

RESOLUTION NO. 2020-11-04

RESOLUTION OF THE BOARD OF DIRECTORS OF DENARGO MARKET METROPOLITAN DISTRICT NO. 2 AUTHORIZING ADJUSTMENT OF THE DISTRICT MILL LEVY IN ACCORDANCE WITH THE COLORADO CONSTITUTION, ARTICLE X, SECTION 3

A. Denargo Market Metropolitan District No. 2 (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 Council of the City and County of Denver, Colorado, on March 8, 2010 (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. In addition to the debt service mill levy, the Service Plan authorizes a maximum mill levy of ten (10) mills for Operations and Maintenance (“**Limited Operating Levy**”).

D. The Service Plan and Article X, Section 3 of the Colorado Constitution, (the “**Gallagher Amendment**”) authorize adjustment of the Limited Operating Levy to take into account legislative or constitutionally imposed adjustments in assessed values or the method of their calculation as of March 8, 2010, so that to the extent possible, the actual revenues generated by the Limited Operating Levy are neither diminished nor enhanced as a result of such changes. Among other adjustments, a change in the ratio of actual valuation of assessable property shall be deemed a change in the method of calculating assessed valuation. On or before December 1 of the year before any fiscal year in which an adjustment is made to the Limited Operating Levy, the District shall provide the calculation of any such adjustment to the Limited Operating Levy to the Manager of Finance for the City and County of Denver.

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 (the “**General Assembly**”) passed House Bill 17-1349, signed by the Governor of Colorado on June 15, 2017, which amended Section 39-1-104.2, C.R.S. by 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 determined to adjust the ratio of valuation for assessment for residential real property.

G. In 2019, the General Assembly passed Senate Bill 19-255, signed by the Governor of Colorado on June 3, 2019, further amending Section 39-1-104.2, C.R.S. by setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.2%) for property tax years commencing on or after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property.

H. The Board of Directors of the District (the “**Board**”), authorized by the Service Plan and the Gallagher Amendment, determined it to be in the best interest of the District, its residents, users, property owners, and the public to adopt Resolution 2019-11-02, which adjusted the Limited Operating Levy to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment from 7.20% to 7.15%, so that actual tax revenues were neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment for residential real property.

I. In order to mitigate the effect of the 2019 statutory change in the ratio of valuation for assessment for residential real property from 7.20% to 7.15%, so that actual tax revenues are neither diminished nor enhanced as a result of the change in the ratio of valuation for assessment, the Board determines it to be in the best interest of the District, its residents, users, property owners, and the public to further adjust the Limited Operating Levy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Denargo Market Metropolitan District No. 2, City and County of Denver, Colorado:

1. The Board hereby authorizes the adjustment of the Limited Operating Levy to reflect the 2019 statutory change in the ratio of valuation for assessment for residential real property to 7.15%.

2. The Gallagher Amendment allows for a mill levy imposition of 11 mills for the Limited Operating Levy (the “**Adjusted Operating 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 7.15% pursuant to the authority granted by the Service Plan and the Gallagher Amendment.

3. The Adjusted Operating Mill Levy shall be reflected in the District’s Certification of Tax Levies to be submitted to the Denver County Assessor and the Manager of Finance for the City and County of Denver on or before December 15, 2020, for collection in 2021.

[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 NOVEMBER 17, 2020.

**DENARGO MARKET METROPOLITAN
DISTRICT NO. 2**



President

Attest:



Secretary

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