

RESOLUTION NO. 2018-10-04

RESOLUTION OF THE BOARD OF DIRECTORS OF DENVER CONNECTION WEST METROPOLITAN DISTRICT AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO CONSTITUTION, ARTICLE X, SECTION 3

- A. Denver Connection West Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado pursuant to Title 32, Colorado Revised Statutes.
- B. The District operates pursuant to its Service Plan approved by the City of Denver City Council, on September 12, 2016, (the “**Service Plan**”), which provides the District with the authority to impose mill levies on taxable property. Such mill levies will be the primary source of revenue for repayment of debt service, public improvements, and operations and maintenance costs of the District.
- C. The Service Plan authorizes a Maximum Debt Service Mill Levy of 40.000 mills and a Maximum Operations and Maintenance Mill Levy of 10.000 mills, for a total combined Maximum Mill Levy of 50.000 mills (“**Maximum Mill Levy**”)
- D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Amendment**”) authorizes adjustment of the Maximum Mill Levy in the event that the method of calculating assessed valuation is changed as of January 1, 2016, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The Maximum Mill Levy may be increased or decreased to reflect such changes. Such increases or decreases shall be determined by the Board in good faith (such determination to be binding and final) so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes.
- E. The Service Plan and Gallagher Amendment provide that, for purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.
- F. The Colorado General Assembly passed House Bill 17-1349, signed by the Governor of Colorado on June 15, 2017, which amends Section 39-1-104.2, C.R.S., setting the ratio of valuation for assessment for real residential property at 7.2% (decreased from 7.96%) for property tax years commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.
- G. The Board of Directors of the District (the “**Board**”), authorized by the Service Plan and the Gallagher Amendment, determines it to be in the best interest of the District, its residents, users, property owners, and the public to adjust the Maximum Mill Levy to mitigate the effect of the statutory change in the ratio of valuation for assessment from 7.96% to 7.2%, so that actual tax revenues are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment for residential real property.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denver Connection West Metropolitan District, City and County of Denver, Colorado:

1. The Board of the District hereby authorizes the adjustment of the Maximum Mill Levy to reflect the statutory change in the ratio of valuation for assessment for residential real property to 7.2% (from 7.96%).

2. The Gallagher Amendment allows for a Maximum Debt Service Mill Levy of 44.222 mills and a Maximum Operations and Maintenance Mill Levy of 11.055 mills, for a total combined Maximum Mill Levy of 55.277 mills (the “**Adjusted Mill Levy**”) so that District revenues shall be neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment to 7.2%.

3. Pursuant to Section VIII.G.11 of the Service Plan, the District shall provide the calculation of the Adjusted Mill Levy to the Executive Director of Finance for the City and County of Denver, on or before December 1, 2018.

4. The Adjusted Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the City and County of Denver Assessor on or before December 15, 2018, for collection in 2019.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION AUTHORIZING ADJUSTMENT OF THE
DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO
CONSTITUTION, ARTICLE X, SECTION 3]

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 23, 2018.

DENVER CONNECTION WEST
METROPOLITAN DISTRICT



President

Attest:



Secretary