

RESOLUTION NO. 2023–11-02
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3
TO ADOPT THE 2024 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 3 (“District”) has appointed the District Accountant to prepare and submit a proposed 2024 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2023, for its consideration; and

WHEREAS, 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 14, 2023, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, 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; and

WHEREAS, 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.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, 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, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Denargo Market Metropolitan District No. 3:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Denargo Market Metropolitan District No. 3 for the 2024 fiscal year.
2. That the budget, as 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. That 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.

ADOPTED this 14th day of November, 2023.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

Secretary

EXHIBIT A
(Budget)

DENARGO MARKET METROPOLITAN DISTRICT NO. 3
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2024

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
SUMMARY
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 21,665,000
REVENUES			
Property taxes	-	141,371	653,557
Specific ownership taxes	-	7,069	32,677
Interest income	-	50	178,861
Other revenue	-	200,000	2,735
Transfers from District 2	-	-	1,877,313
Loan Issuance	-	32,265,000	-
Total revenues	-	32,613,490	2,745,143
TRANSFERS IN	-	10,000,000	-
Total funds available	-	42,613,490	24,410,143
EXPENDITURES			
General Fund	-	148,490	150,000
Debt Service Fund	-	10,200,000	2,300,000
Capital Projects Fund	-	600,000	2,184,100
Total expenditures	-	10,948,490	4,634,100
TRANSFERS OUT	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	-	20,948,490	4,634,100
ENDING FUND BALANCES	\$ -	\$ 21,665,000	\$ 19,776,043

DENAGO MARKET METROPOLITAN DISTRICT NO. 3
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

1/23/24

ACTUAL 2022	ESTIMATED 2023	BUDGET 2 2024
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ASSESSED VALUATION

Vacant land	\$	-	\$ 14,135,340	\$ 13,231,150
State assessed		30	600	360
Personal property		-	1,110	-
Certified Assessed Value	\$	30	\$ 14,137,050	\$ 13,231,510

MILL LEVY

General	10.000	10.000	10.394
Debt Service	0.000	0.000	39.000
Total mill levy	10.000	10.000	49.394

PROPERTY TAXES

General	\$	-	\$ 141,371	\$ 137,528
Debt Service		-	-	516,029
Levied property taxes		-	141,371	653,557
Budgeted property taxes	\$	-	\$ 141,371	\$ 653,557

BUDGETED PROPERTY TAXES

General	\$	-	\$ 141,371	\$ 137,528
Debt Service		-	-	516,029
	\$	-	\$ 141,371	\$ 653,557

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
GENERAL FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	141,371	137,528
Specific ownership taxes	-	7,069	6,876
Interest income	-	50	2,861
Other revenue	-	-	2,735
Total revenues	<u>-</u>	<u>148,490</u>	<u>150,000</u>
Total funds available	<u>-</u>	<u>148,490</u>	<u>150,000</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	1,414	1,375
Contingency	-	-	2,735
Transfer to District No. 1	-	147,076	145,890
Total expenditures	<u>-</u>	<u>148,490</u>	<u>150,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>148,490</u>	<u>150,000</u>
ENDING FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
DEBT SERVICE FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -
REVENUES			
Property taxes	-	-	516,029
Specific ownership taxes	-	-	25,801
Transfers from District 2	-	-	1,877,313
Other revenue	-	200,000	-
Total revenues	-	200,000	2,419,143
TRANSFERS IN			
Transfers from other funds	-	10,000,000	-
Total funds available	-	10,200,000	2,419,143
EXPENDITURES			
General and administrative			
County Treasurer's fee	-	-	5,160
Paying agent fees	-	-	3,000
Transfer to District No. 2	-	10,000,000	-
Contingency	-	200,000	48,008
Debt Service			
Loan Interest 2023A-1	-	-	1,289,299
Loan Principal 2023A-1	-	-	57,000
Loan Interest 2023A-2	-	-	859,533
Loan Principal 2023A-2	-	-	38,000
Total expenditures	-	10,200,000	2,300,000
Total expenditures and transfers out requiring appropriation	-	10,200,000	2,300,000
ENDING FUND BALANCES	\$ -	\$ -	\$ 119,143

**DENAGO MARKET METROPOLITAN DISTRICT NO. 3
CAPITAL PROJECTS FUND
2024 BUDGET
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

1/23/24

	ACTUAL 2022	ESTIMATED 2023	BUDGET 2 2024
BEGINNING FUND BALANCES	\$ -	\$ -	\$ 21,665,000
REVENUES			
Interest income	-	-	176,800
Loan Issuance	-	32,265,000	-
Total revenues	-	32,265,000	176,800
Total funds available	-	32,265,000	21,841,800
EXPENDITURES			
General and Administrative			
Bond issue costs	-	600,000	-
Capital Projects			
Transfer to District No. 1	-	-	21,841,800
Total expenditures	-	600,000	21,841,800
TRANSFERS OUT			
Transfers to other fund	-	10,000,000	-
Total expenditures and transfers out requiring appropriation	-	10,600,000	21,841,800
ENDING FUND BALANCES	\$ -	\$ 21,665,000	\$ -

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
2024 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 for the City and County of Denver, on June 30, 2010, and is governed pursuant to provisions of the Colorado Special District Act (Title 32, Article 1, Colorado Revised Statutes). The District operates under a Service Plan approved by the City on March 8, 2010. The District's service area is located in Denver, Colorado.

The District was established to provide for acquisition, construction, and installation of water, sanitation, drainage, street improvements, parks and recreational facilities, traffic, safety, transportation, and mosquito control.

The District prepares its budget on the modified accrual basis of accounting in accordance with the 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.

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

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.

For property tax collection year 2024, SB22-238 and SB23B-001 set the assessment rates and actual value reductions as follows:

Category	Rate		Category	Rate	Actual Value Reduction	Amount
Single-Family Residential	6.70%		Agricultural Land	26.40%	Single-Family Residential	\$55,000
Multi-Family Residential	6.70%		Renewable Energy Land	26.40%	Multi-Family Residential	\$55,000
Commercial	27.90%		Vacant Land	27.90%	Commercial	\$30,000
Industrial	27.90%		Personal Property	27.90%	Industrial	\$30,000
Lodging	27.90%		State Assessed	27.90%	Lodging	\$30,000
			Oil & Gas Production	87.50%		

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (Continued)

Property Taxes (Continued)

The calculation of the taxes levied is displayed on the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

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 collected.

Expenditures

County Treasurer Fees

County Treasurer's fees have been computed at 1% of property tax collections.

Transfer to Other Districts

Pursuant to a Memorandum of Understanding entered into on October 29, 2010, and amended on August 22, 2016 by and among the District, District No. 1 and District No. 2, the Districts are obligated to impose an operations mill levy and remit property taxes derived from such mill levy, to District No. 1 to fund the Districts' services provided by District No. 1.

Debt and Leases

On November 8, 2023, the District entered into a Loan Agreement for Series 2023A-1 Limited Tax General Obligation Refunding and Improvement Note in the principal amount of \$19,359,000 and Series 2023A-2 Limited Tax General Obligation Refunding and Improvement Loan Agreement in the principal amount of \$12,906,000.

Proceeds from the Series 2023A-1 & 2023A-2 Loan will be used to: (i) refund the series 2016 loan; (ii) finance or reimburse additional public improvements to the portion of the Development that is within the District; and (iii) pay the costs of issuance.

The Series 2023A-1 & 2023A-2 Loans bear interest at 6.26%, payable semi-annually on June 1 and December 1, beginning on June 1, 2024. Principal payments are due on December 1, beginning on December 1, 2024. The Series 2023A-1 & 2023A-2 Loan matures on December 1, 2030.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserve Fund

Emergency Reserve

Pursuant to the MOU, District No. 1 has provided for Emergency Reserves for District No. 1-3; therefore, and Emergency Reserve is not reflected in the District's Budget.

This information is an integral part of the accompanying budget.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$19,359,000

**Limited Tax General Obligation Refunding and Improvement Loan
Series 2023A-1 NBH Loan
Dated November 3, 2023
Principal due December 1
Interest Rate 6.260% Payable
June 1 and December 1**

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/1/2024	\$ -	\$ 683,362	\$ 683,362
12/1/2024	57,000	605,937	662,937
6/1/2025	-	604,153	604,153
12/1/2025	123,000	604,153	727,153
6/1/2026	-	600,303	600,303
12/1/2026	159,000	600,303	759,303
6/1/2027	-	595,326	595,326
12/1/2027	168,000	595,326	763,326
6/1/2028	-	590,068	590,068
12/1/2028	207,000	590,068	797,068
6/1/2029	-	583,589	583,589
12/1/2029	219,000	583,589	802,589
6/1/2030	-	576,734	576,734
12/1/2030	18,426,000	576,734	19,002,734
	<u>\$ 19,359,000</u>	<u>\$ 8,389,641</u>	<u>\$ 27,748,641</u>

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$12,906,000

**Limited Tax General Obligation Refunding and Improvement Loan
Series 2023A-2 MidWestOne Loan**

Dated November 3, 2023

Principal due December 1

Interest Rate 6.260% Payable

June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/1/2024	\$ -	\$ 455,575	\$ 455,575
12/1/2024	38,000	403,958	441,958
6/1/2025	-	402,769	402,769
12/1/2025	82,000	402,769	484,769
6/1/2026	-	400,202	400,202
12/1/2026	106,000	400,202	506,202
6/1/2027	-	396,884	396,884
12/1/2027	112,000	396,884	508,884
6/1/2028	-	393,378	393,378
12/1/2028	138,000	393,378	531,378
6/1/2029	-	389,059	389,059
12/1/2029	146,000	389,059	535,059
6/1/2030	-	384,489	384,489
12/1/2030	12,284,000	384,489	12,668,489
	<u>\$ 12,906,000</u>	<u>\$ 5,593,095</u>	<u>\$ 18,499,095</u>

No assurance provided. See summary of significant assumptions.

**DENARGO MARKET METROPOLITAN DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$32,265,000

**Limited Tax General Obligation Refunding and Improvement Loan
Series 2023A-1 and 2023A-2**

Dated November 3, 2023

Principal due December 1

Interest Rate 6.260% Payable

June 1 and December 1

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/1/2024	\$ -	\$ 1,138,937	\$ 1,138,937
12/1/2024	95,000	1,009,895	1,104,895
6/1/2025	-	1,006,921	1,006,921
12/1/2025	205,000	1,006,921	1,211,921
6/1/2026	-	1,000,505	1,000,505
12/1/2026	265,000	1,000,505	1,265,505
6/1/2027	-	992,210	992,210
12/1/2027	280,000	992,210	1,272,210
6/1/2028	-	983,446	983,446
12/1/2028	345,000	983,446	1,328,446
6/1/2029	-	972,648	972,648
12/1/2029	365,000	972,648	1,337,648
6/1/2030	-	961,223	961,223
12/1/2030	30,710,000	961,223	31,671,223
	<u>\$ 32,265,000</u>	<u>\$ 13,982,736</u>	<u>\$ 46,247,736</u>

No assurance provided. See summary of significant assumptions.

I, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District No. 3, and that the foregoing is a true and correct copy of the budget for the budget year 2023, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District No. 3 held on November 14, 2023.

By:  _____
Secretary

RESOLUTION NO. 2023-11-03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE DENARGO MARKET METROPOLITAN DISTRICT NO. 3
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Denargo Market Metropolitan District No. 3 (“District”) has adopted the 2024 annual budget in accordance with the Local Government Budget Law on November 14, 2023; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2024 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 3:

1. That for the purposes of meeting all general fund expenses of the District during the 2024 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 purposes of meeting all debt service fund expenses of the District during the 2024 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 the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of the City and County of Denver, Colorado, the mill levies for the District as set forth in the District’s Certification of Tax Levies (attached hereto as **EXHIBIT A** 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.

ADOPTED this 14th day of November, 2023.



Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of _____, Colorado.

On behalf of the _____
(taxing entity)^A
the _____
(governing body)^B
of the _____
(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS \$ _____
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: \$ _____
(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: _____ for budget/fiscal year _____
(no later than Dec. 15) (mm/dd/yyyy) (yyyy)

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

Contact person: _____ Phone: (303)779-5710
Signed:  Title: Accountant for District

Survey Question: Does the taxing entity have voter approval to adjust the general operating levy to account for changes to assessment rates? Yes No

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: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 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, David Solin, hereby certify that I am the duly appointed Secretary of the Denargo Market Metropolitan District 3, and that the foregoing is a true and correct copy of the Certification of Mill Levies for the budget year 2024, duly adopted at a meeting of the Board of Directors of the Denargo Market Metropolitan District 3 held on November 14, 2023.



Secretary