

BUDGET RESOLUTION

(2021)

CERTIFIED COPY OF RESOLUTION

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

At the Special meeting of the Board of Directors of Mile High Business Center Metropolitan District, City and County of Denver, Colorado, held at 9:30 AM on Thursday, October 29, 2020, at 7887 E. Belleview Avenue, Suite 475, Denver, Colorado 80111, there were present:

John Lynass
Mark Tekavec
Thomas Stahl

Also present was Michael Davis of Miller & Associates Law Offices, LLC (“District Counsel”)

District Counsel reported that, prior to the meeting, legal counsel had notified each of the directors of the date, time and place of this meeting and the purpose for which it was called. District Counsel further reported that this is a Special meeting of the Board of Directors of the District and that a notice of the meeting was posted in at three (3) places within the boundaries of the District and at the Denver County Clerk and Recorder’s Office, and to the best of their knowledge, remains posted to the date of this meeting.

Thereupon, Director Lynass introduced and moved the adoption of the following Resolution:

RESOLUTION

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND, ADOPTING A BUDGET, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR TO HELP DEFRAY THE COSTS OF THE GOVERNMENT, AND APPROPRIATING SUMS OF MONEY TO THE VARIOUS FUNDS IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT, CITY AND COUNTY OF DENVER, COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2021 AND ENDING ON THE LAST DAY OF DECEMBER, 2021.

WHEREAS, the Board of Directors (the "Board") of the Mile High Business Center Metropolitan District (the "District") has authorized its consultants, treasurer and legal counsel to prepare and submit a proposed budget to said governing body no later than October 15, 2020; and

WHEREAS, the proposed 2021 budget has been submitted to the Board for its consideration; and

WHEREAS, upon due and proper notice, posted in accordance with Colorado law and published on October 20, 2020 in the The Daily Journal, said proposed budget was open for inspection by the public at a designated place, a public hearing was held at 9:30 AM on Thursday, October 29, 2020, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget being adopted by the Board has been prepared based on the best information available to the Board regarding the effects of Article X, Section 20 of the Colorado Constitution; 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.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT, DENVER COUNTY, COLORADO, AS FOLLOWS:

Section 1. Summary of 2021 Revenues and 2021 Expenditures. That the estimated revenues and expenditures for each fund for fiscal year 2021, as more specifically set forth in the budget attached hereto, are accepted and approved.

Section 2. Adoption of Budget. That the budget as submitted, or as amended, and attached hereto and incorporated herein is approved and adopted as the budget of the District for fiscal year 2021.

Section 3. 2021 Levy of General Property Taxes. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the General Fund for operating expenses is \$325,629 and that the 2020 valuation for assessment, as certified by the Denver County Assessor, is \$32,562,900. That for the purposes of meeting all general operating expenses of the District during the 2021 budget year, there is hereby levied a tax of 10.000 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 4. 2021 Levy of Debt Retirement Expenses. That the foregoing budget indicates that the amount of money from property tax revenue necessary to balance the budget for the Debt Service Fund for debt retirement expense is \$533,738 and that the 2020 valuation for assessment, as certified by the Denver County Assessor, is \$32,562,900. That for the purposes of meeting all debt retirement expenses of the District during the 2021 budget year, there is hereby levied a tax of 16.391 mills upon each dollar of the total valuation of assessment of all taxable property within the District during the year 2020.

Section 5. Certification to Board of County Commissioners. That the attorney, accountant or manager for the District is hereby authorized and directed to certify to the Denver County Board of County Commissioners, no later than December 15, 2020, the mill levies for the District hereinabove determined and set. That said certification shall be substantially in the same form as attached hereto and incorporated herein by this reference.

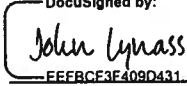
Section 6. Appropriations. That the amounts set forth as expenditures and balances remaining, as specifically allocated in the budget attached hereto, are hereby appropriated from the revenue of each fund, to each fund, for the purposes stated and no other.

Section 7. Budget Certification. That the budget shall be certified by the Secretary/Treasurer of the District, and made a part of the public records of the District.

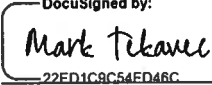
The foregoing Resolution was seconded by Director Stahl.

RESOLUTION APPROVED AND ADOPTED ON OCTOBER 29, 2020.

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

By: 
John Lynass, President

ATTEST:


Mark Tekavec, Secretary/Treasurer

STATE OF COLORADO
COUNTY OF DENVER
MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

I, Mark Tekavec, hereby certify that I am a director and the duly elected and qualified Secretary/Treasurer of Mile High Business Center Metropolitan District (the "District"), and that the foregoing constitutes a true and correct copy of the record of proceedings of the Board of Directors of said District adopted at a meeting of the Board of Directors of the District held at 9:30 AM on Thursday, October 29, 2020, at 7887 E. Belleview Avenue, Suite 475, Denver, Colorado 80111 as recorded in the official record of the proceedings of the District, insofar as said proceedings relate to the budget hearing for fiscal year 2021; that said proceedings were duly had and taken; that the meeting was duly held; and that the persons were present at the meeting as therein shown.

IN WITNESS WHEREOF, I have hereunto subscribed my name on October 29, 2020.

DocuSigned by:

Mark Tekavec

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Mark Tekavec, Secretary/Treasurer

EXHIBIT A
2021 BUDGET DOCUMENT & BUDGET MESSAGE FOR
MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 583,222	\$ 769,399	\$ 964,089
REVENUE			
Property taxes	797,788	821,279	860,709
Specific ownership tax	59,423	40,500	43,035
Interest income	21,152	9,000	3,700
Total revenue	<u>878,363</u>	<u>870,779</u>	<u>907,444</u>
Total funds available	<u>1,461,585</u>	<u>1,640,178</u>	<u>1,871,533</u>
EXPENDITURES			
General Fund	121,285	102,034	209,000
Debt Service Fund	570,901	574,055	579,000
Total expenditures	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
Total expenditures and transfers out requiring appropriation	<u>692,186</u>	<u>676,089</u>	<u>788,000</u>
ENDING FUND BALANCES	<u>\$ 769,399</u>	<u>\$ 964,089</u>	<u>\$ 1,083,533</u>

No assurances provided. See summary of significant assumptions.

**Mile High Business Center Metropolitan District
PROPERTY TAX SUMMARY INFORMATION
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
ASSESSED VALUATION - Denver County			
Commercial	\$ 26,566,800	\$ 31,341,390	\$ 32,613,740
Certified Assessed Value	<u>\$ 26,566,800</u>	<u>\$ 31,341,390</u>	<u>\$ 32,613,740</u>
 MILL LEVY			
General	9.952	10.000	10.000
Debt Service	20.048	16.391	16.391
Total mill levy	<u>30.000</u>	<u>26.391</u>	<u>26.391</u>
 PROPERTY TAXES			
General	\$ 264,393	\$ 313,414	\$ 326,137
Debt Service	532,611	513,717	534,572
Levied property taxes	797,004	827,131	860,709
Adjustments to actual/rounding	784	(5,852)	-
Budgeted property taxes	<u>\$ 797,788</u>	<u>\$ 821,279</u>	<u>\$ 860,709</u>
 BUDGETED PROPERTY TAXES			
General	\$ 264,653	\$ 311,197	\$ 326,137
Debt Service	533,135	510,082	534,572
	<u>\$ 797,788</u>	<u>\$ 821,279</u>	<u>\$ 860,709</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 448,878	\$ 605,118	\$ 821,281
REVENUE			
Property taxes	264,653	311,197	326,137
Interest income	12,872	7,000	3,200
Total revenue	<u>277,525</u>	<u>318,197</u>	<u>329,337</u>
Total funds available	<u>726,403</u>	<u>923,315</u>	<u>1,150,618</u>
EXPENDITURES			
General and administrative			
Accounting	34,576	37,000	37,000
Auditing	5,400	5,600	6,000
County Treasurer's fee	2,647	3,134	3,261
Dues and licenses	427	434	500
Insurance and bonds	2,508	2,510	3,000
District management	37,000	12,000	12,000
Legal services	6,766	10,000	28,000
Miscellaneous	797	50	1,000
Election expense	-	1,156	1,500
Contingency	-	-	19,539
Operations and maintenance			
Landscaping / snow removal	21,608	20,000	20,000
Tree replacement	-	-	35,000
City review fee	3,000	3,000	3,000
Utility - electricity	141	150	200
Irrigation - water	6,415	7,000	8,000
Drainage pond maintenance	-	-	30,000
Storm drainage	-	-	1,000
Total expenditures	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
Total expenditures and transfers out requiring appropriation	<u>121,285</u>	<u>102,034</u>	<u>209,000</u>
ENDING FUND BALANCE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>
EMERGENCY RESERVE	\$ 8,400	\$ 9,600	\$ 9,900
AVAILABLE FOR OPERATIONS	<u>596,718</u>	<u>811,681</u>	<u>931,718</u>
TOTAL RESERVE	<u>\$ 605,118</u>	<u>\$ 821,281</u>	<u>\$ 941,618</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
DEBT SERVICE FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

12/17/20

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCE	\$ 134,344	\$ 164,281	\$ 142,808
REVENUE			
Property taxes	533,135	510,082	534,572
Specific ownership tax	59,423	40,500	43,035
Interest income	8,280	2,000	500
Total revenue	<u>600,838</u>	<u>552,582</u>	<u>578,107</u>
Total funds available	<u>735,182</u>	<u>716,863</u>	<u>720,915</u>
EXPENDITURES			
General and administrative			
County Treasurer's fee	5,331	5,137	5,346
Paying agent fees	-	3,000	3,000
Contingency	-	-	4,686
Debt Service			
Bond interest - Series 2017	240,570	230,918	220,968
Bond principal - Series 2017	325,000	335,000	345,000
Total expenditures	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
Total expenditures and transfers out requiring appropriation	<u>570,901</u>	<u>574,055</u>	<u>579,000</u>
ENDING FUND BALANCE	<u>\$ 164,281</u>	<u>\$ 142,808</u>	<u>\$ 141,915</u>

No assurances provided. See summary of significant assumptions.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The District was organized by Court Order in December 2005, and held its organizational meeting on January 20, 2006, to provide financing for the design, acquisition, installation and construction of streets, traffic and safety controls, water, sewer, and storm drainage facilities, and park and recreation. The District's service area is located entirely within the city of Denver (the "City"), Colorado. The District is responsible for management of the construction of all facilities and improvements and for operation and maintenance of all improvements not conveyed to the City. The District also provides the funding for infrastructure improvements and the tax base needed to support ongoing operations. The District was originally organized as Sand Creek Commerce Center Metropolitan District, but changed its name to Mile High Business Center Metropolitan District during 2006.

On November 1, 2005, District voters approved authorization to increase property tax up to \$5,000,000, annually, as necessary, to pay for the operations and maintenance expenditures of the District. Debt authorization was approved in the amount of \$65,000,000 for the above listed facilities, \$13,000,000 for refunding debt, and \$5,000,000 for the cost of operating and maintaining the District's systems. Additionally, amounts were authorized for intergovernmental contracts of \$26,000,000. The election also provided for intergovernmental agreements as multi-fiscal year obligations and allows the District to retain all revenues without regard to the limitations contained in Article X, Section 20 of the Colorado constitution or any other law. However, within the service plan for the District, the total debt that the District is permitted to issue shall not exceed \$13,000,000. Additionally, the service plan limits the mill levy to 50 mills for debt service. The service plan also limits 15 mills for operation and maintenance costs for the first five years of the District's existence and 10 mills thereafter, unless a higher mill levy for operation and maintenance costs is approved by the City.

The District has no employees and all services are contracted.

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.

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 the Property Tax Summary page of the budget using the adopted mill levy imposed by the District.

**MILE HIGH BUSINESS CENTER METROPOLITAN DISTRICT
2021 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 collected.

Net Investment Income

Interest earned on the District's available funds has been estimated based on the historical average interest rate.

Expenditures

Administrative Expenditures

Administrative expenditures have been provided based on estimates of the District's Board of Directors and consultants and include the services necessary to maintain the District's administrative viability such as legal, accounting, insurance and other administrative expenses.

County Treasurer's Fees

County Treasurer's fees have been computed at 1.0% of property tax collections.

Debt and Leases

On December 21, 2017 the District issued Series 2017 Unlimited Tax General Obligation Refunding and Improvement Loan in the amount of \$8,425,000 to repay the outstanding Series 2007 and Series 2010 Bonds, as well as \$2,100,000 in new cash to fund infrastructure costs and repay developer advances. The Series 2017 Loan bears interest at 2.970% with a maturity date of December 1, 2037.

The District's current debt service schedule is attached.

The District has no operating or capital leases.

Reserves

The District has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2021, defined under TABOR.

This information is an integral part of the accompanying budget.

**MILE HIGH METROPOLITAN DISTRICT
SCHEDULE OF DEBT MATURITY**

**\$8,425,000 Unlimited tax General Obligation
Refunding and Improvement Loan
Series 2017 - Dated December 21, 2017
Interest Rate 2.970%
Principal Payable December 1
Interest Payable June 1 and December 1**

Year (December 1)	Principal	Interest	Total
2021	\$ 345,000	\$ 220,968	\$ 565,968
2022	355,000	210,722	565,722
2023	365,000	200,178	565,178
2024	375,000	189,338	564,338
2025	385,000	178,200	563,200
2026	395,000	166,766	561,766
2027	410,000	155,034	565,034
2028	420,000	142,857	562,857
2029	435,000	130,383	565,383
2030	445,000	117,464	562,464
2031	460,000	104,247	564,247
2032	475,000	90,585	565,585
2033	485,000	76,478	561,478
2034	500,000	62,073	562,073
2035	515,000	47,223	562,223
2036	530,000	31,928	561,928
2037	545,000	16,187	561,187
	<u>\$ 7,440,000</u>	<u>\$ 2,140,628</u>	<u>\$ 9,580,628</u>

No assurance provided. See summary of significant assumptions.