitan District No. 2 held on November 3, 2021.

Donna Blair

Donna Blair, Secretary

RESOLUTION NO. 2021-11-04

RESOLUTION TO SET MILL LEVIES

**RESOLUTION OF THE DUS METROPOLITAN DISTRICT NO. 2
LEVYING GENERAL PROPERTY TAXES, PURSUANT TO SECTION 39-1-111,
C.R.S., FOR THE YEAR 2021, TO HELP DEFRAY THE COSTS OF GOVERNMENT
FOR THE 2022 BUDGET YEAR**

A. The Board of Directors of the DUS Metropolitan District No. 2 (the “**District**”) has adopted an annual budget in accordance with the Local Government Budget Law, on November 3, 2021.

B. The adopted budget is attached as Exhibit A to the Resolution of the Board of Directors of the District to Adopt Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference.

C. The amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget.

D. The amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget.

NOW, THEREFORE, PURSUANT TO SECTIONS 39-1-111(5) and 39-5-128(1), C.R.S., BE IT RESOLVED by the Board of Directors of the DUS Metropolitan District No. 2, City and County of Denver, Colorado, that:

1. For the purpose of meeting all general operating expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purpose of meeting all debt retirement expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That for the purpose of meeting all contractual obligation expenses of the District during the 2022 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

4. That the Secretary is hereby authorized and directed to immediately certify to the Denver County Assessor, the mill levies for the District as set forth in the District’s Certification of Mill Levies, attached hereto as **Exhibit 1** and incorporated herein by reference, recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

[SIGNATURE PAGE OF RESOLUTION TO SET MILL LEVIES]

RESOLUTION APPROVED AND ADOPTED on November 3, 2021.

DUS METROPOLITAN DISTRICT NO. 2

By: 
Frank Cannon (Dec 6, 2021 09:25 MST)

Frank Cannon, President

Attest:

By: 

Donna Blair, Secretary

EXHIBIT 1

Certification of Tax Levies

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of CITY AND COUNTY OF DENVER, Colorado.

On behalf of the DUS METROPOLITAN DISTRICT NO. 2,
(taxing entity)^A

the BOARD OF DIRECTORS,
(governing body)^B

of the DUS METROPOLITAN DISTRICT NO. 2,
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ 124,685,690 assessed valuation of: (GROSS^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of: \$ 18,110,967 (NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)
USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10

Submitted: 12/08/2021 for budget/fiscal year 2022.
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

PURPOSE <small>(see end notes for definitions and examples)</small>	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	7.000 mills	\$ 126,777
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	< > mills	\$ < >
SUBTOTAL FOR GENERAL OPERATING:	7.000 mills	\$ 126,777
3. General Obligation Bonds and Interest ^J	_____ mills	\$ _____
4. Contractual Obligations ^K	15.271 mills	\$ 276,572
5. Capital Expenditures ^L	_____ mills	\$ _____
6. Refunds/Abatements ^M	_____ mills	\$ _____
7. Other ^N (specify): _____	_____ mills	\$ _____
_____	_____ mills	\$ _____
TOTAL: <small>[Sum of General Operating Subtotal and Lines 3 to 7]</small>	22.271 mills	\$ 403,349

Contact person: Debra L. Sedgeley Daytime phone: (303) 779 - 5710
 Signed: _____ Title: Accountant for the District

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S., with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, CO 80203. Questions? Call DLG at (303) 864-7720.

¹ If the *taxing entity's* boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.
² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's **FINAL** certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon Rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: Payment obligations to Denver Union Station Project Authority
Title: DUS Project Mill Levy Pledge Agreement
Date: June 22, 2010, as amended on February 3, 2017
Principal Amount: N/A
Maturity Date: December 31, 2049
Levy: 15.271
Revenue: \$276,572

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

I, Donna Blair, hereby certify that I am the duly appointed Secretary of the DUS Metropolitan District No. 2, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2022, duly adopted at a meeting of the Board of Directors of the DUS Metropolitan District No. 2 held on November 3, 2021.

Donna Blair

Donna Blair, Secretary