

**CHERRY HILLS VILLAGE
COLORADO**

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City Council Agenda
Tuesday, January 3, 2017

6:30 p.m.

Final Meeting of the Outgoing City Council

1. Call to Order
2. Roll Call of Members
3. Pledge of Allegiance
4. Audience Participation Period (limit 5 minutes per speaker)
5. Approval of Minutes – December 14, 2016
6. Reports of Outgoing Members
7. Presentation by City Manager
8. Adjournment

Organizational Meeting of the New City Council

9. Oaths of Office – Administered by City Clerk Laura Smith
 - a. Mayor
 - b. Councilors Districts 1, 3 and 5
10. Call to Order
11. Roll Call of Members
12. Appointment of Mayor Pro Tem
13. Audience Participation Period (limit 5 minutes per speaker)
14. Consent Agenda
 - a. Appointment of City Clerk, City Treasurer and City Attorney
 - b. Resolution 1, Series 2017; Designating the Public Place for Posting Notices of Regular and Special Meetings
 - c. Resolution 2, Series 2017; Reappointment of the Municipal Judge and the Alternate Municipal Judges
15. Items Removed From Consent Agenda

****Agenda continues on second page****

Notice: Agenda is subject to change.
If you will need special assistance in order to attend any of the City's public meetings, please notify the City of Cherry Hills Village at 303-789-2541, 48 hours in advance.

CHERRY HILLS VILLAGE

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16. Unfinished Business
 - a. Council Bill 11, Series 2016; Authorizing a Site Lease and Lease Purchase Agreement Between the City of Cherry Hills Village, Colorado, and UMB Bank for the Purpose of Financing Public Buildings and Certain Park Improvements; Approving Not to Exceed \$12,900,000 Principal Amount of Certificates of Participation (COP's), Series 2017 in Connection Therewith; Authorizing Officials of the City to Take All Action Necessary to Carry Out the Transactions Contemplated Hereby; and Related Matters (*second and final reading*)
17. New Business
 - a. City Council Liaison Assignments
 - b. Resolution 3, Series 2017; Approving the First Amendment to the Intergovernmental Agreement with Arapahoe County for Contribution to the High Line Canal Visioning Project
18. Reports
 - a. Mayor
 - b. Members of City Council
 - c. Reports from Members of City Boards and Commissions
 - d. City Manager and Staff
 - (i) Planning and Zoning Commission Vacancy
 - e. City Attorney
19. Adjournment

Minutes of the
City Council of the City of Cherry Hills Village, Colorado
Held on Wednesday, December 14, 2016 at 6:30 p.m.
At the Village Center

Mayor Laura Christman called the meeting to order at 6:30 p.m.

ROLL CALL

Mayor Laura Christman, Councilors Mark Griffin, Earl Hoellen, Alex Brown, Mike Gallagher, and Klasina VanderWerf were present on roll call. Also present were City Manager Jim Thorsen, Deputy City Manager and Public Works Director Jay Goldie, Assistant City Attorney Marcus McAskin, Finance Director Karen Proctor, Police Chief Michelle Tovrea, Community Development Director Rachel Hodgson, Human Resource Analyst Kathryn Ducharme, Parks, Trails & Recreation Administrator Ryan Berninzoni, Public Works Project and Right-of-Way Manager Ralph Mason, Accounting Clerk Jessica Sager and City Clerk Laura Smith.

Absent: Councilor Katy Brown

PLEDGE OF ALLEGIANCE

The Council conducted the pledge of allegiance.

AUDIENCE PARTICIPATION PERIOD

None

CONSENT AGENDA

Councilor VanderWerf removed Item 6a from the Consent Agenda.

ITEMS REMOVED FROM CONSENT AGENDA

Item 6a. Approval of Minutes – November 15, 2016

Councilor VanderWerf explained that her comments on page 9 should be amended to clarify that the High Line Conservancy Master Plan could include using artwork made of natural materials, but that no decisions had been made.

Mayor Pro Tem A. Brown moved, seconded by Councilor Griffin to approve Item 6a as amended.

The motion passed unanimously.

UNFINISHED BUSINESS**Proposed 2017 Budget**

Director Proctor presented the 2017 Budget on second and final reading. She indicated that a study session was held to discuss the 2017 proposed budget on October 4, 2016 and a public hearing was held during first reading on November 15, 2016. Overall, the General Fund was balanced with revenues equal to expenditures in the amount of \$6.9 million and an ending fund balance in 2017 of \$4.5 million. In the Capital Fund, operating expenditures would exceed revenues by \$1 million, excluding bond proceeds and building projects. The Capital Fund was expected to have an ending balance in 2017 of \$6.2 million. Bond proceeds in the amount of \$5.35 million were added for the financing of the new Public Works Facility and City Hall. The 2017 budget included three major construction projects, consisting of the John Meade Park and Alan Hutto Memorial Commons redevelopment (\$3.7 million), construction of a new City Hall (\$4.5 million), and construction of a new Public Works Facility (\$4.7 million). The 2017 proposed budget included issuance of \$12.9 million in Certificates of Participation (COPs) over 25 years to fund all three projects. Based on this issuance the Capital Fund would receive 42% (\$5.35 million) while the Parks and Recreation Fund would receive the remaining 58% (\$7.55 million) of the bond proceeds. The COP payment for each of the respective allocations in 2017 would be split with \$266,651 paid from the General Fund operating budget and \$368,233 paid from the Park and Recreation Fund. 2017 payments would begin in February, and therefore payments in subsequent years would be slightly higher. There had been a few minor changes to the budget since first reading, including an increase in COP payments due to an increase in interest rates; a decrease in health insurance costs due to a change in plans and dental carrier; an increase in expenses in the Parks and Recreation Fund for the High Line Canal Master Plan with Urban Drainage; and an increase in expenditures to the Data Processing budget for a new large format printer.

Mayor Christman noted that Arapahoe County was distributing fewer tax funds for bridge maintenance and asked if staff knew why that was happening.

Director Proctor replied that she would look into that question.

Councilor VanderWerf noted that it appeared that expenditures for Quincy Farm were limited to maintenance and repairs in 2017.

Deputy City Manager/Director Goldie replied that the City would apply for grants from Arapahoe County Open Space for improvements to the property, including tree maintenance, irrigation upgrades, and possible addition of a trail. He added that staff was working with the Quincy Farm Committee on these projects.

Mayor Christman noted that staff had started the process of rezoning of Quincy Farm to the O-2 Zone District.

Council Bill 8, Series 2016; A Bill for an Ordinance Adopting a Budget and Levying Property Taxes for the City of Cherry Hills Village, Colorado for the Fiscal Year 2017 (second and final reading)

Councilor Gallagher moved, seconded by Mayor Pro Tem A. Brown to approve Council Bill 8, Series 2016; A Bill for an Ordinance Adopting a Budget and Levying Property Taxes for the City of Cherry Hills Village, Colorado for Fiscal Year 2017 on final reading.

The following votes were recorded:

Gallagher	yes
Griffin	yes
A. Brown	yes
VanderWerf	yes
Hoellen	yes

Vote on the Council Bill 8-2016: 5 ayes. 0 nays. The motion carried.

Council Bill 9, Series 2016; A Bill for an Ordinance of the City of Cherry Hills Village, Colorado Authorizing Appropriations for Fiscal Year 2017 (second and final reading)

Councilor Gallagher moved, seconded by Mayor Pro Tem A. Brown to approve Council Bill 9, Series 2016; A Bill for an Ordinance of The City of Cherry Hills Village, Colorado Authorizing Appropriations for Fiscal Year 2017 on final reading.

The following votes were recorded:

Griffin	yes
A. Brown	yes
VanderWerf	yes
Hoellen	yes
Gallagher	yes

Vote on the Council Bill 9-2016: 5 ayes. 0 nays. The motion carried.

Council Bill 10, Series 2016; Authorizing a Supplemental Appropriation for Utility Expenses for Quincy Farm for Fiscal Year 2016 (second and final reading)

Director Proctor presented Council Bill 10, Series 2016 on second and final reading. She explained that in 2007, Catherine H. Anderson placed a conservation easement on her property, Quincy Farm, to preserve its scenic, historic and natural value in perpetuity. Cat donated her entire property, subject to the conservation easement, to the City of Cherry Hills Village upon her passing. Cat passed away in June of 2016. The City was unable to anticipate when they would take ownership of Quincy Farm and therefore did not include utility expenses in the 2016 budget. The utility expenses were approximately \$900/month. Therefore, Council Bill 10, Series 2016 would approve a

supplemental appropriation in the amount of \$5,400 (\$900 x 6 months) for the utilities account in the Catherine H. Anderson Land Donation Fund. If approved, the utilities account in the Catherine H. Anderson Land Donation Fund would be increased from \$0 to \$5,400. However, this should not cause a decrease to fund balance because staff forecasted that revenues would exceed budgeted revenues in this fund and would cover the increase in expenditures. Utility expenses for Quincy Farm were included in the 2017 budget. There were no changes to the council bill since first reading.

Councilor VanderWerf moved, seconded by Councilor Hoellen to approve Council Bill 10, series 2016 on second reading; a bill for an ordinance of the City of Cherry Hills Village, authorizing a supplemental appropriation in the amount of \$5,400 for utility expenses for Quincy Farm for fiscal year 2016.

The following votes were recorded:

A. Brown	yes
VanderWerf	yes
Hoellen	yes
Gallagher	yes
Griffin	yes

Vote on the Council Bill 10-2016: 5 ayes. 0 nays. The motion carried.

Continued from November 15, 2016 – Public Hearing to Consider a Request by David Mosteller of 1550 East Oxford Lane and 4180 South Humboldt Street for a Variance from Municipal Code Section 16-5-30(b) Concerning Minimum Lot Area for Approval of a Minor Lot Adjustment

Deputy City Manager/Director Goldie explained that the application was for approval from City Council of a minimum lot area variance from Municipal Code Section 16-5-30(b) in order to seek administrative approval of a minor lot adjustment plat. The applicant owned or controlled both 1550 E. Oxford Lane and 4180 S. Humboldt Street. The minimum lot area variance was necessary because the Humboldt Street lot was already non-conforming in lot area and the proposed, reconfigured Humboldt lot would also fail to meet the minimum lot area for the R-1 zone district, which was a criterion of approval for a minor lot adjustment plat. The minor lot adjustment plat was separate from the variance request, and would be approved administratively by staff if Council approved the minimum lot area variance. The subject properties were zoned R-1, 2 ½-acre residential district. According to Arapahoe County Assessor records, the Oxford lot was 2.71 net acres and the Humboldt lot was 1.22 net acres. The north and south sides of the properties were surrounded by lots that were zoned R-1 and developed with single family residences. Municipal Code Section 17-3-420 outlined the approval criteria that City Council must use to determine approval of a variance request. Before approval, City Council would have to find that the request met all the criteria as outlined in the staff memorandum. City Council held a public hearing to consider the application on October 18, 2016 at which time the applicant's representative presented the

application to City Council. Council continued the public hearing to November 15, 2016 and then to December 14, 2016 to allow the applicant to be present and address Council directly and to allow staff additional time to research the issues. Since the October 18, 2016 meeting, City staff had been in communication with the applicant, applicant's attorney and representative. From these discussions, the applicant was willing to agree to a restrictive covenant recorded against both the Humboldt and Oxford parcels to ensure the parcels will be conveyed together to the same entity or person. The justification for the restrictive covenant arose from the lot merger provision set forth in Section 16-2-70 of the Municipal Code. Staff has found that the applicant has met all required criteria and recommended approval of the minimum lot area variance with conditions. It appeared that neither Mr. Mosteller or a representative were present at the meeting.

Councilor Hoellen questioned how the timing of the variance would interact with the filing of the restrictive covenant.

Assistant City Attorney McAskin replied that approval of the variance would be conditionally approved by Council and subject to the restrictive covenant being executed and recorded.

Mayor Christman asked who would record the covenant with the County.

Assistant City Attorney McAskin replied that the City Attorney's office or City staff would record the covenant with the County.

Councilor Hoellen questioned the effectiveness of the covenant if there were a violation of the terms, as opposed to a breach of contract.

Assistant City Attorney McAskin replied that the consequences to a violation of the covenant were sufficiently outlined in the document and noted that the covenant also included a provision for the recovery of attorney fees by the prevailing party in the case of litigation. He noted that the variance would not be granted until the covenant was fully executed and recorded.

Mayor Christman noted that an example of a violation to the covenant would be the transfer of one of the properties to a third party without concurrent transfer of the other property to the same third party.

Assistant City Attorney McAskin replied that there was no clear process to address that issue in the City Code but that the City could file a certificate of lot merger based on the lot merger provision set forth in Section 16-2-70 of the Municipal Code and the brief period of time when Mr. Mosteller had owned both lots.

Councilor Hoellen asked if there was a statute of limitations to enforcing that action. He added that he would prefer the City's cause of action be related to the restrictive covenant rather than Section 16-2-70 of the Code.

Mayor Christman replied that it was not clear under the City Code but that State laws addressed unlawful division of property. She asked staff to create a master file of all the existing agreements and covenants impacting City properties to help ensure that nothing was overlooked in the future.

Councilor Griffin asked if there were any rules against perpetuity regarding land transfers.

Mayor Christman replied that a restrictive covenant would not violate the rule against perpetuity.

Assistant City Attorney McAskin noted that the rule against perpetuity usually came into effect when dealing with an issue of vesting, which was not applicable in this case.

Councilor Hoellen indicated that after the covenant was fully executed and recorded, then the variance would be approved and a building permit could be applied for.

Assistant City Attorney McAskin confirmed that was correct.

Deputy City Manager/Director Goldie added that the lot line adjustment would be approved administratively after the variance was approved and before a building permit could be applied for.

Mayor Christman re-opened the Public Hearing at 7:54 p.m.

Hearing no comments, the Public Hearing was closed at 7:54 p.m.

Councilor Hoellen moved, seconded by Councilor VanderWerf to approve the request by David S. Mosteller for a minimum lot area variance from Municipal Code Section 16-5-30(b) based on the findings of fact set forth in the staff report dated December 14, 2016, and subject to the following condition of approval: That the City, David S. Mosteller and 80 South Santa Fe Development Company, LLC execute a restrictive covenant, in substantially the same form as attached to the December 14, 2016 staff report as Exhibit J subject to modifications approved by the Mayor and City Attorney that do not substantially change the intent of the restrictive covenant. In support of this motion, the City Council finds that the proposed variance meets all of the approval criteria set forth in Municipal Code Section 17-3-420 as outlined in Table 1 of the December 14, 2016 staff memorandum.

The motion passed unanimously.

Civic Center Project Options and Future Disposition of the Public Works Maintenance Facility

City Manager Thorsen indicated that staff was asking for Council direction on which option the City should pursue for the final disposition of the Public Works maintenance facility. Determining the preferred option would then allow for the completion of the proposed three major City projects, including the buildout of John Meade Park and Alan Hutto Memorial Commons, the construction of a new City Hall building, and the construction of a new Public Works facility. Multiple reports and studies had been prepared over the years, several of which recommended relocating Public Works outside the City but in close proximity to the City. Over the last six months the City had found two new sites and acquired the rights to purchase both properties. These sites were a two acre parcel on the SW corner of Jefferson Street and Colorado Boulevard in Cherry Hills Village ("Parcel 1"), and a three acre parcel located at 2101 W. Quincy Avenue in the City of Sheridan ("Parcel 2"). The potential purchase of either of these parcels would allow the Council flexibility in choosing which option may be best for City operations in order to meet the expectations of City residents and would allow for the completion of all three projects. On July 13, 2016, City staff hosted a community meeting to discuss the possibility of moving the Public Works facility to Parcel 1. Several of the surrounding residents expressed strong opposition to the relocation. A follow up City Council meeting was held on August 16, 2016, wherein several options utilizing Parcel 1 were explored. Again, the residents expressed opposition to relocating Public Works to the site. In September, the City entered into an agreement on Parcel 2, which is located approximately 3.5 miles from City Hall. Staff has been able to negotiate a final purchase price of \$2,425,000 which could be discussed in further detail with the next agenda item tonight, pending which option City Council chose. On November 1, 2016, the City conducted a public input meeting at St. Mary's Academy to obtain input from residents on five options that included using either Parcel 1 or 2.

City Manager Thorsen explained that Option 1 was to construct a Public Works facility at 2101 W. Quincy Avenue, and City Hall construction and full build out of John Meade Park would be accomplished within the Civic Center; Option 2 was to construct a new Public Works facility within the Civic Center, relocate City Hall to Jefferson St./Colorado Blvd., and build out John Meade Park in the Civic Center; Option 3 was to construct a new Public Works facility at Jefferson St./Colorado Blvd. and construct City Hall in the Civic Center near its current location, allowing for the build out of John Meade Park in the Civic Center; Option 4 was to construct both City Hall and the Public Works facility in the Civic Center, which would necessitate a reduction in the size and the loss of amenities at John Meade Park; Option 5 was only a partial solution and would need to be used in conjunction with the above options, and included using the "Hampden Triangle" parcel or building an additional garage in combination with one of the other options. At the November 1st meeting several residents and City Councilmembers expressed interest in pursuing Option 1. A few residents expressed support for some of the other options as well. City staff was now requesting that Council further discuss all options and provide direction to staff on which option was preferable. Staff would focus

on strengths and weaknesses of Option 1; however staff was prepared to discuss all of the other options.

City Manager Thorsen explained that the strengths of Option 1 included the size of the property (3 acres), which would accommodate all existing and future City Public Works and Park functions, and that the property was relatively flat, which would limit the amount of any future grading or the need for retaining walls; the site was located in an industrial zone and therefore noise, traffic, and aesthetics would not impact surrounding lots and rezoning of the property was not required as it would be for Options 2 and 3; there were two existing large primary garage buildings totaling 7,200 square feet that were in good shape and could immediately function for storage of equipment and material, after some remodeling and repair, and would save significant funds on construction; although the site would no longer be within the City boundaries, it was only 2.2 miles to the City's western boundary and 3.5 miles to City Hall; the site was the least disruptive to residential neighborhood concerns regarding noise, traffic, and aesthetics; although it was not anticipated that the City would sell the land, it was believed that based upon location and limited availability of industrial property in this region, this site would increase in value over time. Also, Option 1 was similar in costs to develop for City use when compared to the other options, but with Option 1 the City would have also acquired a 3-acre site.

City Manager Thorsen indicated that the weaknesses of Option 1 included an anticipated increase of approximately \$18,000/year in fuel and maintenance costs based upon five vehicles each traveling an additional 14 miles/day at a cost of \$1.00/mile; the lost personnel time was estimated to be \$50,000/year based on ten staff members each losing approximately 30-40 minutes a day (two roundtrips) at ten minutes each way. Should efficiencies improve and fewer trips need to be taken, costs could be significantly reduced.

City Manager Thorsen explained that Phase I and II environmental studies had been performed for the City on the site and that he would go into more detail during the next agenda item if appropriate. In order to construct new buildings on the site, the City would need to install a private sewer line and remove the septic system. There were two options available. The first and most desirable option would be to construct a gravity flow sewer line to the west. An easement would be required from the adjacent property owner, but this option was the most economical to construct and maintain. If the easement could not be acquired, a sewer line could be constructed to the east within Quincy Avenue up to Natches Court. This sewer line would require an onsite holding tank and a pumping system with backup generator power. The option to Natches Court was less desirable and more costly to construct and maintain but would not require an easement. The cost estimate included as Exhibit F to the staff memorandum included the Natches Court option.

Councilor VanderWerf noted that another strength of Option 1 was that it would allow flexibility in staging during the construction of new City facilities.

City Manager Thorsen replied that it would depend on timing but that was true.

Councilor Gallagher asked if vehicles and equipment used for weather events could be kept at the Civic Center to reduce response time during those events.

City Manager Thorsen replied that there was no garage planned to keep equipment at the Civic Center but the Hampden triangle could be used for staging. He added that Public Works equipment and vehicles could be placed in the proposed Civic Center parking lot which should have ample room, but no covered storage was planned for the Civic Center.

Councilor Griffin asked about the easement that would be necessary at the 2101 W. Quincy Avenue site for sewer.

City Manager Thorsen replied that staff had not approached that property owner about the easement yet. He noted that the City would likely compensate the property owner for the easement, but that if the easement was secured it would save costs compared with the Natches Court option.

Councilor Griffin indicated he was in favor of Option 1 and that it fit the needs of the City. He expressed concern over possible exposure of the City to liability associated with environmental issues on a long term basis. He asked if staff had looked into environmental insurance.

City Manager Thorsen replied that staff was confident that any significant environmental issues would have been shown by the Phase I and Phase II environmental studies. He indicated that staff had received quotes for one and three year packages of \$1 million of environmental insurance, which would cost around \$12,500 with some exclusions. He noted that the time of highest susceptibility to environmental exposure was during construction. Staff had also discussed the issue with the City's broker who communicated that a recently sold property had required environmental remediation based on its Phase II report that had cost between \$8,000 and \$12,000, with an additional \$5,000 for additional work. He indicated staff's belief that \$1 million in environmental insurance would be sufficient. He noted that the coverage could be extended on a yearly basis beyond the initial term, but that it was expensive insurance.

Councilor Hoellen indicated that the Phase I and II environmental reports for the 2101 W. Quincy Avenue property were good reports, and nothing had been identified that would suggest contamination that would expose the City to liability in the future.

Mayor Christman added that for an industrial property it was very clean, and in fact was cleaner than the City's current Public Works site. She noted that the insurance would not cover anything that the City did to the site and three years was usually the longest period of time for environmental insurance because it would be increasingly difficult to distinguish what had been there previously versus what was caused by the City.

Councilor Griffin suggested an abundance of caution.

Councilor Gallagher indicated that the insurance would likely only cover substances that had been tested for and that the City might consider doing more testing to eliminate some of the exclusions to the policy.

City Manager Thorsen replied that staff planned to conduct further tests of the well water and if the tests revealed compounds above EPA allowed levels then the well water would be used only for dust control and vehicle washing rather than human consumption. He stated that the City would not be using the well water for drinking purposes, but instead would hook up to a nearby potable water line.

Councilor VanderWerf asked if staff was still considering generating revenue from leasing part of the property since the City did not need all three acres at this time.

City Manager Thorsen replied that staff had not ruled out the possibility but that the issuance of the COPs might restrict the City's ability to lease any portion of the property.

Councilor Hoellen moved, seconded by Councilor VanderWerf to approve Option 1 as the preferred site location for the Public Works maintenance facility and direct staff to pursue the relocation of said facility to 2101 W. Quincy Avenue, in the City of Sheridan, Colorado.

City Manager Thorsen asked if Council wished to allow public comment.

City Clerk Smith noted that it was at the Mayor's discretion.

The Mayor opened the floor for public comment.

Dan Sheldon, 6375 E. Tufts Avenue, stated that the Council had done a good job coming to and vetting the current options. He asked why the City would proceed with the acquisition of 2101 E. Quincy Avenue instead of getting an extension in order to find answers to their questions and doing further testing as necessary.

Mayor Christman replied that the seller was not willing to grant an extension.

Councilor Hoellen indicated that for him there were no unanswered questions that would influence his ability to make a decision and move forward. He stated that given the information available on a property such as this he considered it a good property. He noted that Council would render judgements as additional information might become available.

Mayor Christman added that staff and Council had examined the Phase I and Phase II environmental reports very carefully. She noted that the well water under question was not needed for human consumption and therefore was not a great concern. She noted that the property at Jefferson and Colorado had no environmental issues because it was

vacant, but considering that the 2101 W. Quincy Avenue property had been used for industrial use it was a very clean property.

Councilor Griffin asked about the water rights on 2101 W. Quincy Avenue.

Mayor Christman replied that the seller was conveying the water rights to the City.

Councilor Griffin noted that water rights were a valuable asset. He asked about the wells on the property.

Deputy City Manager/Director Goldie noted that the wells were not very deep.

City Manager Thorsen added that they were 10-20 feet deep.

Mayor Pro Tem A. Brown asked if the wells were permitted by the State Engineer.

City Manager Thorsen replied that they were and that the permits would be transferred to the City.

Councilor Hoellen and Councilor VanderWerf renewed the motion.

The motion passed unanimously.

NEW BUSINESS

Resolution 18, Series 2016; Approving the Acquisition of 2101 W. Quincy Avenue Located in the City of Sheridan Consisting of Approximately 3.0 Acres More or Less

City Manager Thorsen presented Council with Resolution 18, Series 2016 which would authorize the Mayor to enter into a contract to purchase 2101 W. Quincy Avenue for the purpose of relocating the Public Works Department maintenance facility. He noted that the property consisted of three acres in the City of Sheridan. He indicated that Phase I and Phase II environmental assessments had been completed on the site. Eight soil drillings were made and seven samples were tested. Volatile Organic Compounds (VOCs) and Semi-Volatile Organic Compounds (SVOCs) were non-detectable in all samples. Barium, chromium, lead, and mercury were detected in all samples and arsenic was detected in two samples. The concentrations were below State and EPA limits. Polychlorinated biphenyls (PCBs) were detected in one sample, but were below EPA limits. The site contained five wells, one of which was dry. The four active wells were tested. VOCs, SVOCs, and PCBs were non-detectable in samples. Barium and chromium were detected in some or all samples, but were below State regulations for drinking water. The concentration of lead and arsenic in one of the samples were above State drinking water standards. The City would connect to a potable water supply for drinking water. The use of the well was likely to be maintained for vehicle wash system and dust control. It was recommended the water well be sampled prior to use to determine uses for water. Nine soil gas vapor points were analyzed by penetrating

concrete slabs of buildings and through the asphalt parking lot. Methane was not detected in any sample. A photoionization detector (PID) was used to sample for VOCs. From the highest PID reading, an air sample was collected which indicated VOCs in the sub-slab. It was recommended that a 24-hour test be conducted if that building was to be occupied. EPA and Colorado Regulations identify material to be asbestos containing if it contained greater than 1% asbestos. The floor tile and associated Mastic located in the main shop and the back shop contain asbestos greater than 1%. If the buildings or tile were removed, appropriate handling of the material would have to be conducted by a certified asbestos contractor. There were a few other samples of drywall and joint compound that showed trace amounts of asbestos (less than 1%). If this material was disturbed during construction proper OSHA protective equipment and controls would have to be followed. Staff was confident that the environmental assessments had been thorough and that risk of environmental issues was relatively low. The original contract to buy the property was set at \$2.45 million. The City had an appraisal conducted on the property and the final appraisal amount was \$2.40 million. The City and seller agreed on a final price of \$2.425 million. The anticipated construction on the site included a new 7,000 square foot office and garage building, a salt and sand storage building, utility connections, vehicle wash bay, fuel tanks, security, fencing, mag tank, and other improvements. The total estimate of construction was \$2.14 million and included the more costly sewer connection and a 30% contingency. This would mean the total cost to purchase the property and rehabilitate existing buildings as well as construct new facilities would be approximately \$4.57 million.

Councilor Gallagher asked if the City had preliminary plans for the new buildings.

City Manager Thorsen replied that staff had identified rough locations and sizes for the new buildings. He added that staff had begun the architectural review process and would bring a contract for Council's consideration if Council approved the acquisition.

Councilor Gallagher asked about clearing the property.

City Manager Thorsen replied that 90% of the vehicles had already been removed from the site.

Councilor Hoellen asked if the acquisition was contingent on the property being cleared.

City Manager Thorsen replied that the contract included fines if the property was not cleared.

Mayor Pro Tem A. Brown asked about the City leasing back a portion of the property to the seller.

City Manager Thorsen replied that the contract included a 90 day lease back of the modular home on the property to the seller. He explained that the seller lived in the modular home and had requested the 90 day lease back to allow him time to relocate.

Councilor Hoellen asked if the seller had waived liability for the lease back.

City Manager Thorsen confirmed that was correct and added that it would be covered by the City's insurance.

Assistant City Attorney McAskin indicated that line four of Section 1 of the resolution should be amended from "General Warranty Deed" to "Special Warranty Deed", as it had been changed during the negotiations.

Councilor Hoellen moved, seconded by Councilor VanderWerf to approve Resolution 18, Series 2016, as amended by Council; a resolution of the City Council of the City of Cherry Hills Village approving the acquisition of 2101 W. Quincy Avenue located in the City of Sheridan consisting of approximately 3.0 acres more or less.

The motion passed unanimously.

Council Bill 11, Series 2016; Authorizing a Site Lease and Lease Purchase Agreement Between the City of Cherry Hills Village, Colorado, and UMB Bank for the Purpose of Financing Public Buildings and Certain Park Improvements; Approving Not to Exceed \$12,900,000 Principal Amount of Certificates of Participation (COP's), Series 2017 in Connection Therewith; Authorizing Officials of the City to Take All Action Necessary to Carry Out the Transactions Contemplated Hereby; and Related Matters (first reading)

Director Proctor presented Council Bill 11, Series 2016 on first reading. She explained that the City had three major projects proposed in the 2017 budget, consisting of the construction of John Meade Park and Alan Hutto Memorial Commons (\$3.7M), the construction of a new City Hall (\$4.5M), and the construction of a new Public Works Facility (\$4.7M). The City intended to issue up to and not to exceed \$12.9 million in COPs (Certificates of Participation) to fund the projects. City-owned property and buildings totaling approximately \$12.9 million would be used as collateral for the financing. The COP proceeds would be divided between the Capital Fund and Parks Fund, with the Public Works facility split 50% Capital Fund and 50% Parks Fund; City Hall split 67% Capital Fund and 33% Parks Fund; and John Meade Park 100% Parks Fund. Overall 58% of the proceeds would go to the Parks Fund and 42% to the Capital Fund. In addition to the \$12.9 million issuance, Director Proctor presented another option to Council for issuance of \$9.2 million for the Public Works and City Hall projects, requiring that the John Meade Park project be paid with cash. In both options the annual COP payment from the General Fund would be the same at \$354,000, but the COP payment from the Parks Fund would be \$246,000 with the \$9.2 million issuance versus \$487,000 for the \$12.9 million issuance, a difference of \$240,000 for the additional \$3.7 million in COPs. Director Proctor presented a graph showing forecasts out to 2030 of the General Fund, Capital Fund, and three Parks funds (Parks and Recreation Fund, Arapahoe County Open Space Fund, and Cat Anderson Fund) using the two issuance amounts. All fund balances remained positive except for the Capital Fund, and a combined positive fund balance in 2030 of approximately \$12 to \$15 million. Staff continued to look at ways to fund the Capital Fund such as properly allocating Parks

expenses to the Parks Fund and transferring excess fund balances from the General Fund to the Capital Fund. Dan Lynch, bond counsel for the City, and David Bell, underwriter for the City, were present to answer any Council questions.

Mayor Christman noted that the Capital Fund would go negative in the future with or without issuance of COPs and the future negative fund balance was not caused by the COPs.

Director Proctor confirmed that was correct. She added that without issuance of COPs more funds from the General Fund could potentially be transferred to the Capital Fund and the Capital Fund balance would decrease more slowly.

Councilor VanderWerf noted that Council had created the Capital Fund because of excessive fund balance in the General Fund. She asked if the forecast considered excessive fund balances in future years.

Director Proctor replied that the forecast followed the current fund balance policy but assumed revenues equal to expenditures each year so any revenues in excess of expenditures would cause the Capital Fund to decrease more slowly.

Councilor Hoellen questioned if the 2% annual increase in revenue used for the forecast was reasonable.

Director Proctor replied that it was safe and accurate for purposes of forecasting.

City Manager Thorsen added that excess revenue was transferred from the General Fund to the Capital Fund at the end of each year and it was likely this trend would continue, causing the Capital Fund balance to decrease more slowly than shown in the forecast.

Mayor Pro Tem A. Brown noted that sales tax revenue may continue to decrease as more vendors became aware that the City did not charge sales tax on deliveries into the City. He estimated that 80% of current sales tax revenue was secure.

Councilor Gallagher asked if the three projects could be split up and COPs issued separately for each one.

David Bell, underwriter for the City, replied that issuing individual COPs for the Public Works facility and City Hall would be straightforward, but it would be difficult to issue an individual COP for John Meade Park because taking a lease hold interest in a park might not be possible.

City Manager Thorsen noted that there was a cost each time a set of COPs was issued and so separating the issuances would result in additional costs for the City.

Councilor VanderWerf added that delays could mean higher interest rates.

Councilor Gallagher noted that the council bill would approve up to \$12.9 million in COPs and asked when Council would have to decide exactly what amount to issue.

City Manager Thorsen replied that staff needed direction from Council on the amount they wished to approve at tonight's meeting. He noted there would be a second reading of the council bill during which discussion could continue.

Mayor Pro Tem A. Brown suggested paying for the John Meade Park improvements with cash and eliminating that project from the COPs, reducing the issuance amount to \$9.4 million. He indicated his support of spending cash before borrowing money. He noted that John Meade Park was a more fluid project than the other two, and that paying with cash might motivate the City to seek grants for John Meade Park more aggressively. He also suggested adding a condition to the council bill that the COPs would not be issued before the Council had approved plans for Public Works and had negotiated a fixed price contract for construction of City Hall. He supported starting the process now and delegating the City Manager and Finance Director to move forward, but indicated that more work needed to be done before the COPs were issued. He added that the additional cost to splitting the COP issuance into two was likely minimal compared to the overall cost of the COPs to the City.

Mayor Christman noted that floodplain remediation at the Civic Center was current budgeted as part of the John Meade Park project, and asked Mayor Pro Tem A. Brown if he envisioned that portion of the project being paid for by COPs or with cash.

Mayor Pro Tem A. Brown indicated it would be paid for with cash along with the John Meade Park budget.

Councilor Gallagher noted that Mayor Pro Tem A. Brown was not against redevelopment of John Meade Park but was concerned about the method of funding.

Councilor VanderWerf noted that some of the City Hall work was contingent on the floodplain remediation.

Mayor Christman asked where the \$3.7 in cash for the John Meade Park project would come from.

Director Proctor replied that \$1 million would come from the Parks and Recreation Fund, \$700,000 from the Conservation Trust Fund and \$2 million from the General Fund, to be paid back from the Parks Fund at a later date.

Councilor VanderWerf asked about funds for open space if the John Meade Park redevelopment was paid for with cash.

Director Proctor replied that fewer funds would be available for open space acquisition.

Councilor Hoellen noted that acquiring open space was an overriding priority of the City that the Council was dedicated to trying to accomplish. He indicated that if the John Meade Park project was paid for in cash it would move open space acquisition to a lower priority.

Mayor Pro Tem A. Brown stated that he considered 90 Meade Lane to be a land bank for open space.

Councilor Griffin suggested that the redevelopment of John Meade Park could be considered investment in open space.

Councilor Hoellen agreed that 90 Meade Lane to be a land bank for open space and that the redevelopment of John Meade Park could be considered a contribution to open space. He stated that the question was how much cash Council wanted to have available for a potential future open space opportunity, and Council had often used the amount of \$5 million. He noted that the City never knew when a property or easement might become available, and alternate sources of funding were difficult to find.

Mayor Pro Tem A. Brown suggested that the voters would be most likely to support open space rather than any other project if the City had to go to the voters for additional revenue. He indicated that he had never seen anyone work as hard as the Mayor had on potential open space acquisition and that it was difficult to find opportunities.

Councilor Hoellen agreed and stated that he did not want an opportunity to come up and the City to not have funds available. He noted that going to the voters was not a fast process. He stated that he agreed that the City should be confident in the costs of construction before the COPs were issued.

Mayor Pro Tem A. Brown suggested that the City be at or above 90% certainty of the costs of construction before the COPs were issued.

City Manager Thorsen indicated that staff was very confident in the current cost estimates. He explained that a 30% contingency had been added to each phase of the John Meade Park redevelopment cost estimates for a total of \$1 million in contingencies. He stated that absolute costs for construction of Public Works and City Hall were difficult because it was not always known what was below ground before construction began. He indicated that the ground at the 2101 W. Quincy Avenue site had very little clay and the new Public Works buildings would be fairly lightweight, so staff was confident in their cost estimate for that facility, which also included a 30% contingency. He noted that the \$4.5 million budget for the new City Hall was the tightest budget and staff was planning a building that would meet the City's needs going forward. He added that the cost for the proposed parking lot could be shared with John Meade Park. He suggested that including all three projects in the COP issuance would provide the most flexibility to the City.

Councilor Hoellen asked about the square footage for the new City Hall.

City Manager Thorsen replied the new City Hall was planned for 12,500 square feet.

Councilor Hoellen indicated that he liked the idea of limiting the COPs as that would prevent the budget for the projects from increasing, and avoiding the cost increase that was seen for City Hall ten years ago.

City Manager Thorsen added that the City could use more of the existing buildings on the 2101 W. Quincy Avenue site if costs needed to be reduced due to unanticipated costs. He indicated that staff was very confident in the cost estimates for the new Public Works facility and redevelopment of John Meade Park, and was confident in the cost estimate for a new City Hall although it was a tight budget.

Mayor Pro Tem A. Brown indicated that he was not questioning staff's good faith efforts but was concerned that the City hadn't gone through the normal process to establish the cost of the projects at a higher certainty. He stated that he wanted to ensure that Council knew everything there was to consider before they committed to the COPs.

Councilor Gallagher noted that the John Meade Park redevelopment could be done in phases and that the City had flexibility in completing that project. He indicated that Council should be thoughtful about how to spend City funds and not take on debt for a park that wasn't currently used. He stated that the City had to improve the Alan Hutto Memorial Commons and had to do the floodplain remediation and should do the wetlands improvement. He indicated his support in paying cash for the John Meade Park redevelopment.

Councilor Hoellen stated that it was okay not to prioritize open space acquisition but that Council had to acknowledge that is what they would be doing by choosing to pay cash for the John Meade Park redevelopment.

Mayor Christman explained that in relation to the phasing for John Meade Park, it would cost the City significantly more in application fees to FEMA to break up the process rather than doing John Meade Park, City Hall, and the parking lot together. She noted that the majority of the cost to redevelop John Meade Park was related to FEMA, and the playground and restroom were relatively minor costs. She asked what portion the FEMA parts of the John Meade Park project consisted of.

City Manager Thorsen replied that staff had not broken down the costs that way. He added that the grading for the Alan Hutto Memorial Commons and the wetland improvements were interrelated, and that in order to present one application to FEMA the City would need to know the plan for both John Meade Park and City Hall. He indicated that if Council chose to use cash instead of COPs to redevelop John Meade Park then the City would likely not have sufficient funds to purchase open space until 2022 because \$2 million would have been borrowed by the Parks Fund from the General Fund for the John Meade Park project and would need to be paid back. He stated that approving the full \$12.9 million in COPs would provide the City with flexibility,

including maintaining cash reserves for possible acquisition of open space. He noted that if the project costs were less than \$12.9 million then the City could use the excess funds to pay the COP payments.

Councilor Hoellen stated that no Council would spend City funds in an unthoughtful manner. He noted that \$12.9 million was a maximum. He indicated that approving \$12.9 million in COPs did not approve the three projects as they were currently planned, and that Council would be thoughtful about each project during the process. He stated that he agreed with Mayor Pro Tem A. Brown's other two points but not the reduction in COPs. He indicated that he wanted to preserve the option to purchase open space, and approval of the \$12.9 million in COPs would allow the City to complete its goals and objectives, including preserve the option of open space acquisition if an opportunity arose.

Mayor Christman indicated that another reason why flexibility was preferred was that upcoming costs for Quincy Farm were unknown, and although grants were available they often required matching funds. She stated that it would be a shame to lose a grant opportunity because the City did not have the matching funds available. She asked about the difference in interest payments between the \$9.2 million and \$12.9 million COP issuances.

City Manager Thorsen replied that the difference to the Parks funds between the two COP issuance amounts was \$240,000 in annual COP payments, and there would be no difference in the General Fund.

Mayor Pro Tem A. Brown indicated that committing to COP payments from the Parks and Recreation Fund would add to the fixed costs and reduce the amount of revenue available in that Fund.

Mayor Christman stated that she did not think the City needed a final contract with an architect or contractor before issuing the COPs, and should not sign a contract before issuing the COPs. She asked if delaying the issuance subject to more concrete cost estimates would result in increased costs to the City.

Mr. Bell replied that the council bill under consideration tonight set the maximum amount of COPs but did not delineate projects or amounts per project. He indicated that as the underwriter he would like to see the leased assets, namely the new Public Works facility and new City Hall building, be constructed first. He noted that it would be a couple months before the COPs were sold on the marketplace, and that if Council approved the \$12.9 million with this council bill, that amount could be reduced in the next couple months if Council chose to do so. He explained that after the council bill was approved on second reading at the January 3rd Council meeting, the likely timeline was: the City's credit rating would be established by the second or third week of January, municipal bond insurance would be established by the first week of February, sale of the COPs would begin in mid-February, and closing by the end of February or

first part of March, after the referendum period had passed. He indicated that this timeline would require that the final amount of COPs be determined by mid-January.

Assistant City Attorney McAskin stated that the referendum period was 30 days.

Mr. Bell emphasized that from his perspective the leased assets of Public Works and City Hall were the high priorities and whatever was left of the \$12.9 million after they were complete would be for the John Meade Park project.

Mayor Christman asked about the Civic Center parking lot.

Mr. Bell replied that he would consider the parking lot and landscaping around it to be part of the City Hall lease hold interest.

City Manager Thorsen noted that the cost for the proposed parking lot would be shared by the City Hall and the John Meade Park project budgets.

Mayor Christman indicated that if John Meade Park were not included in the COPs the City would have to be sure that there was not a cost overrun in the City Hall budget for the parking lot.

Councilor VanderWerf indicated that she was in support of approving the proposed council bill for \$12.9 million in COPs. She noted that it would be easier for Council to lower that number if they chose to rather than increase it later. She stated that it was very important to have funds available for open space acquisition. She noted that several of the City's best opportunities were coming together at the same time and she was impressed by staff's planning and financing options. She indicated that she knew staff would work diligently on procuring grants for John Meade Park and Quincy Farm. She stated that this was a big decision and that in many ways the Council was deciding the City's appearance and character for the next 50 years. She indicated her support of everyone's steady and clear thinking. She suggested that the City might begin to look at other sources of income in the future as outlined in the Master Plan.

Councilor Griffin asked about shorter call periods for COPs as utilized by CDOT to fund their new headquarters.

Mr. Bell replied that he had been involved in that transaction as well as several for school districts that had used shorter call periods. He explained that COPs with a shorter call period were more expensive but could be a good option in certain situations.

Councilor Hoellen noted that it would not be worth the extra cost to the City to shorten the call period unless interest rates became significantly higher.

Councilor Gallagher indicated that open space was very important and suggested that Council could go to the voters with a specific amount for a specific property if it became available.

Councilor VanderWerf warned that the seller would need to be willing to wait for the City to have the funds through an election cycle, and that the City had lost a piece of open space in the past because of that issue.

Councilor Hoellen stated that Council was obligated to implement the plans for the City at large, and could not defer to the residents for every decision because priorities would constantly shift.

Councilor Gallagher suggested including part of the John Meade Park redevelopment cost with the COPs and paying the rest with cash.

Mayor Christman noted that the John Meade Park redevelopment overlapped with the new City Hall and she would be more in support of funding all aspects related to City Hall with COPs if a portion of John Meade Park were paid for in cash.

Mayor Pro Tem A. Brown asked why the cost for the John Meade Park redevelopment was entirely in the Parks funds if part of it was administrative.

Councilor Hoellen asked how long it would take to get the construction cost numbers that Mayor Pro Tem A. Brown was proposing Council should have before issuing COPs.

City Manager Thorsen replied that staff planned to have a final design for City Hall by late summer or early fall, with partial designs and adjusted cost estimates along the way.

Mayor Pro Tem A. Brown indicated that a contract could usually be negotiated at 30% design.

City Manager Thorsen added that the long timeline for the design process was partially due to the FEMA permit process, which would take six months. He indicated that during that time planning and design would continue for City Hall, Public Works and John Meade Park.

Councilor Hoellen noted that the City could close on the 2101 W. Quincy Avenue property and begin construction of the new Public Works facility in the meantime and if the City had not finalized the COPs by then all the City's cash would be tied up in Public Works.

Mayor Pro Tem A. Brown agreed that Public Works could be completed quickly and COPs for Public Works could be issued separately from City Hall and John Meade Park. He noted that the proposed council bill would only authorize staff to move forward with the process but not allocate the COPs.

City Manager Thorsen warned that separating Public Works from the other projects would give the City less ability to issue COPs for John Meade Park, unless the City was able to space out the issuances but keep all the COPs linked.

Councilor Hoellen asked if COPs for John Meade Park could be issued with just City Hall, if Council chose to separate Public Works.

Mr. Bell replied that the equity in the City Hall ground could be used for the John Meade Park project.

Mayor Pro Tem A. Brown asked what acreage was considered for the City Hall ground asset.

City Manager Thorsen replied approximately six acres.

Mayor Christman asked if Council approved \$12.9 million in COPs if the City could complete the projects in pieces.

Mr. Bell replied that it was not necessary to decide that at this point as the council bill under consideration would only delegate authority but not approve projects or allocations.

Mayor Christman noted that if Council approved \$12.9 million it would leave flexibility to reduce the amount in the future if better cost estimates were available.

Councilor VanderWerf added that \$12.9 million would be the upper limit that the City would issue.

Councilor Griffin indicated that less debt was better. He noted that a new Public Works facility and City Hall had been a topic of discussion throughout his eight year term on Council. He added that Council couldn't have everything and had to identify needs versus wants.

Mayor Christman suggested approving the council bill with \$12.9 million. She expressed concern that the suggested \$9.2 million did not include the parking lot and that would require more cash to be spent from the Parks fund.

Mayor Pro Tem A. Brown replied that cash would have to be spent from the Parks fund either way, either to make COP payments or to pay directly for the projects.

Councilor VanderWerf added that COPs should be used for both the parking lot and floodplain remediation.

Councilor Gallagher suggested that Council approve a COP amount that included Public Works, City Hall, and the portions of John Meade Park that were necessary for City Hall, and pay for the remainder of John Meade Park with cash.

Councilor Griffin indicated that if the hard numbers were different than the estimated costs the Public Works and City Hall projects would be jeopardized.

Councilor Gallagher replied that the City should be sure to issue sufficient COPs to cover the hard costs.

Mayor Pro Tem A. Brown indicated that the parking lot would be funded and built either way.

Councilor Gallagher asked about the floodplain remediation.

Mayor Pro Tem A. Brown replied that it was included in the 2017 budget already and that all would be funded. He added that reducing the COP issuance to \$9.4 million would not eliminate the parking lot or floodplain remediation.

Mayor Christman suggested there was no reason not to approve \$12.9 million now and reduce it later if desired. She added that would give the new Council the most flexibility.

Councilor Hoellen agreed that the two most important projects were Public Works and City Hall. He indicated that if John Meade Park was not included in the COP issuance then the chance of the redevelopment being completed was reduced and/or the opportunity to acquire open space was reduced.

Councilor VanderWerf stated that Council had made a commitment to redevelop John Meade Park and Alan Hutto Memorial Commons. She indicated her support of \$12.9 million with the possibility of reduction in the future.

Councilor Gallagher agreed that the flexibility to the City and the next Council afforded by \$12.9 million was preferable.

Councilor VanderWerf added that she wanted to see the cost of purchasing 2101 W. Quincy Avenue paid back, and the City needed to make sure it had cash to work with and carry through with these projects.

Councilor Griffin stated that he was confident in the next Council to be prudent going forward with hard numbers for these projects. He indicated his support of \$12.9 million in order to give the next Council flexibility.

Councilor Gallagher indicated that Council should be thoughtful and consider needs versus wants. He stated he was in favor of \$12.9 million.

Councilor VanderWerf moved, seconded by Councilor Hoellen to approve Council Bill 11, Series 2016; a bill for an ordinance authorizing a site lease and lease purchase agreement between the City of Cherry Hills Village, Colorado, and UMB Bank for the purpose of financing public buildings and certain park improvements; approving not to exceed

\$12,900,000 principal amount of Certificates of Participation, Series 2017 in connection therewith; authorizing officials of the City to take all action necessary to carry out the transactions contemplated hereby; and related matters on first reading.

The following votes were recorded:

VanderWerf	yes
Hoellen	yes
Gallagher	yes
Griffin	yes
A. Brown	no

Vote on the Council Bill 11-2016: 4 ayes. 1 nays. The motion carried.

Mayor Christman thanked the Council for the thorough discussion. She also thanked the new Council members for being in attendance.

Councilor Hoellen indicated that this was the culmination of nearly ten years of work. He stated that he came onto Council to implement the Master Plan and would work to keep these projects a high priority moving forward.

Councilor Griffin asked that retail priority be given to residents to purchase the City's bonds.

Mayor Christman agreed.

Council Bill 12, Series 2016; Approving a First Amendment to Agreement Relating to Subdivision and Development of Glenmoor of Cherry Hills and Authorizing a Temporary and Limited Waiver of Section 18-10-160 of the Cherry Hills Village Municipal Code (first reading)

Director Hodgson presented Council Bill 12, Series 2016 on first reading. She explained that the applicant, Glenmoor Country Club (GMCC), was currently not allowed to drill wells per its agreement with the City. City staff received the request initially on October 30, 2015 for an amendment to the current subdivision agreement to allow GMCC to drill a new water well on their property or easements. A year later, GMCC submitted a revised subdivision agreement amendment with an additional request for a limited duration of time for continuous well drilling of 24 hours a day for a maximum of seven consecutive days. Because this would constitute a temporary waiver of Section 18-10-60 of the Municipal Code, this request would have to be approved by City Council. Staff has found this request to be reasonable because in certain circumstances a well needs to be continuously drilled because there is a risk of the well walls collapsing if drilling is stopped. Any well drilling operations that are in excess of this seven day exemption would require prior approval from the Community Development Director. Approval would be based on the following conditions: good cause exists and prior written notice is given to the Glenmoor Homeowners Association.

Councilor Hoellen asked about the section of the subdivision agreement amendment which stated that additional wells on the property would be subject to approval by the Community Development Director.

Assistant City Attorney McAskin replied that the amendment had been presented to staff from the applicant.

Jim Soran, representative for GMCC, explained that they were requesting a new well as a backup to their current irrigation system. He added that the provision in the amendment allowing for additional wells was in case the new well was not productive or failed.

Councilor Hoellen indicated that the wording “which approval will not be unreasonably withheld” should be removed.

Mayor Christman stated that she approved of the proposed location of the new well since it was not near any residences. She expressed concern that a future well should not be located near residences as the drilling would be disturbing. She suggested that additional amendments be required for any future wells.

Councilor Griffin asked if GMCC’s water rights were new and asked about the aquifer.

Mr. Soran replied they had been acquired in 2010.

Steve VanBuren, General Manager for GMCC, replied that the aquifer was about 1800 feet deep.

Councilor Hoellen questioned the reasoning behind the original restriction on new wells. He asked about the 1000 foot structure discussed in the amendment.

Mr. Soran replied that the restriction on new wells may have been for the entire subdivision, which would make sense as the City would not want new wells being constructed on all the residential lots in the subdivision. He noted that the 1000 feet was a maximum size for the well house.

Mayor Christman suggested that wording was not needed in the amendment because any structure would have to adhere to O-1 zoning requirements.

Director Hodgson indicated that any structure on the property would have to adhere to zoning regulations and the amendment was not authorizing an exception to the Zoning Code.

Mayor Christman noted that the wording of the amendment was unclear.

Mr. Soran added that the applicant did not believe that the expanded use application section of the Zoning Code applied to the proposed well house.

Mayor Christman replied that in the past the City's policy had been that any new structure on an O-1 property had to go through the expanded use application process.

Councilor Griffin indicated that he agreed with Councilor Hoellen that the amendment should be for one new well only.

Mayor Christman asked if the drilling for the new well would take place over the weekend.

Mr. Soran replied that once the drilling began it would have to be continuous until completed for safety reasons and therefore may occur over a weekend.

Councilor Hoellen suggested the issue be tabled to a future meeting.

Mayor Christman asked the applicant about their timeframe.

Mr. Soran replied that the applicant was planning the well for the summer.

City Manager Thorsen indicated that staff would return at a future meeting to address Council's concerns regarding the Zoning Code, "reasonably withheld", the history of the restriction on wells, and the one-time approval of a new well versus multiple future wells.

REPORTS

Mayor's Report

The Mayor wished everyone Happy Holidays and thanked the outgoing Council members for their valuable service.

Members of City Council

Councilor Gallagher thanked the outgoing Council members.

Councilor Griffin thanked staff for their work with the Winter Celebration.

Mayor Pro Tem A. Brown noted that the Winter Celebration had been well attended.

Councilor VanderWerf agreed.

Councilor Hoellen expressed regret that he was unable to attend the Winter Celebration.

Members of City Boards and Commissions

None

City Manager & Staff

City Manager Thorsen thanked the outgoing Council members and congratulated the Parks staff on a successful Winter Celebration event.

City Attorney

Assistant City Attorney McAskin indicated that City Attorney Michow had been sorry she couldn't attend tonight's meeting and wished everyone Happy Holidays.

ADJOURNMENT

The meeting adjourned at 10:02 p.m.

Laura Christman, Mayor

Laura Smith, City Clerk

**CHERRY HILLS VILLAGE
COLORADO**

2450 E. Quincy Avenue
Cherry Hills Village, CO 80113
www.cherryhillsvillage.com

Village Center
Telephone 303-789-2541
FAX 303-761-9386

Item: 14a

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: JIM THORSEN, CITY MANAGER

SUBJECT: APPOINTMENT OF CITY CLERK, CITY TREASURER AND CITY ATTORNEY

DATE: JANUARY 3, 2017

DISCUSSION:

Section 6.1 of the City Charter requires that the City Council appoint the City Clerk, City Treasurer and City Attorney at the organizational meeting after each regular City election. The following persons are recommended for appointment:

City Clerk:	Laura Smith
City Treasurer:	Karen Proctor
City Attorney:	Linda Michow

RECOMMENDED MOTION:

“I move to approve the appointment of Laura Smith to the position of City Clerk, Karen Proctor to the position of City Treasurer, and Linda Michow to the position of City Attorney, as required by Section 6.1 of the City Charter.”

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ITEM: 14b

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: LAURA SMITH, CITY CLERK

SUBJECT: RESOLUTION 1, SERIES 2017: A RESOLUTION DESIGNATING THE PUBLIC PLACE FOR POSTING NOTICES OF REGULAR AND SPECIAL MEETINGS

DATE: JANUARY 3, 2017

DISCUSSION

Staff is presenting Resolution 1, Series 2017 for Council consideration. The proposed resolution designates the public place for posting notices of meetings as required by state statute. The resolution states that the notice for any City Council meeting or meeting of the City's advisory boards and commissions will be posted at the Village Center at least 24 hours before the commencement of the posted meeting.

RECOMMENDED MOTION

"I move to approve Resolution 1, Series 2017; a resolution of the City Council designating the public place for posting notices of regular and special meetings."

ATTACHMENTS

Exhibit A – Resolution 1, Series 2017

RESOLUTION NO. 1
SERIES 2017

INTRODUCED BY:
SECONDED BY:

**A
RESOLUTION
OF THE CITY COUNCIL
OF THE CITY OF CHERRY HILLS VILLAGE
DESIGNATING THE PUBLIC PLACE FOR
POSTING NOTICES OF REGULAR AND SPECIAL MEETINGS**

WHEREAS, C.R.S. §24-6-402(2)(c) requires the annual designation of the local government's official public posting location for notices of regular and special public meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE:

Section 1. The following location within the boundaries of the City of Cherry Hills Village is hereby designated as the place at which notices of regular and special meetings of the City Council and meetings of the City's advisory boards and commissions of the City shall be posted for purposes of the Colorado Open Meetings Law, C.R.S. §24-6-402(2)(c):

City of Cherry Hills Village Center
2450 East Quincy Avenue
Cherry Hills Village, Colorado 80113

Section 2. The meeting notice and possible specific agenda information will be posted at the location identified in Section 1 above not less than 24 hours before the commencement of the posted meeting.

Section 3. This Resolution shall be effective immediately.

Introduced, passed and adopted at the
regular meeting of City Council this 3rd day
of January, 2016, by a vote of _ Yes and _ No.

(SEAL)

Laura Christman, Mayor

ATTEST:

APPROVED AS TO FORM

Laura Smith, City Clerk

Linda C. Michow, City Attorney

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ITEM: 14c

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: LAURA SMITH, CITY CLERK

SUBJECT: RESOLUTION 2, SERIES 2017; REAPPOINTING JAMES E. TURRE AS THE MUNICIPAL JUDGE, PENELOPE D. COFFMAN AS AN ALTERNATE MUNICIPAL JUDGE, AND JOHN F. WELBORN AS AN ALTERNATE MUNICIPAL JUDGE AND SETTING THE TERM FOR EACH MUNICIPAL JUDGE APPOINTMENT

DATE: JANUARY 3, 2017

ISSUE

Shall City Council approve Resolution 2, Series 2017 (Exhibit A), reappointing James E. Turre as the Municipal Judge, Penelope D. Coffman as an Alternate Municipal Judge, and John F. Welborn as an Alternate Municipal Judge and setting the term for each Municipal Judge appointment?

DISCUSSION

City Charter Section 7.1(b) and Municipal Code Section 2-4-40 address appointment of municipal judges and alternate municipal judges. In the past, Council has appointed the municipal judge and alternate municipal judge at the organizational meeting after each regular municipal election.

In 2015, City Attorney Michow recommended formally establishing terms for all municipal judge appointments, and City Council approved Resolution 40, Series 2015 establishing terms effective through and terminating on January 3, 2017.

Upon further consideration, staff recommends that Council approve the reappointment of the municipal judge and alternate municipal judges effective through and terminating on January 31, 2019. This would allow sufficient time for the Council to make appointments and accommodate a smooth transition of judges, if necessary.

Judges Turre, Coffman and Welborn have all confirmed their desire to continue serving.

RECOMMENDED MOTION

“I move to approve Resolution 2, Series 2017; Reappointing James E. Turre as Municipal Judge, Penelope D. Coffman as Alternate Municipal Judge, and John F. Welborn as an Alternate Municipal Judge and setting the term for each Municipal Judge appointment.”

ATTACHMENTS

Exhibit A: Resolution 2, Series 2017

RESOLUTION NO. 2
SERIES OF 2017

INTRODUCED BY:
SECONDED BY:

**A RESOLUTION
OF THE CITY COUNCIL
OF THE CITY OF CHERRY HILLS VILLAGE
REAPPOINTING JAMES E. TURRE AS THE MUNICIPAL JUDGE, PENELOPE
D. COFFMAN AS AN ALTERNATE MUNICIPAL JUDGE, AND JOHN F.
WELBORN AS AN ALTERNATE MUNICIPAL JUDGE AND SETTING THE
TERM FOR EACH MUNICIPAL JUDGE APPOINTMENT**

WHEREAS, the City Council is authorized by Section 2-4-40 of the Municipal Code and Section 7.1(b) of the Home Rule Charter to appoint a Municipal Judge to preside over the City of Cherry Hills Village Municipal Court; and

WHEREAS, in accordance with Section 2-4-40 of the Municipal Code, the Council is further authorized to appoint one or more alternate judges to serve in the absence of the Municipal Judge; and

WHEREAS, on October 6, 2015, the City Council approved Resolution 40, Series 2015 which set the terms for Municipal Judge Turre and Alternate Municipal Judges Coffman and Welborn to expire on January 3, 2017; and

WHEREAS, the City Council desires to reappoint Municipal Judge Turre and Alternate Municipal Judges Coffman and Welborn to another two year term; and

WHEREAS, the City Council finds that all of the individuals appointed to serve are qualified in accordance with the Section 2-4-40(b) of the Municipal Code; and

WHEREAS, pursuant to Section 7.1(b) of the Home Rule Charter, the term of appointment of the Municipal Judge and alternate judges is at the pleasure of the City Council; and

WHEREAS, the City Council desires to establish the term of the Municipal Judge and each alternate judge to be effective through and terminating on January 31, 2019.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, THAT:

Section 1. Re-Appointment of James E. Turre. The City Council hereby reappoints James E. Turre to serve as the Cherry Hills Village Presiding Municipal Judge effective January 3, 2017. The term of appointment shall expire on January 31, 2019.

Section 2. Re-Appointment of Penelope D. Coffman. The City Council hereby reappoints Penelope D. Coffman as an alternate municipal judge effective January 3, 2017. The term of appointment shall expire on January 31, 2019.

Section 3. Re-Appointment of John F. (Jeff) Welborn. The City Council hereby reappoints John F. (Jeff) Welborn as an alternate municipal judge effective January 3, 2017. The term of appointment shall expire on January 31, 2019.

Section 4. Effective Date. This Resolution shall take effect upon its approval by the City Council.

Introduced, passed and adopted at the regular meeting of the City Council this ___th day of _____, 2017, by a vote of _ yes and _ no.

(SEAL)

Laura Christman, Mayor

ATTEST:

Approved as to form:

Laura Smith, City Clerk

Linda C. Michow, City Attorney

**CHERRY HILLS VILLAGE
COLORADO**

2450 E. Quincy Avenue
Cherry Hills Village, CO 80113
www.cherryhillsvillage.com

Village Center
Telephone 303-789-2541
FAX 303-761-9386

ITEM: 16a

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: KAREN PROCTOR, DIRECTOR OF FINANCE AND ADMINISTRATION

SUBJECT: COUNCIL BILL 11, SERIES 2016; A BILL FOR AN ORDINANCE AUTHORIZING A SITE LEASE AND LEASE PURCHASE AGREEMENT BETWEEN THE CITY OF CHERRY HILLS VILLAGE, COLORADO, AND UMB BANK, N.A. (SOLELY IN ITS CAPACITY AS TRUSTEE) FOR THE PURPOSE OF FINANCING PUBLIC BUILDINGS AND CERTAIN PARK IMPROVEMENTS; APPROVING NOT TO EXCEED \$ 12,900,000 PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION, SERIES 2017 IN CONNECTION THEREWITH; AUTHORIZING OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY TO CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; AND RELATED MATTERS (SECOND AND FINAL READING)

DATE: JANUARY 3, 2017

ISSUE:

Should the Council approve Council Bill 11, Series 2016; authorizing a site lease and lease purchase agreement between the City of Cherry Hills Village, Colorado, and UMB Bank for the purpose of financing public buildings and certain park improvements; approving not to exceed \$12,900,000 principal amount of Certificates of Participation (COP's), Series 2017 in connection therewith; authorizing officials of the City to take all action necessary to carry out the transactions contemplated hereby; and related matters.

DISCUSSION:

The City has three major projects proposed in the 2017 budget. This includes the construction of John Meade Park and Alan Hutto Memorial Commons (\$3.7M), the construction of a new City Hall (\$4.5M), and the construction of a new Public Works Facility (\$4.7M). The cost estimates for each of these projects is attached (Exhibit B). The City intends to issue \$12.9M in COP's to fund the projects.

CHERRY HILLS VILLAGE COLORADO

The City is authorized by Section 31-15-801 of the Colorado Revised Statutes and Section 1.3 of the City's Home Rule Charter to enter into long-term rental or lease agreements in order to provide necessary land, buildings, equipment and other property for governmental purposes. The agreements may include an option to purchase and acquire title to such leased property within a period not exceeding the useful life of such property and in no case exceeding 30 years. In order to complete the three capital projects, the City finds it necessary and in the best interest of the City to undertake lease purchase financing.

Council Bill 11, Series 2016 (Exhibit A) authorizes the lease-purchase financing of the proposed City Hall and Public Works facility, and the use of a portion of the proceeds for the financing for park improvements. These three items are referred to collectively as the "Project". Lease-purchase financing of property by Colorado municipalities, in the same form authorized by the Council Bill, is a common and well-accepted type of transaction in Colorado.

In the financing transaction, the City leases two pieces of land they own to a trustee Bank pursuant to a Site Lease, in return for a lump-sum payment equal to the cost of the Project plus the cost of marketing and closing the transaction. The Bank simultaneously enters into a Lease Purchase Agreement with the City, under which the Bank leases the land, and the buildings to be constructed on it, back to the City for rental payments sufficient to amortize the total amount financed over the term of the Lease Purchase Agreement.

The Bank's right to receive rental payments under the Lease Purchase Agreement would be divided into participations (the "COP's") which would be sold to investors to raise the Bank's initial lump-sum payment for the Site Lease.

The COP's represent proportionate interests in the Bank's right to receive rental payments under the Lease Purchase Agreement, with each year's rental payments consisting of a principal component and an interest component. The interest component of the City's lease payments is treated for federal and Colorado income tax purposes as interest on an obligation of the City and is therefore tax-exempt in the same way as interest on a municipal bond. When all of the rental payments are made under the Lease Purchase Agreement, both the Lease Purchase Agreement and the Site Lease terminate.

The City's rental payments under the Lease Purchase Agreement would be subject to annual appropriation by the Council, and the Lease Purchase Agreement could be terminated in any year for which Council declined to appropriate the rental payments. Because of this "annual appropriation" feature, the financing arrangement is not considered an indebtedness of the City under the Colorado Constitution.

In the unlikely event that the Council decided not to appropriate the rental payments in a future year, the Bank would have the right to take possession of the leased property for the duration of

CHERRY HILLS VILLAGE
COLORADO

the Site Lease term. However, since the City remains the owner of the underlying fee interest in the leased property, it would ultimately regain possession when the Site Lease terminated. Under this structure the City's ownership of the leased property is never at risk of being permanently forfeited.

There will be a Preliminary Official Statement (Exhibit C) and a final Official Statement summarizing the documents filed for public inspection with the City Clerk that will contain information about the City, the Leased Property and other matters material to potential purchasers of the Series 2017 Certificates.

Attached is the Debt Service Schedule for the issuance of \$12.9M in COP's (Exhibit D). The chart below shows the approximate annual payments to the General Fund and the Parks and Recreation Fund.

Certificate of Participation Amount	Approximate Annual General Fund Payment	Approximate Annual Parks and Recreation Fund Payment	Total Interest Paid over 25 years
\$12,900,000	\$354,000	\$487,000	\$8,550,534

SCHEDULE:

The final amount to be issued is anticipated to be discussed by City Council at an upcoming meeting.

The closing and delivery of funds is expected to occur on or about February 28th, 2017.

RECOMMENDED MOTIONS:

"I move to approve Council Bill 11, Series 2016; A Bill for an Ordinance authorizing a site lease and lease purchase agreement between the City of Cherry Hills Village, Colorado, and UMB Bank for the purpose of financing public buildings and certain park improvements; approving not to exceed \$12,900,000 principal amount of Certificates of Participation, Series 2017 in connection therewith; authorizing officials of the City to take all action necessary to carry out the transactions contemplated hereby; and related matters on second and final reading."

ATTACHMENTS:

- Exhibit A: Council Bill 11, Series 2016
- Exhibit B: Project Cost Estimates
- Exhibit C: Draft Preliminary Official Statement
- Exhibit D: \$12.9M Bond Debt Service Schedule

COUNCIL BILL 11
SERIES OF 2016

INTRODUCED BY: _____
SECONDED BY: _____

**A BILL FOR AN ORDINANCE
OF THE CITY OF CHERRY HILLS VILLAGE
AUTHORIZING A SITE LEASE AND LEASE PURCHASE AGREEMENT
BETWEEN THE CITY OF CHERRY HILLS VILLAGE, COLORADO, AND
UMB BANK, N.A. (SOLELY IN ITS CAPACITY AS TRUSTEE) FOR THE
PURPOSE OF FINANCING PUBLIC BUILDINGS AND CERTAIN PARK
IMPROVEMENTS; APPROVING A NOT TO EXCEED \$12,900,000
PRINCIPAL AMOUNT OF CERTIFICATES OF PARTICIPATION,
SERIES 2017 IN CONNECTION THEREWITH; AUTHORIZING
OFFICIALS OF THE CITY TO TAKE ALL ACTION NECESSARY TO
CARRY OUT THE TRANSACTIONS CONTEMPLATED HEREBY; AND
RELATED MATTERS**

WHEREAS, the City of Cherry Hills Village (the "City") is authorized, pursuant to Section 31-15-801, Colorado Revised Statutes, as amended, the City's home rule powers and Section 1.3 of the City's Home Rule Charter ("Charter") to enter into long-term or short-term rental or leasehold agreements in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes, which agreements may include an option to purchase and acquire title to such leased or rented property within a period not exceeding the useful life of such property and in no case exceeding 30 years; and

WHEREAS, in order to provide for the capital asset needs of the City, the City Council (the "Council") has determined and hereby determines that it is necessary and in the best interests of the City and its citizens that the City undertake lease purchase financing of sites, buildings, equipment and other property for use by the City for governmental or proprietary purposes; and

WHEREAS, the City has determined to acquire and construct public buildings for use by the City government, including a City Hall building and a building to house the City's Public Works and Parks department, and to acquire and construct certain City park improvements (the "Project"), such buildings and other improvements to be constructed on land currently or to be owned by the City; and

WHEREAS, to provide financing for the acquisition and construction of the Project, Certificates of Participation, Series 2017 (the "Series 2017 Certificates") in an aggregate amount not to exceed \$12,900,000 will be sold and executed and delivered pursuant to an Indenture of Trust (the "Indenture") entered into by UMB Bank, n.a. (the "Trustee"); and

WHEREAS, in connection with the Series 2017 Certificates, it will be necessary to execute and deliver a Site Lease (the "Site Lease") and a Lease Purchase Agreement (the "Lease") between the City and the Trustee; and

WHEREAS, there will be prepared, executed and distributed in connection with the sale of the Series 2017 Certificates a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement") summarizing the documents filed for public inspection with the City Clerk in connection with this Ordinance and containing information about the City, the Leased Property (as defined in the Lease) and other matters material to potential purchasers of the Series 2017 Certificates. At such time as the Preliminary Official Statement is available in substantially final form the Finance Director is authorized to certify that it is in near-final form and to authorize its distribution by Stifel, Nicolaus & Company, Incorporated in its capacity as underwriter of the Series 2017 Certificates (the "Underwriter").

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, ORDAINS:

Section 1. Ratification of Actions. All action heretofore taken, not inconsistent with the provisions of this ordinance (the "Ordinance"), by the Council or the officers of the City, directed toward the implementation of the Project, including the preparation of the forms of Site Lease, Lease, Indenture and Official Statement and related documents, are hereby ratified, approved and confirmed.

Section 2. Findings; Authorizations. The Council hereby finds and determines, pursuant to the City's home rule powers and the laws of the State of Colorado, that the Project is necessary, convenient, and in furtherance of the governmental purposes of the City and in the best interests of the City and its citizens; and the Council hereby authorizes the Project.

Section 3. Approval and Execution of Documents; City Representatives. The Site Lease, the Lease, the Indenture, the Certificate Purchase Agreement between the City and the Underwriter (the "Certificate Purchase Agreement") and the Official Statement, in substantially the forms filed in the office of the City Clerk prior to the final adoption of this Ordinance, are in all respects approved, authorized and confirmed, and the Mayor or the Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver, and the City Clerk of the City or any Deputy or Assistant City Clerk is hereby authorized and directed to affix the seal of the City to, and attest, the Site Lease and Lease in substantially the forms filed with the City Clerk, with such changes as are not inconsistent with the intent of this Ordinance and are approved by bond counsel or the City Attorney. The Council hereby designates the City Manager and the Finance Director (and any persons authorized by law to act on their behalf in their absence) to act as "City Representatives" under the Lease and any related documents. In the event that bond insurance or other credit enhancement is deemed advantageous to the City in connection with the Series 2017 Certificates by the City Representatives, they may insert provisions, not inconsistent herewith, required by the provider of such credit enhancement. Prior to the execution of the Site Lease, the Lease or any other instrument contemplated by this Ordinance, or the issuance of the Series 2017 Certificates, the final Base Rentals due under the Site Lease and Lease, and the principal amount, interest rates and other terms of the Series 2017 Certificates, not

inconsistent herewith, shall be approved by a certificate executed by a City Representative (the "Final Terms Certificate") not later than May 31, 2017.

Section 4. The Series 2017 Certificates. The Council hereby acknowledges and consents to the sale, execution and delivery of the Series 2017 Certificates pursuant to the Indenture. The Council hereby acknowledges and approves the forms, terms and provisions of the Series 2017 Certificates contained in the Indenture, in substantially the form filed with the City Clerk prior to the final adoption of this Ordinance.

The Series 2017 Certificates shall be issued in one or more series in an aggregate principal amount not to exceed \$12,900,000, shall mature not later than December 1, 2042, shall bear interest at a net effective interest rate not exceeding 6%, and may be made subject to redemption at redemption prices which may include redemption premiums not exceeding 3% of their principal amount, all as may be approved by the Final Terms Certificate. The proceeds of the Series 2017 Certificates shall be used to accomplish the Project in the manner required under the Site Lease, the Lease and the Indenture.

Section 5. Additional Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance. The Mayor, the Mayor Pro Tem and the City Representatives are hereby authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents and other papers and to perform all other acts that they may deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The appropriate officers of the City are also authorized to execute on behalf of the City agreements concerning the deposit and investment of funds in connection with the transactions contemplated by this Ordinance.

Section 6. No General Obligation or Other Indebtedness. The obligation of the City to make rental payments under the Lease is subject to annual appropriation by the Council and constitutes an undertaking of the City to make current expenditures. No provision of this Ordinance, the Lease, the Indenture or the Series 2017 Certificates shall be construed as constituting or giving rise to a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any home rule, constitutional or statutory debt limitation nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the current fiscal year. The City shall have no obligation to make any payment with respect to the Series 2017 Certificates except in connection with the payment of the Base Rentals (as defined in the Lease) and certain other payments under the Lease, which payments are subject to termination and nonrenewal by the City in accordance with the provisions of the Lease.

Section 7. Expression of Need; Reasonable Rentals. The City hereby declares its current need for the Leased Property, which is considered to be essential to the governmental operations of the City. It is hereby declared to be the present intention and expectation of the Council that the Lease will be renewed annually until all of the

Leased Property is acquired by the City pursuant to the Lease; but this declaration shall not be construed as contractually obligating or otherwise binding the City.

The maximum Base Rentals payable under the Lease shall be an amount which would provide Revenues, as defined in the Lease, sufficient to pay the maximum principal and interest authorized herein for the Series 2017 Certificates. The Council hereby determines and declares that the Base Rentals due under the Lease will represent the fair value of the use of the Leased Property and the Purchase Option Price (as defined in the Lease) will represent, as of any date upon which the City may exercise its option to purchase such Leased Property, the fair purchase price of such Leased Property. The Council further hereby determines and declares that the Base Rentals due under the Lease will not exceed a reasonable amount so as to place the City under an economic or practical compulsion to renew the Lease or to exercise its option to purchase the Leased Property pursuant to the Lease. In making such determinations, the Council has given consideration to the cost of acquiring and installing the Leased Property, the uses and purposes for which the Leased Property will be employed by the City, the benefit to the citizens of the City by reason of the acquisition and installation of the Leased Property and the use of the Leased Property pursuant to the terms and provisions of the Lease, the City's option to purchase the Leased Property, and the expected eventual vesting of unencumbered possession and title to the Leased Property in the City. The Council hereby determines and declares that the acquisition and installation of the Leased Property and the leasing of the Leased Property pursuant to the Lease will result in facilities of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition and installation of the Leased Property were performed by the City other than pursuant to the Lease. The Council hereby determines and declares that the maximum duration of the portion of the Lease allocable to any item of Leased Property separately identified in the Lease will not exceed the weighted average useful life of such item of Leased Property.

Section 8. Severability. If any section, paragraph, clause or provision of this Ordinance or the Lease (other than provisions as to the payment of Base Rentals by the City during the term of the Lease, provisions for the quiet enjoyment of the Leased Property by the City during the term of the Lease, and provisions for the transfer of the Leased Property to the City under the conditions provided in the Lease) shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 9. Repealer of Measures. All acts, orders, resolutions, ordinances or parts thereof, in conflict with this Ordinance or with any of the documents hereby approved, are hereby repealed only to the extent of such conflict. This repealer shall not be construed as reviving any resolution, ordinance, or part thereof heretofore repealed.

Section 10. Publication and Effective Date. Pursuant to the Charter, this Ordinance shall be published by title, together with the statement that the full text is available for public inspection and acquisition in the office of the City Clerk, following second reading and shall take effect and be in force ten days after publication by title hereof. This

Ordinance shall expire to the extent that the Series 2017 Certificates authorized herein are not issued by May 31, 2017.

Adopted as Ordinance No. __ , Series 2016, by the City Council of the City of Cherry Hills Village, Colorado, on the ____ day of _____, 2016.

Laura Christman, Mayor

ATTEST:

Approved as to form:

Laura Smith, City Clerk

Linda C. Michow, City Attorney

Public Works Maintenance Facility Cost Estimates					
Item	Detail	Option 1 PW to 2101 W. Quincy Avenue	Option 2 PW @ Civic Center	Option 3 PW @ Jefferson/ Colorado	Option 4 PW and City Hall at Civic Center
Office and Garage Buildings	Heated 7000 sq. ft. Building				
	Building Shell	\$ 102,000	\$ 102,000	\$ 102,000	\$ 102,000
	Exterior Finish Upgrade	\$ 25,000	\$ 125,000	\$ 125,000	\$ 125,000
	Erection of Steel Building	\$ 42,000	\$ 42,000	\$ 42,000	\$ 42,000
	Bay Doors	\$ 46,200	\$ 46,200	\$ 46,200	\$ 46,200
	Interior-HVAC-Plumbing-Elec.	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
	Interior Finishes	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
	Concrete	\$ 98,000	\$ 98,000	\$ 98,000	\$ 98,000
	Demo of Existing Buildings	\$ 100,000	\$ 75,000	\$ 75,000	\$ 75,000
Subtotal	\$ 663,200	\$ 738,200	\$ 738,200	\$ 738,200	
Storage Buildings	Covered Storage 7200 Sq. Ft.				
	Building Shell	\$ -	\$ 135,000	\$ 135,000	\$ 135,000
	Erection of Steel Building	\$ -	\$ 45,000	\$ 45,000	\$ 45,000
	Concrete	\$ -	\$ 110,000	\$ 110,000	\$ 110,000
	Exterior Finish Upgrade	\$ -	\$ 125,000	\$ 125,000	\$ 125,000
	Electrical/ Lighting/ Doors	\$ -	\$ 85,000	\$ 85,000	\$ 85,000
	Remodel Existing Buildings	\$ 125,000	\$ -	\$ -	\$ -
Subtotal	\$ 125,000	\$ 500,000	\$ 500,000	\$ 500,000	
Wash Bay	Wash Bay 800 sq ft				
	Building Shell	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
	Erection of Steel Building	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
	Doors	\$ 15,400	\$ 15,400	\$ 15,400	\$ 15,400
	Utilities/ Sand Oil Trap	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Concrete	\$ 12,600	\$ 12,600	\$ 12,600	\$ 12,600
	Wash Equipment	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Subtotal	\$ 95,500	\$ 95,500	\$ 95,500	\$ 95,500	
Fueling Station	Fuel Island				
	Building Shell	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
	Erection of Steel Building	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
	Concrete	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
	Electrical/ Lighting	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
	Tanks and Pumps	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Subtotal	\$ 77,000	\$ 77,000	\$ 77,000	\$ 77,000	
Site utilities, grading, drainage, paving, landscaping, misc	Site Work				
	Utilities (Sewer/ Water/ Electricity/ Gas)	\$ 365,000	\$ 100,000	\$ 100,000	\$ 100,000
	Grading/ Drainage/ Floodplain	\$ 30,000	\$ 175,000	\$ 175,000	\$ 375,000
	Asphalt/Concrete/Drive	\$ 45,000	\$ 406,000	\$ 406,000	\$ 406,000
	Fence/Block Walls	\$ 67,500	\$ 180,000	\$ 180,000	\$ 380,000
	Landscaping/ Irrigation	\$ -	\$ 150,000	\$ 150,000	\$ 125,000
	Security/Lighting	\$ 20,000	\$ 20,000	\$ 20,000	\$ 15,000
	Relocate Mag Tank	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Subtotal	\$ 547,500	\$ 1,011,000	\$ 1,011,000	\$ 1,386,000	
Total Hard Costs		\$ 1,508,200	\$ 2,421,700	\$ 2,421,700	\$ 2,796,700
Total Soft Costs	Architect and Engineering	\$ 125,000	\$ 242,170	\$ 242,170	\$ 279,670
	Permitting/ Rezoning	\$ 15,000	\$ 25,000	\$ 25,000	\$ 15,000
	Subtotal	\$ 140,000	\$ 267,170	\$ 267,170	\$ 294,670
Total Hard Costs + Soft Costs		\$ 1,648,200	\$ 2,688,870	\$ 2,688,870	\$ 3,091,370
30% Contingency		\$ 494,460	\$ 806,661	\$ 806,661	\$ 927,411
Total Construction Estimate (Hard + Soft + Contingency)		\$ 2,142,660	\$ 3,495,531	\$ 3,495,531	\$ 4,018,781
Land Acquisition		\$ 2,425,000	\$ 1,185,000	\$ 1,185,000	\$ -
Total Project		\$ 4,567,660	\$ 4,680,531	\$ 4,680,531	\$ 4,018,781
City Hall Project Cost		\$ 4,500,000	\$ 4,500,000	\$ 4,500,000	\$ 4,500,000
John Meade Park and Alan Hutto Project Cost		\$ 3,700,000	\$ 3,700,000	\$ 3,700,000	\$ 3,500,000
Total of All Projects		\$ 12,767,660	\$ 12,880,531	\$ 12,880,531	\$ 12,018,781

City Hall Cost Estimate

Description	Total Cost
Building (12,500sf)	\$ 2,000,000
Interior Finishes (Council Chambers/Security/ Offices/ Media)	\$ 450,000
Demo of Existing Buildings	\$ 100,000
Utilities (Sewer/ Water/ Electricity/ Gas)	\$ 25,000
Grading/ Drainage/ Floodplain	\$ 200,000
Parking	\$ 150,000
HVAC	\$ 250,000
Fence/Block Walls	\$ 30,000
Landscaping/ Irrigation	\$ 75,000
Security/Lighting	\$ 20,000
Hard Cost Total	\$ 3,300,000
Architect, survey, geotechnical, engineering	\$ 400,000
Permitting (FEMA)	\$ 50,000
Soft Cost Total	\$ 450,000
Total Hard Costs + Soft Costs	\$ 3,750,000
20% Contingency	\$ 750,000
Total City Hall Project Costs	\$ 4,500,000

Phase III - Playground / Shelter / Lawn					
<i>Description</i>	<i>Unit</i>	<i>Size</i>	<i>Qty.</i>	<i>Cost Ea.</i>	<i>Total Cost</i>
Demo					
Asphalt to be removed	SF		9,702	\$5.00	\$48,510.00
Structure to be removed	EA	Shade structure	1	\$5,000.00	\$5,000.00
Structure to be removed	EA	Maintenance bldg	1	\$20,000.00	\$20,000.00
Concrete to be removed	SF		436	\$5.00	\$2,180.00
Curb to be removed	LF		73	\$3.00	\$219.00
Crusher Fines Trail to be removed	SF	462 LF	2,541	\$3.00	\$7,623.00
Play areas to be removed	EA		2	\$4,000.00	\$8,000.00
Site					
Clear and Grub	SF		52,400	\$1.50	\$78,600.00
Topsoil removal/stockpile	SF		1,780	\$7.00	\$12,460.00
Grading	CY	Avg 1' cut/fill	1,148	\$45.00	\$51,660.00
Compost / Soil Amendment	CY	3 CY/1,000SF	131	\$60.00	\$7,860.00
Surfacing					
Seed	SF		13,200	\$0.15	\$1,980.00
Sod	SF		31,000	\$2.50	\$77,500.00
Steel Edger	LF		3,210	\$1.50	\$4,815.00
5' Wide Crusher Fines Trail	TON	4" Deep	100	\$60.00	\$6,000.00
5' Wide Crusher Fines Trail Resurfacing	TON	2" Deep	27	\$60.00	\$1,620.00
Crusher Fines Parking Area	TON	6" Deep	100	\$60.00	\$6,000.00
Concrete Walk	CY	4" Deep	10	\$3.00	\$30.00
Paver Walk in sand	SF		405	\$12.00	\$4,860.00
Site Improvements					
Irrigation	SF		47,980	\$1.50	\$71,970.00
Trees - Deciduous/Evergreen	Ea.	2" Cal. / 6' Ht.	70	\$650.00	\$45,500.00
Trees - Ornamental	EA	1.5"	25	\$600.00	\$15,000.00
Riparian Seed Mix	SF		5,915	\$0.25	\$1,478.75
Boardwalks	LF	5' wide w/ railing	48	\$35.00	\$1,680.00
Picnic Shelter	LS	20' x 25'	1	\$25,000.00	\$25,000.00
Hitching Posts (Soft surface parking area)	LF	Posts/10' single rail	185	\$25.00	\$4,625.00
Restroom facility	LS		1	\$50,000.00	\$50,000.00
Walkway landscape lighting	Ea.	Low lumen, ground level	20	\$500.00	\$10,000.00
Site Furniture					
Benches	Ea.	6' long w/ arms	2	\$1,400.00	\$2,800.00
Trash Receptacles	Ea.	32 gal	2	\$1,000.00	\$2,000.00
Picnic Tables	EA	8' long	3	\$1,000.00	\$3,000.00
Bicycle Racks	EA	Style TBD	2	\$700.00	\$1,400.00
Playground					
<i>Surfacing</i>					
Grading	LS	Avg. 4' Cut/ Fill	930	\$5.00	\$4,650.00
Concrete Stairs	LS	6" rise, 10' run	1	\$10,000.00	\$10,000.00
Concrete Ramp w/ Railing	LS	24" rise, 40' run	1	\$5,240.00	\$5,240.00
Playground Mulch - Engineered	SF	6" deep	1350	\$1.50	\$2,025.00
Playground Concrete Curb Edger	LF		250	\$8.00	\$2,000.00
Sod	SF		2600	\$2.50	\$6,500.00
Planting area	LS	~30 shrubs w/ mulch & edger	1		\$2,500.00
<i>Structures</i>					
Boulder seating wall	LF	3x3-4x4	34	\$200.00	\$6,800.00
Treehouse Play structure	EA		1	\$50,000.00	\$50,000.00
<i>Play Equipment</i>					
Slide	EA		1	\$500.00	\$500.00
Tunnel Logs	EA		2	\$850.00	\$1,700.00
Climbing Boulders	EA	3x3-4x4	25	\$500.00	\$12,500.00
Cre8 Play Climbing Boulder	EA		1	\$4,000.00	\$4,000.00
Rope climber	EA		1	\$1,500.00	\$1,500.00
Log Stumps	EA	Sand-Box edging	40	\$100.00	\$4,000.00
Sand	CY		30	\$10.00	\$300.00
Columbia Cascade Log Scramble	LS	8-10 logs	1	\$2,000.00	\$2,000.00
Subtotal					\$695,585.75
30% Contingency					\$208,675.73
Sub-Total					\$904,261.48

Phase IV - Administration / Parking					
<i>Description</i>	<i>Unit</i>	<i>Size</i>	<i>Qty.</i>	<i>Cost Ea.</i>	<i>Total Cost</i>
Demo*					
Asphalt to be removed	SF		42,640	\$5.00	\$213,200.00
Concrete to be removed	SF		403	\$5.00	\$2,015.00
Landscaping to be removed	SF		3,550	\$3.00	\$10,650.00
Gravel maintenance yard to be removed	SF		13,330	\$3.00	\$39,990.00
Fencing to be removed	LF		400	\$3.00	\$1,200.00
Landscaping					
Compost / Soil Amendment	SF		144	\$60.00	\$8,640.00
Grading	CY	Avg. 6" Cut/Fill	1,725	\$45.00	\$77,625.00
Seed	SF		30,930	\$1.15	\$35,569.50
Sod	SF		10,621	\$2.50	\$26,552.50
Trees - Deciduous/Evergreen	Ea.	2" Cal / 6' HT	55	\$650.00	\$35,750.00
Trees - Ornamental	Eaf	1.5" Cal	20	\$600.00	\$12,000.00
Shrubs	Ea.	8028 SF @ 3' OC	900	\$60.00	\$54,000.00
Mulch	CY	3" Deep	75	\$75.00	\$5,625.00
Surfacing					
Curb & Gutter	LF		2,000	\$12.00	\$24,000.00
Curb ramps	Ea.		10	\$1,600.00	\$16,000.00
Concrete Walk	SF	4" Deep	2,875		\$0.00
Paver Walk on sand	SF		2,600	\$8.00	\$20,800.00
Paver Walk @ Crossing on raised concrete base	SF	Raised	1,575	\$12.00	\$18,900.00
Asphalt	SF		38,187	\$5.00	\$190,935.00
Site Improvements					
Irrigation	SF		49,580	\$1.50	\$74,370.00
Trees	Ea.		80	\$650.00	\$52,000.00
Entry Feature (Stone Wall)	LS		1	\$50,000.00	\$50,000.00
Site Lighting	Ea.		11	\$500.00	\$5,500.00
Site Furniture					
Benches	Ea.		3	\$1,400.00	\$4,200.00
Bike Racks	Ea.		1	\$700.00	\$700.00
Trash Receptacles	Ea.		2	\$1,000.00	\$2,000.00
					\$982,222.00
					\$294,666.60
					\$1,276,888.60

**Phase IV cost does not include demolition/removal of existing structures

Estimated Construction Subtotal	\$3,014,657.45
30% Contingency Estimated Total	\$3,919,054.69

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

KUTAK ROCK LLP
DRAFT 12/29/16

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, the portion of the Base Rentals paid by the City with respect to the Series 2017 Certificates which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2017 Certificates (the "Interest Portion"), is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing State of Colorado statutes, to the extent the Interest Portion is excludable from gross income for federal income tax purposes, such Interest Portion is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. For a more complete description of such opinions of Bond Counsel, see "TAX MATTERS" herein.

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Certificates of Participation, Series 2017
Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Payable
Pursuant to a Lease Purchase Agreement
Dated as of February , 2017
Between UMB Bank, n.a., as Trustee, and the
City of Cherry Hills Village, Colorado

Dated: Date of Delivery

Due: December 1, as shown below

The Series 2017 Certificates, evidencing proportionate undivided interests in the right to receive certain revenues payable by the City of Cherry Hills Village, Colorado under a Lease Purchase Agreement dated as of February __, 2017, will be delivered pursuant to an Indenture of Trust dated as of February __, 2017, by UMB Bank, n.a., solely in its capacity as trustee, in fully registered form in denominations of \$5,000 or any integral multiple thereof. Interest on the Series 2017 Certificates, at the rates set forth below, is payable on June 1, 2017 and semiannually thereafter each June 1 and December 1 to and including the maturity dates shown below, unless the Series 2017 Certificates are redeemed earlier. The Depository Trust Company, New York, New York, will act as securities depository for the Series 2017 Certificates, and the Series 2017 Certificates will be registered in the name of Cede & Co., as nominee of DTC. Purchasers of the Series 2017 Certificates will not receive physical certificates evidencing their ownership interests in the Series 2017 Certificates.

Maturity Schedule:

Year	Amount ¹	Rate	Yield	CUSIP ²	Year	Amount ¹	Rate	Yield	CUSIP ²
	\$	%	%		2017	\$	%	%	
2017					2026				
2018					2027				
2019					2028				
2020					2029				
2021					2030				
2022					2031				
2023					2032				
2024					2033				
2025					2034				

The Series 2017 Certificates are subject to optional redemption prior to maturity under certain circumstances as described under the caption "THE SERIES 2017 CERTIFICATES—Redemption."

The Series 2017 Certificates are issued for the purpose of (a) financing the construction of buildings for the use of the City government as described under the caption "USE OF PROCEEDS; and (b) paying expenses of issuance of the Series 2017 Certificates. The Series 2017 Certificates are payable solely from: (i) annually appropriated Base Rentals and any Purchase Option Price paid by the City under the Lease; (ii) moneys held by the Trustee under the Indenture; and (iii) following an Event of Nonappropriation or an Event of Default under the Lease, any moneys received by the Trustee from the exercise of the remedies under the Lease and the Indenture. The Lease is subject to annual renewal by the City.

Neither the Lease nor any Series 2017 Certificate constitutes a multiple fiscal-year direct or indirect debt or other financial obligation of the City or obligates the City to make any payment beyond those appropriated for any fiscal year in which the Lease is in effect.

This cover page is not a summary of the issue. Investors should read the Official Statement in its entirety to make an informed investment decision.

The Series 2017 Certificates are offered when, as and if issued by the City and accepted by the Underwriter named below, subject to approval of validity by Kutak Rock LLP, Bond Counsel, and certain other conditions. Kutak Rock LLP has also been retained to assist the City in the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the City Attorney and for the Underwriter by Stradling Yocca Carlson & Rauth, P.C. Delivery of the Series 2017 Certificates through DTC in New York, New York, is expected on or about February , 2017.

STIFEL

This Official Statement is dated February , 2017

¹ The City assumes no responsibility for the accuracy of the CUSIP number, which is included solely for the convenience of Owners of the Series 2017 Certificates.

² Copyright 2016, American Bankers Association, Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc.

* Preliminary; subject to change

No dealer, salesman, or other person has been authorized to give any information or to make any representation with respect to the Series 2017 Certificates which is not contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. The information in this Official Statement is subject to change and neither the delivery of this Official Statement nor any sale made after any such delivery shall, under any circumstances, create any implication that there has been no change since the date of this Official Statement. This Official Statement shall not constitute an offer to sell or the solicitation of any offer to buy, and there shall be no sale of any of the Series 2017 Certificates, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES REGULATORY AUTHORITY OF ANY STATE HAS APPROVED OR DISAPPROVED THE SERIES 2017 CERTIFICATES OR THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

SUMMARY OF THE OFFICIAL STATEMENT

The Series 2017

Certificates The Certificates of Participation, Series 2017 (the “Series 2017 Certificates”) are being issued in the aggregate principal amount of \$_____* in book entry form only through the facilities of the Depository Trust Company. The Series 2017 Certificates, together with any other certificates of participation issued under the Indenture (defined below) are referred to collectively as the “Certificates.”

Plan and Purpose

Of Financing The Series 2017 Certificates are issued for the purpose of: (a) financing the construction of buildings for use by the City government as described under the caption “USE OF PROCEEDS” and (b) paying expenses of issuance of the Series 2017 Certificates.

The City The City of Cherry Hills Village, Colorado, is a home rule municipality located in the southeast portion of the Denver metropolitan area. The City covers approximately 6.5 square miles and has a current estimated population of 6,000. See “THE CITY”.

The Trustee UMB Bank, n.a. (the “Trustee”), is a national banking association organized under the laws of the United States of America. The Trustee is acting as trustee under an Indenture of Trust dated as of February __, 2017 (the “Indenture”), pursuant to which the Series 2017 Certificates are being issued, and all references herein to the “Trustee” refer to the Trustee acting solely in that capacity

Redemption The Series 2017 Certificates are subject to redemption prior to maturity under the circumstances described under the caption “THE SERIES 2017 CERTIFICATES—Redemption.”

Security The Series 2017 Certificates are payable solely from (a) annually appropriated Base Rentals and any Purchase Option Price paid by the City under the Lease Purchase Agreement dated as of February __, 2017, (the “Lease”) between the Trustee, as lessor, and the City, as lessee; (b) moneys held by the Trustee in the Series 2017 Certificate Fund and the Series 2017 Construction Fund created under the Indenture; and (c) following an Event of Nonappropriation or an Event of Default under the Lease, any moneys received by the Trustee from the assignment or sublease, or sale of the Trustee’s interest in the Leased Property (as defined below in the next succeeding paragraph) or the exercise of other remedies under the Lease and the Indenture.

The City has leased certain land and existing improvements (the “Leased Property”) to the Trustee pursuant to a Site Lease dated as of February __, 2017 (the “Site Lease”) between the City, as site lessor, and the Trustee, as site lessee. The property leased back by the Trustee to the City pursuant to the Lease consists of the Trustee’s leasehold interest, pursuant to the Site Lease, in the Leased Property together with the improvements financed by the Series

* Preliminary; subject to change.

2017 Certificates. See “THE LEASED PROPERTY,” “THE SITE LEASE” and Appendix B.

The City may pay Base Rentals under the Lease from any legally available amounts annually appropriated by the City for such payment. The City currently expects to pay Base Rentals from its General Fund. The Lease is subject to annual renewal by the City. See “THE SERIES 2017 CERTIFICATES—Security.”

Risk Factors Investment in the Certificates involves various investment risks which are discussed throughout this Official Statement, including those described under the caption “RISK FACTORS”.

Tax Treatment of Interest on the Series

2017 Certificates To the extent designated and paid as interest, interest on the Series 2017 Certificates, in the opinion of Bond Counsel, is excludable from gross income for federal income tax purposes, is exempt from State of Colorado income tax, is not a specific preference item for purposes of the federal alternative minimum tax, and is excluded from the computation of State of Colorado alternative minimum tax. Such conclusions assume continuing compliance by the City with its covenants, and may be subject to substantial limitations and exceptions in the case of particular taxpayers. See “TAX MATTERS.”

Professional

Services..... The professional firms participating in the initial offering of the Series 2017 Certificates are as follows:

Underwriter: Stifel, Nicolaus & Company, Incorporated
Suite 1600
1125 Seventeenth Street
Denver, CO 80202
Telephone: (303) 296-2300

Bond Counsel: Kutak Rock LLP
Suite 3000
1801 California Street
Denver, CO 80202
Telephone: (303) 297-2400

Underwriter’s Counsel: Stradling Yocca Carlson & Rauth, P.C.
1400 16th Street
Suite 400
Denver, CO 80202
Telephone: (888) 993-7311

**Additional Information;
Continuing Disclosure**

Undertaking Additional information concerning the City and the Series 2017 Certificates may be obtained from the Director of Finance and Administration of the City at 2450 East Quincy Avenue, Cherry Hills Village, Colorado 80113, telephone: 303.783.2723. The City will enter into an undertaking pursuant to Securities and Exchange Commission Rule 15c2-12 to provide certain information concerning

the Series 2017 Certificates on a continuing basis. See “THE SERIES 2017 CERTIFICATES—Continuing Disclosure Undertaking.”

THE FOREGOING INFORMATION IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE DETAILED INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR SHOULD READ THE OFFICIAL STATEMENT IN ITS ENTIRETY.

OFFICIAL STATEMENT

Relating to

\$ _____ *

**Certificates of Participation, Series 2017
Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Payable
Pursuant to a Lease Purchase Agreement
Dated as of February __, 2017
Between UMB Bank, n.a., as Trustee and the
City of Cherry Hills Village, Colorado**

INTRODUCTION

Generally

This Official Statement, including its Cover Page and Appendices, is provided in connection with the offering of \$ _____ * principal amount of Certificates of Participation, Series 2017 (the “Series 2017 Certificates”) evidencing proportionate undivided interests in rights to receive certain revenues pursuant to the Lease described below. The Series 2017 Certificates are to be issued for the purpose of financing the Project (as defined under the caption “USE OF PROCEEDS—The Project”) and paying expenses of issuance of the Series 2017 Certificates.

The Series 2017 Certificates evidence proportionate undivided interests in rights to receive certain revenues pursuant to a Lease Purchase Agreement dated as of February __, 2017 (the “Lease”) between UMB Bank, n.a., (the “Trustee”) as lessor and the City of Cherry Hills Village, Colorado (the “City”), a political subdivision of the State of Colorado (the “State”), as lessee.

Neither the Lease nor any Series 2017 Certificate constitutes a general obligation or other indebtedness of the City. Neither the Lease nor any Series 2017 Certificate constitutes a multiple fiscal year direct or indirect debt or other financial obligation of the City or obligates the City to make any payments beyond those appropriated for any fiscal year in which the Lease is in effect. The Lease is subject to annual renewal by the City.

Plan of Finance

The Series 2017 Certificates are being issued for the purpose of: (a) financing the construction of buildings for use by the City government as well as financing the construction of certain park improvements (see “USE OF PROCEEDS—The Project”); and (b) paying expenses of issuance of the Series 2017 Certificates. Unless otherwise defined herein, capitalized terms used herein are defined in Appendix B under the caption “—Definitions.”

This Official Statement contains information about the City, the Lease, the Indenture and other matters pertinent to the offering of the Series 2017 Certificates. The references to and summaries of provisions of the laws of the State and the descriptions of documents included herein do not purport to be complete and are qualified in their entirety by reference to the complete provisions thereof, copies of which are available from the City during the period of the initial offering of the Series 2017 Certificates.

* Preliminary; subject to change.

The City's obligation to make Base Rental Payments under the Lease is subject to annual appropriation by the City Council (the "Council") of the City for such purpose.

RISK FACTORS

THE PURCHASE AND OWNERSHIP OF THE SERIES 2017 CERTIFICATES ARE SUBJECT TO VARIOUS RISKS WHICH ARE DESCRIBED THROUGHOUT THIS OFFICIAL STATEMENT. EACH PROSPECTIVE INVESTOR IN THE SERIES 2017 CERTIFICATES SHOULD READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, GIVING PARTICULAR ATTENTION TO THE FACTORS DESCRIBED BELOW WHICH, AMONG OTHERS, COULD AFFECT THE PAYMENT OF BASE RENTALS ON THE SERIES 2017 CERTIFICATES AND COULD ALSO AFFECT THE MARKETABILITY OF THE SERIES 2017 CERTIFICATES TO AN EXTENT THAT CANNOT BE DETERMINED.

Special and Limited Obligations. The Series 2017 Certificates evidence undivided interests in rights to receive revenues under the Lease. The Series 2017 Certificates are payable solely from revenues under the Lease Series 2017 (which consist primarily of Base Rentals) received by the Trustee. All payment obligations of the City under the Lease, including but not limited to payment of Base Rentals, are from year to year only and do not constitute a mandatory charge or requirement in any year beyond the City's then current fiscal year. Any legally available moneys may be applied to the City's payment obligations pursuant to the Lease. However, neither the City, nor the Trustee on its behalf, has pledged the faith or credit of the City to the payment of the City's obligations under the Lease. No directors, officers, employees, attorneys or agents of the City are subject to any pecuniary liability by virtue of the Series 2017 Certificates, the Indenture, the Lease or the Site Lease. See "THE SERIES 2017 CERTIFICATES" and "CITY FINANCIAL INFORMATION."

Right of the City To Renew the Lease Annually. The obligation of the City to pay Base Rentals and Additional Rentals is limited to those moneys of the City which are specifically budgeted and appropriated by the Council for such purpose. Accordingly, nonrenewal of the Lease would mean the loss of occupancy of the Leased Property by the City. The Lease directs the officer of the City at the time charged with the responsibility of formulating budget proposals to include in the budget proposals submitted to the Council, in any year in which the Lease is in effect, items for all payments required for the ensuing fiscal year under the Lease, so that the decision to renew the Lease is to be made solely by the Council and not by any other officer of the City. The Lease declares that the present intention and expectation of the Council is that the Lease will be renewed annually until the leasehold interest in the Leased Property is acquired by the City pursuant to the Lease. This declaration is not, however, binding upon the current or any future Council.

The obligations of the City to make payments under the Lease are from year to year only and the City is not obligated to levy taxes or apply its general resources to make such payments beyond the then current fiscal year. Except to the extent payable from the Net Proceeds of certain insurance policies and condemnation awards, from the Net Proceeds of subleasing of the Leased Property or from other amounts made available under the Indenture, the Series 2017 Certificates and the interest thereon are payable solely from the Revenues derived from the Lease, which consist principally of the Base Rentals and the Purchase Option Price, if paid. The payment of Base Rentals and Additional Rentals under the Lease constitutes a currently budgeted expenditure of the City, payable only if funds are appropriated by the Council in each year.

There is no assurance that the City will renew the Lease, and there is no penalty to the City if the obligations of the City under the Lease are not renewed on an annual basis by the City. Accordingly, the likelihood that the Lease will continue in effect until the Series 2017 Certificates are paid is dependent

upon factors which are beyond the control of the Owners of the Series 2017 Certificates. These factors include but are not limited to (a) the continuing need of the City for facilities such as the Leased Property, and (b) the continued ability of the City to generate sufficient funds from taxes and other sources to pay obligations associated with the Lease and other obligations of the City.

Payment of the principal of and interest on the Series 2017 Certificates following an Event of Nonappropriation or an Event of Default under the Lease will be dependent upon the ability of the Trustee to relet or dispose of its interest in the Leased Property, as to which no assurance can be given.

Results of Nonrenewal of the Lease. In the event that the City does not budget and appropriate, specifically with respect to the Lease, on or before the last day of each fiscal year, moneys sufficient to pay all Base Rentals and the reasonably estimated Additional Rentals coming due for the ensuing fiscal year, an “Event of Nonappropriation” is deemed to have occurred. See Appendix B under the captions “—The Lease—Base Rentals and Additional Rentals” and “—The Lease—Nonappropriation” herein for a discussion of the results of an Event of Nonappropriation, and the ability of the Trustee to waive, under certain circumstances, the effects of the occurrence of an Event of Nonappropriation without notice to or the consent of the Owners of the Series 2017 Certificates.

If the Lease is not renewed because an Event of Nonappropriation has occurred, or is terminated because an Event of Default has occurred, the City is required to vacate or surrender possession of the Leased Property (a) by the end of the forty fifth day of the fiscal year in respect of which an Event of Nonappropriation occurs; or (b) within 30 days after notice by the Trustee, in the case of an Event of Default. The City may also terminate the Lease as a result of certain events described herein in Appendix B under the caption “—The Lease—Damage, Destruction and Condemnation.” Upon an Event of Nonappropriation or an Event of Default the Trustee may be required to relet or dispose of its interest in the Leased Property. The Net Proceeds from the sale of the Leased Property, along with other moneys then held by the Trustee under the Indenture (with certain exceptions as provided in the Lease and the Indenture), are required to be used to redeem all Certificates pro rata to the extent of such moneys. See the caption “THE SERIES 2017 CERTIFICATES—Redemption—Extraordinary Mandatory Redemption.”

Limited Alternate Use of Portions of the Leased Property. The Leased Property consists of real property and improvements of particular design and used for City purposes. Because of their configuration and contemplated use, portions of the Leased Property may not be easily converted to alternate uses. The real property constituting the Leased Property is specifically zoned as described under the caption “THE LEASED PROPERTY.” The City has not and may not have the authority to bind itself to rezone the real property constituting the Leased Property. A potential purchaser of the Series 2017 Certificates should not assume that it will be possible to dispose of any interest in the Leased Property after an Event of Nonappropriation or an Event of Default (a) for an amount equal to the aggregate principal amount of the Series 2017 Certificates then outstanding plus accrued interest thereon and other amounts owing under the Lease and the Indenture; or (b) within a time period that would prevent a default in the timely payment of the Series 2017 Certificates. If the Series 2017 Certificates are redeemed subsequent to an Event of Nonappropriation or an Event of Default for an amount less than the aggregate principal amount thereof and accrued interest thereon, no Owner of any Certificate has any further claim for payment against the Trustee or the City.

Insurance. The Leased Property is to be insured by policies of casualty and property insurance or a self insurance program, as described in “APPENDIX B—SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS—The Lease—Insurance.” In the event of the damage to, destruction of, or the discovery of a defect in construction with respect to, any of the Leased Property, and if the Net Proceeds from such insurance policies or certain other sources are insufficient to repair or

replace such Leased Property, the City may terminate its obligations under the Lease with respect to such Leased Property by paying such Net Proceeds into the Certificate Fund. If the City exercises its option to terminate the Lease with respect to any of the Leased Property in such an event, such Leased Property is required to be subleased or the Trustee's interest by the Trustee under certain circumstances and the proceeds of such subleasing or sale are required to be applied to the redemption of the Series 2017 Certificates. See the caption "THE SERIES 2017 CERTIFICATES—Redemption—Extraordinary Mandatory Redemption."

Enforceability of Remedies. A termination of the Lease Term as a result of an Event of Nonappropriation or an Event of Default will give the Trustee the right to possession of, and the right to sublease, the Leased Property in accordance with the provisions of the Lease and the Indenture. The enforceability of the Lease, the Indenture and the Series 2017 Certificates is subject to applicable bankruptcy laws, principles of equity affecting the enforcement of creditors' rights generally and liens securing such rights, the police powers of the State and its political subdivisions and judicial discretion. Because of the delays inherent in enforcing the remedies of the Trustee upon the Leased Property through the courts, a potential purchaser of the Series 2017 Certificates should not anticipate that the remedies of the Trustee could be accomplished rapidly. Any delays in the ability of the Trustee to resolve its claim to possession of or title to the Leased Property may result in delays in the payment of the Series 2017 Certificates. No reserve fund is being established in connection with the Series 2017 Certificates.

Risk of Redemption Prior to Maturity. In considering whether the Series 2017 Certificates might be redeemed prior to maturity, Owners of the Series 2017 Certificates should consider the information included in this Official Statement under the caption "THE SERIES 2017 CERTIFICATES—Redemption." Except in a case where the Leased Property is foreclosed upon producing insufficient proceeds to pay all amounts owing to the Owners, the effect on Owners of such mandatory redemption would likely be the same as an early redemption at par.

No Waiver of Condemnation by the City. As a Colorado political subdivision with condemnation powers, the City may be able to assert various claims to possession of the Leased Property which may be superior to the Trustee's rights to possess and dispose of its interest in the Leased Property under the Lease and the Indenture. The City has not waived, and may not have authority to waive, its rights to assert such claims in the future. The City is aware of at least one instance in which a Colorado municipality attempted to condemn leased property. The Lease provides that in the event of a condemnation of the Leased Property by the City, the City has agreed that the value of the condemned portion of the Leased Property will not be less than the greater of (a) if the Series 2017 Certificates are then subject to redemption under the Indenture, the redemption price of the Series 2017 Certificates that are attributable to the condemned property or (b) if the Series 2017 Certificates are not then subject to redemption, the amount necessary to defease the Series 2017 Certificates attributable to the condemned property to the first date on which the Series 2017 Certificates are subject to redemption under the Indenture.

Effects on the Series 2017 Certificates of an Event of Nonappropriation or an Event of Default. Bond Counsel will not render any opinion with respect to the applicability or inapplicability of the registration requirements of the Securities Act of 1933, as amended, to transfers of Series 2017 Certificates subsequent to a termination of the Lease by reason of an Event of Nonappropriation or an Event of Default. If the Lease is terminated by reason of an Event of Nonappropriation or an Event of Default, there is no assurance that the Series 2017 Certificates may be transferred without compliance with the registration provisions of the Securities Act of 1933, as amended, or applicable state laws, or the availability of an exemption therefrom.

In addition, Bond Counsel will express no opinion as to the treatment for federal or state income tax purposes of any amounts received by the Owners of the Series 2017 Certificates subsequent to a termination of the City's obligation under the Lease. There is no assurance that amounts received by the Owners of the Series 2017 Certificates as interest subsequent to an Event of Nonappropriation or an Event of Default will be excludable from gross income for purposes of federal and State of Colorado income taxation.

THE SERIES 2017 CERTIFICATES

The Series 2017 Certificates are issuable solely as fully registered certificates of participation in the denomination of \$5,000 or integral multiples thereof. The Series 2017 Certificates are dated, mature and bear interest as described on the cover page hereof.

Security

The Series 2017 Certificates are payable solely from (a) annually appropriated Base Rentals and the Purchase Option Price, if any, paid by the City under the Lease; (b) moneys held by the Trustee in the Series 2017 Certificate Fund created under the Indenture; and (c) following an Event of Nonappropriation or an Event of Default under the Lease, any moneys received by the Trustee from the sublease or sale or assignment of the Leased Property or the exercise of other remedies under the Lease and the Indenture. See "THE SERIES 2017 CERTIFICATES—Redemption" and Appendix B under the caption "—The Lease—Purchase Option." See also "RISK FACTORS—Right of the City To Renew the Lease Annually" and "—Results of Nonrenewal of the Lease." No provision of the Series 2017 Certificates, the Indenture, the Lease, or the Site Lease is to be construed or interpreted (i) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (iii) as a delegation of governmental powers by the City; (iv) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (v) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

Base Rentals and Purchase Option Price. The Trustee will hold in trust, for the benefit of the Owners of the Series 2017 Certificates, the right to receive Base Rentals payable by the City under the Lease. The amount and timing of Base Rental payments are designed to provide sufficient moneys to the Trustee to pay the principal of and interest on the Series 2017 Certificates when due. Pursuant to the Lease, the City is entitled to a credit against the Base Rentals payable on any payment date for amounts on deposit in the Series 2017 Certificate Fund representing (a) accrued interest, if any, from the sale of Series 2017 Certificates; (b) earnings from the investment of moneys in the Series 2017 Certificate Fund; and (c) any moneys delivered to the Trustee by the City or any other Person that are accompanied by instructions to apply the same to the payment of Base Rentals or to deposit the same in the Series 2017 Certificate Fund. See "—Series 2017 Certificate Fund" below under this caption. Any legally available moneys may be applied to the City's payment obligations pursuant to the Lease.

The Purchase Option Price, which is payable only if and when the City exercises its option to purchase the Leased Property pursuant to the Lease, is designed to provide sufficient moneys to the Trustee to pay the redemption price of Series 2017 Certificates or to defease the Series 2017 Certificates through maturity or the next redemption date. See Appendix B.

The Lease does not prohibit the City from entering into other lease purchase agreements with the Trustee or any other lessor in connection with real or personal property other than the Leased Property.

Series 2017 Certificate Fund. The Indenture creates the Series 2017 Certificate Fund and requires that the Trustee deposit into the Interest Account of the Series 2017 Certificate Fund (a) all accrued interest and capitalized interest, if any, received at the time of the initial delivery of the Series 2017 Certificates; (b) that portion of each payment of Base Rentals made by the City which is designated and paid as the interest component thereof under the Lease; and (c) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited into the Interest Account of the Series 2017 Certificate Fund.

The Trustee is required by the Indenture to deposit into the Principal Account of the Series 2017 Certificate Fund (a) that portion of each payment of Base Rentals made by the City which is designated and paid as the principal component thereof under the Lease; and (b) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited into the Principal Account of the Series 2017 Certificate Fund.

Moneys in the Interest Account of the Series 2017 Certificate Fund are to be used solely for the payment of interest on the Series 2017 Certificates and moneys in the Principal Account of the Series 2017 Certificate Fund are to be used solely for the payment of the principal of and premium, if any due on the Series 2017 Certificates; provided that (a) in the event that there are any remaining moneys upon payment of the interest due on the Series 2017 Certificates, such moneys may be used for the payment of principal of any premium, if any, due on the Series 2017 Certificates; (b) moneys representing accrued interest received at the time of the initial delivery of any series of the Series 2017 Certificates are to be used solely to pay the first interest due on such Series 2017 Certificates; and (c) the Purchase Option Price and any other moneys transferred to the Series 2017 Certificate Fund with specific instructions that such moneys be used to pay the redemption price of the Series 2017 Certificates are to be used solely to pay the redemption price of the Series 2017 Certificates and to pay the principal of, premium if any, and interest on any Series 2017 Certificates following an Event of Default or Event of Nonappropriation.

Payment of Principal, Redemption Price and Interest

While the Series 2017 Certificates remain in book entry only form, payments to Beneficial Owners are governed by the rules of DTC as described in “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.” If DTC ceases to act as depository for the Series 2017 Certificates, payment may be made as described below.

The principal or redemption price, if any, of, and interest on, the Series 2017 Certificates is to be paid by check or draft mailed to each Owner of a Series 2017 Certificate. The Trustee and the Paying Agent may treat each Owner of a Series 2017 Certificate appearing on the registration books maintained by the Paying Agent as the absolute owner of such Series 2017 Certificate for all purposes and are not affected by any notice to the contrary.

Any Series 2017 Certificate delivered in transfer or exchange bears interest (a) from the date of execution, if executed on an Interest Payment Date to which interest has been paid; or (b) from the last preceding Interest Payment Date to which interest has been paid (or from the date of their original delivery if no interest thereon has been paid) in all other cases.

Interest on any Series 2017 Certificate is to be paid to the Owner of such Series 2017 Certificate as shown on the registration books kept by the Paying Agent as of the close of business on the “regular record date,” which is the first day of the calendar month next preceding each Interest Payment Date.

If the funds available under the Indenture are insufficient on any Interest Payment Date to pay the interest then due, such interest is payable to the Owners of the Series 2017 Certificates shown on the registration books as of a “special record date.” If sufficient funds for the payment of such overdue interest thereafter become available, the Paying Agent is to establish a “special interest payment date” for the payment of the overdue interest and a “special record date” for determining the Owners of the Series 2017 Certificates entitled to such payments. Notice of each date so established is to be mailed to each such Owner at least 10 days prior to the special record date. The overdue interest is to be paid on the special interest payment date to the Owners of the Series 2017 Certificates entitled to such payments, as shown on the registration books kept by the Paying Agent as of the close of business on the special record date.

Redemption

Optional Redemption. The Series 2017 Certificates maturing in the years 20 – 20 are not subject to redemption prior to their respective maturity dates. The Series 2017 Certificates maturing in the year 20 and thereafter are subject to redemption at the option of the City on December 1, 20 and any date thereafter at a redemption price equal to % of their principal amount plus accrued interest to the date of redemption.

Notice of Redemption. Pursuant to the Indenture, notice of the call for any redemption, identifying the Series 2017 Certificates or portions thereof to be redeemed and specifying the terms of such redemption, is to be given by the Trustee by mailing a copy of the redemption notice by United States certified or registered first class mail, at least 30 days prior to the date fixed for redemption, to the Owner of each Series 2017 Certificate to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, will not affect the validity of any proceedings of any Series 2017 Certificates as to which no such failure has occurred. Any notice so mailed is to be conclusively presumed to have been duly given, whether or not the Owner receives the notice. If at the time of mailing the notice of redemption there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2017 Certificates called for redemption, which moneys are or will be available for redemption of Series 2017 Certificates, such notice will state that it is conditional upon the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice will be of no effect unless such moneys are so deposited.

Redemption of Series 2017 Certificates in Whole Upon an Event of Nonappropriation or Event of Default. The Series 2017 Certificates are to be called, for redemption in whole, on any date, in the event of the occurrence of an Event of Nonappropriation or the occurrence and continuation of an Event of Default under the Lease. The redemption price will be the lesser of (a) the principal amount of the Series 2017 Certificates, plus accrued interest to the redemption date (without any premium); or (b) the sum of (i) the amount, if any, received by the Trustee from the exercise of remedies under the Lease with respect to the Event of Nonappropriation or the occurrence and continuation of the Event of Default that gave rise to such redemption; and (ii) the other amounts available in the Trust Estate for payment of the redemption price of the Series 2017 Certificates, which amounts will be allocated among the Series 2017 Certificates in proportion to the principal amount of each Series 2017 Certificate. Notwithstanding any other provision of the Indenture, the payment of the redemption price of any Series 2017 Certificate pursuant to this redemption provision will be deemed to be the payment in full of such Series 2017 Certificate and no Owner of any Series 2017 Certificate redeemed pursuant to this redemption provision will have any right to any payment from the Trustee or the City in excess of such redemption price.

In addition to any other notice required to be given under the Indenture, the Trustee is to, as soon as reasonably practicable upon the occurrence of an Event of Nonappropriation or an Event of Default, notify the Owners (a) that such event has occurred; and (b) whether or not the funds then available to it for such purpose are sufficient to pay the redemption price set forth in clause (a) of the immediately preceding paragraph. If the funds then available to the Trustee are sufficient to pay the redemption price set forth in clause (a) of the immediately preceding paragraph, such redemption price will be paid as soon as reasonably practicable. If the funds then available to the Trustee are not sufficient to pay the redemption price set forth in clause (a) of the immediately preceding paragraph, the Trustee is to pay the portion of the redemption price that can be paid from the funds available, net of any funds which, in the judgment of the Trustee, should be set aside to pursue remedies under the Lease and, subject to the provisions of the Indenture, as soon as reasonably practicable, begin to exercise and diligently pursue all remedies available to the Trustee under the Lease in connection of such Event of Nonappropriation or Event of Default. The remainder of the redemption price, if any, is to be paid to the Owners if and when funds become available to the Trustee following the exercise of such remedies.

Transfer and Exchange

While the Series 2017 Certificates remain in book entry only form, transfers of ownership by Beneficial Owners may be made as described in “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.” In the event that DTC ceases to act as depository for the Series 2017 Certificates, transfers may be effected as described below.

Books for the registration and transfer of Series 2017 Certificates are to be kept by the Trustee. Upon surrender for transfer of any Series 2017 Certificate at the principal corporate trust office of the Trustee, the Trustee is to execute and deliver in the name of the transferee a new Series 2017 Certificate of like aggregate principal amount and of the same maturity. Series 2017 Certificates may be exchanged at the principal corporate trust office of the Trustee for an equal aggregate principal amount of Series 2017 Certificates of the same maturity of other authorized denominations. All Series 2017 Certificates presented for transfer or exchange must be accompanied by a written instrument of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Owner or by his attorney duly authorized in writing.

The Trustee is not required to transfer or exchange any Series 2017 Certificate during the period of 15 days next preceding any Interest Payment Date nor to transfer or exchange any Series 2017 Certificate after the mailing of notice calling such Series 2017 Certificate for redemption has been made, nor during the period of 15 days next preceding the mailing of such notice of redemption.

New Series 2017 Certificates delivered upon any transfer or exchange evidence the same obligations as the Series 2017 Certificates surrendered, are secured by the Indenture and entitled to all of the security and benefit thereof to the same extent as the Series 2017 Certificates surrendered. The person in whose name any Series 2017 Certificate is registered is deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal or interest on any Series 2017 Certificate will be made only to or upon the written order of the registered owner thereof or his legal representative.

The Trustee is to require the payment, by any Owner requesting exchange or transfer of Series 2017 Certificates, of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Continuing Disclosure Undertaking

In order to facilitate compliance by the Underwriter with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the City will enter into an undertaking in substantially the form set forth in Appendix D hereto (the “Continuing Disclosure Undertaking”) to provide certain information, including audited financial results, on an annual basis, and to provide notice of certain specified events contemplated by the Rule, to the information repositories designated in the Continuing Disclosure Undertaking.

The specific information required to be provided by the City under the Continuing Disclosure Undertaking includes: (a) notice of the occurrence of any of the listed events enumerated in the Rule; (b) annual audited financial statements; and (c) annual operating results with respect to the statistical and tabular material appearing in this Official Statement under the captions “FINANCIAL INFORMATION CONCERNING THE CITY—General Fund Operating History,” “—Major Sources of General Revenue,” and “DEBT STRUCTURE OF THE CITY.”

In the event the City fails to comply with the provisions of the Continuing Disclosure Undertaking, such failure by the City will not constitute an Event of Default under the Lease or the Indenture. Nevertheless, any future failures by the City could affect the marketability of the Series 2017 Certificates in the secondary market.

USE OF PROCEEDS

Generally

Proceeds of the Series 2017 Certificates and other available funds are expected to be utilized by the City for the purposes of: (a) financing the Project, as defined under the caption “—The Project” below; and (b) paying expenses of issuance of the Series 2017 Certificates.

Sources and Uses of Funds

The City anticipates the following sources and uses of funds in connection with the sale of the Series 2017 Certificates:

Sources:	
Principal Amount of Series 2017 Certificates.....	\$ _____*
Net Original Premium.....	_____
Total Sources	\$ _____
Uses:	
Deposit to Construction Fund	\$ _____
Capitalized Interest	_____
Costs of Issuance (Legal, Administrative, Printing, Underwriting Discount, etc.)	_____
Total Uses.....	\$ _____

* Preliminary; subject to change.

As provided in the Indenture, the City intends that disbursements from the Construction Fund are to be applied, to the extent practicable, to the costs of the Project in the following order:

(a) first, disbursements from the Construction Fund are to be applied the costs of the Public Works Building (as defined below) component of the Project;

(b) second, disbursements from the Construction Fund are to be applied to the costs of the City Hall Building (as defined below) component of the Project;

(c) third, disbursements from the Construction Fund are to be applied to the costs of constructing improvements to City-owned park property that are incidental to the City Hall Building component of the Project; and

(d) fourth, disbursements from the Construction Fund are to be applied to the costs of constructing various other Park Improvements (as defined below).

The Project

The project financed with the proceeds of the Series 2017 Certificates consists of the construction of two new City facilities, a new City Hall building (the “City Hall Building”) and a building to house the City’s Public Works Department (the “Public Works Building”), as well as a program of improvements to existing City park property (the “Park Improvements” and, collectively with the City Hall Building and Public Works Building, the “Project”). The Project would be constructed on land that is currently owned or to be owned by the City (collectively, the “Site”) and leased to the Trustee under the Site Lease. The City currently owns the site of the City Hall Building, located at 2450 E. Quincy Avenue in Englewood, Colorado. The City entered into an Agreement to Amend/Extend Contract dated November 28, 2016 to purchase the site of the Public Works Building, located at 2101 W. Quincy Avenue in Englewood, Colorado, at a purchase price of \$2,425,000. The City currently expects to complete the purchase of this property prior to year-end 2016. [to be updated when completed]

The City [has selected/expects to select] [GENERAL CONTRACTOR] as general contractor for the Project (the “General Contractor”). The General Contractor will construct the Project pursuant to a [guaranteed maximum price contract] entered into by the General Contractor and the City (the “Construction Contract”). The Construction Contract contemplates the General Contractor’s construction of the Project by [COMPLETION DATE], at a price of [PRICE].

[Additional contract details to be inserted when available]

THE LEASED PROPERTY

The Leased Property consists of the Trustee’s leasehold interest under the Site Lease in the Site, together with the equipment and improvements constructed as part of the Project.

THE SITE LEASE

The Trustee will lease the Site Leased Property from the City pursuant to the Site Lease. The Trustee’s leasehold interest in the Site Leased Property and the equipment and improvements to be constructed with proceeds of the Series 2017 Certificates constitutes the Leased Property, which is to be leased back by the City from the Trustee pursuant to the Lease. The stated term of the Site Lease ends December 31, 20___, unless terminated earlier by the City’s payment of all scheduled Base Rentals due under the Lease or by the City’s payment of the Purchase Option Price. For a summary of the terms of the Site Lease, see “—Site Lease” in Appendix B.

THE LEASE

The Lease is an annually renewable obligation of the City. A summary of certain provisions of the Lease appears in Appendix B to this Official Statement.

The Leased Property may be released upon payment or prepayment in full of the related Base Rentals. See “THE LEASE—Base Rentals.”

The facilities included in the Leased Property are intended to serve the City for the foreseeable future. However, it is not possible to predict the City’s future needs over the entire term of the Lease.

Base Rentals

Set forth below is a schedule of the Base Rentals relating to the Leased Property to become due under the Lease for payment of the Series 2017 Certificates (assuming the City annually renews the Lease, which it is not obligated to do), and a breakdown of the annual amounts allocable to the principal and interest components thereof, as well as a schedule of the aggregate Base Rentals due in connection with all of the other outstanding lease purchase financings of the City.

**TABLE I
Schedule of Base Rentals**

Year	Series 2017 Certificates		Total
	Principal*	Interest	
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
Total	\$ _____	\$ _____	\$ _____

* Preliminary; subject to change.

THE INDENTURE

Pursuant to the Indenture, the Trustee accepts certain duties to act on behalf of the Owners of the Series 2017 Certificates in the receipt and application of amounts which become payable under the Lease. A summary of certain provisions of the Indenture appears in Appendix B to this Official Statement.

THE CITY

Description

The City of Cherry Hills Village is located in the southeastern portion of the Denver metropolitan area in Arapahoe County, Colorado (the “County”). The City encompasses approximately 6.5 square miles and has an estimated population of approximately 6,000. Incorporated as a municipal corporation in 1945, the City became a home rule municipality in 1966 upon adoption of its original Charter.

City Council

The City operates under a mayor-council-manager form of government whereby certain powers of the City are vested in an elected City Council, which consists of six members who serve overlapping four year terms. The mayor, who is the presiding officer of the Council and chief administrative officer of the City, is elected at-large to serve a two year term. The City is divided into six council districts with each of those districts represented on the Council by a resident of that district. The Council meetings, held the first and third Tuesday of each month, are presided over by the mayor. The mayor does not participate as a voting member of the Council except in the case of a tie vote. The Council also elects a mayor pro-tem from its membership to serve in the absence of the mayor or his inability to act. Vacancies on the Council must be filled by appointment or election within 30 days. Vacancies are filled until the next regular election.

City Council Member	Present Term Expires (November) ¹	Principal Occupation
Laura Christman, Mayor	2017	Attorney
Alex Brown, Mayor Pro Tem and District 3	2017	Public Entities Consultant
Mark Griffin, District 1	2017	Vice President of Investments and Financial Advisor with Wells Fargo Advisors, LLC.
Earl Hoellen, District 2	2019	[Retired] Executive in the Nuclear Power and Energy Trading Industries
Mike Gallagher, District 4	2019	Business Owner and Insurance Agent
Klasina VanderWerf, District 5	2017	[Retired] Educator and Administrator, Marketer and Development Director for private non-profits
Katy Brown, District 6	2019	Founder and President of Visionary Consulting

¹ Council members are elected in November and take office at the next Council meeting in the month of January following the election. Following the election held on November 8, 2016, Mayor Christman has been re-elected for another term. Randy Weil, Al Blum and Daniel R. Sheldon have been elected to represent Districts 1, 3 and 5, respectively, and will take office in January of 2017.

Administration and Management

The mayor-council-manager form of government vests responsibility for City operations in the City Manager and City staff. The City Manager is appointed by the City Council, and pursuant to an employment contract, serves for an indefinite term at the pleasure of the Council. The staff functions through the City’s various departments which are under the direction of the City Manager.

The administrative and management personnel of the City most directly involved in the issuance of the Series 2017 Certificates are the City Manager, the Finance Director and the City Attorney. These individuals' duties in City government and their relevant experience are summarized below.

City Manager. The City Manager is the chief administrative officer of the City. The City Manager is responsible for the design, implementation and oversight of all City programs. The City Manager's office provides the executive management, leadership, guidance and support for City governmental needs.

Jim Thorsen has been the City Manager of the City since June of 2016. He has over 32 years of dedicated service with local governments, including 10 years as the City Manager of Malibu, California. He graduated from Colorado State University with a civil engineering degree and completed his Masters of Public Administration from California State University at Northridge. In addition to being a City Manager, he has held the titles of City Engineer, Director of Public Works and Assistant City Manager of the City of Agoura Hills, California. Mr. Thorsen has overseen or been involved in the completion of nearly \$100,000,000 of capital improvement projects throughout his career. These projects have included the construction of two City Halls for Agoura Hills, California and Malibu, California, a library, multiple parks, a sewer treatment plant and several traffic, road and drainage projects. Funding for these projects has been provided by various financial mechanisms, including the use of Special Improvement Districts, certificates of participation, general obligation bonds, grants and donations.

Finance Director. This position acts under the direction of the City Manager in the administration and management of the financial affairs of the City. The responsibilities include, among others, oversight of the day-to-day financial activity, the preparation of annual financial statements and the annual budget.

Karen Proctor has been employed by the City since 2003 and has served as the City's Finance Director since 20___. Prior to her employment with the City, Ms. Proctor was an Accountant for Cargill's North Star Steel division prior to becoming an Accounting Supervisor for Cargill's Health and Food Technologies division. She received her Bachelors of Accounting degree from the University of Minnesota-Duluth and her Master of Business Administration from Kaplan University.

City Attorney. The City Attorney is the chief legal officer of the City. The City Attorney is responsible for all the legal affairs of the City.

Linda Michow has served as the City Attorney since January, 2013. Ms. Michow is a founding partner of the law firm Michow Cox & McAskin LLP in Greenwood Village, Colorado. Her practice focuses exclusively on the representation of Colorado municipalities on local government matters. Ms. Michow grew up in New Jersey and attended Skidmore College where she graduated with a Bachelor of Arts in English. Ms. Michow earned her law degree from Georgetown Law Center in Washington, D.C.

Employees

The City employs 53 full-time regular employees, 1 part-time employee and an average of 6 seasonal employees. The City offers health insurance benefits to all employees that work twenty or more hours per week. Full-time employees that decline the City's coverage have the option of receiving \$1,000 into a healthcare flexible spending arrangement account or a cash equivalent to be deposited in increments throughout the year. Other City benefits include: dental insurance; vision insurance; life insurance; long-term disability insurance; short-term disability insurance; worker's compensation insurance; flexible spending account plans; retirement benefits; Roth IRA Plan; deferred compensation plans employee assistance plan; holiday and personal leave; paid time off; extended sick leave;

bereavement leave; alternative scheduling; computer loan program and tuition reimbursement. The City believes its relationship with its employees is satisfactory.

Pension Plans and Other Post-Employment Benefits

The City provides two pension plans and one deferred compensation plan for eligible employees, including the Police Pension Plan, Non-Sworn Managers Pension Plan and the Deferred 457 Compensation Plan. Under the Police Pension Plan, which is a single-employer money purchase pension plan, both the City and employee contribute 8% of the employee's covered salary. The vesting schedule for the Police Pension Plan is 25% per year until completion of four years of services. All full-time, paid police employees of the City are members of the Police Pension Plan. During the year ended December 31, 2015, the City contributed \$138,936, which amount represents the total requirement of the City under the plan.

Under the Non-Sworn Managers Pension Plan, which is a single-employer defined contribution money purchase pension plan, the City is required to contribute 5% of the employee's covered salary and employees contribute 11% of their covered salaries. Non-Sworn Managers are 100% invested upon hire or promotion. During the year ended December 31, 2015, the City contributed \$34,779 to the Non-Sworn Managers Pension Plan, which amount represents the total requirement of the City under the plan.

Finally, under the City's optional Deferred 457 Compensation Plan, which is an optional plan for City employees created in accordance with Internal Revenue Code Section 457, the City matches the contribution of participating employees up to 3% of sworn police officer salaries and up to 5% of other non-management employee salaries. Employees are 100% vested upon hire. Total City contributions to this plan for the year ended December 31, 2015 were \$198,517.

A full description of the City's pension plan obligations is included in the City's 2015 audited financial statements in Appendix C hereto.

City Insurance Coverage

The City provides medical, dental and vision insurance for eligible employees. The medical plans are fully insured plans through Kaiser Permanente. Two of the plans are Health Maintenance Organizations ("HMOs"), named the Classic 30 Plan and the Classic 40 Plan. The third plan is a High Deductible Health Plan with a Health Savings Account ("HDHP" with "HSA") by Kaiser Permanente that includes, but is not limited to, primary care, specialist care, preventive care, diagnostic tests, prescription drug coverage, emergency room services, emergency medical transportation, urgent care, mental/behavioral health services, home health care and rehabilitation services. During the year ended December 31, 2015, the City contributed an average of approximately 89% to the Classic 30 Plan, 94% to the Classic 40 Plan and 100% to the HDHP with HSA. During the year ended December 31, 2015, the City contributed _____ to the Kaiser Permanente Health Plans. The City's dental insurance program is provided by Metropolitan Life Insurance Company ("MetLife"). This plan is a Preferred Provider Organization ("PPO") plan. The services covered under this plan include examinations, diagnostics, restoration, emergency treatment, surgery, consultations and rehabilitation. During the year ended December 31, 2015, the City contributed an average of approximately [60%] to the MetLife dental plan. Although the City does not contribute to vision insurance, the City's vision insurance carrier is EyeMed Vision Care. The plan provides examinations, imaging, lenses and frames.

Current Financial Obligations

The City's financial obligations are summarized in detail in the City's 2015 audited financial statements attached as Appendix C to this Official Statement. With the exception of lease-purchase obligations subject to annual appropriation, enterprise revenue bonds and refunding obligations issued at a lower interest rate, the issuance of multi-year financial obligations by the City generally requires voter approval as described under the caption "CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, SPENDING AND BORROWING."

City Services

The City provides the following services to its residents: animal control; community development; police protection; a municipal court system; public works and parks; and trails and recreation facilities throughout the City. Other facilities and services such as public schools, hospital, telephone, and water, sewer and power utilities are available to City residents.

Accounting Policies

The accounts of the City are organized on the basis of funds and account groups. Such funds are segregated for the purpose of accounting for the operation of specific activities or attaining certain objectives. Financial operations are accounted for by the City's Finance Department which prepares monthly financial statements. State law and the Charter require that an audit be made of the City's financial statements at the end of the fiscal year. The audited financial statements must be filed with the Council within six months after the end of the fiscal year and with the state auditor 30 days thereafter. Failure to file an audit report may result in the withholding of the City's property tax revenues by the County Treasurer of the County (the "County Treasurer") pending compliance.

FINANCIAL INFORMATION CONCERNING THE CITY

Budgetary Process

The City's fiscal year runs from January 1 to December 31. Pursuant to the Charter, a proposed budget for the ensuing fiscal year must be presented to the Council on or before September 20th of each year. The recommended budget must provide detailed estimates of proposed expenditures necessary for the operation of the several departments, offices and agencies of the City for the ensuing fiscal year. In addition, the adopted budget must contain: an estimate of anticipated revenue from all sources other than the tax levy for the ensuing fiscal year; an estimate of the general fund cash surplus at the end of the current fiscal year or the deficit to be made up by the appropriation; the debt service requirements for the ensuing fiscal year; an estimate of the sum required to be raised by the tax levy for the ensuing fiscal year and the rate of levy necessary to produce such sum based on the percentage of current levy collection experience during the three preceding fiscal years; a balance between the total estimated expenditures (including any deficit to be met) and monies set aside for public improvements; and total anticipated revenue, plus any surplus. All estimates must show revenues by their source and expenditures by organizational units, activities, character and object.

A public hearing on the proposed budget must be held before its final adoption. Notice of the hearing must be published at least once five days prior to its scheduled date and copies of the proposed budget must be available for public inspection at the office of the City Clerk. At any time before final adoption of the budget, the Council may increase, decrease, add or strike out any item in the budget. The Council must adopt a budget calendar by resolution on or before September 20 of each year. Following the adoption of such calendar, the Council must adopt an ordinance for the budget and an ordinance for

the annual appropriations in accordance with such calendar. Once finally adopted, the budget becomes a public record with sufficient copies deposited with the City Clerk to insure adequate circulation.

The Council adopted the City's 2016 budget and appropriation ordinance on December 9, 2015, pursuant to the preceding procedure.

Budget Summary

Set forth in the following table is a summary, on a non-GAAP budgetary basis, of the 2015 General Fund budget, 2016 General Fund actual year to date results, and 2016 General Fund budget. The City's budget contains the General Fund and six smaller funds. The six smaller funds include: the Conservation Trust Fund; the Catherine H. Anderson Land Donation Fund; the Arapahoe County Open Space Fund; the Special Improvement District No. 7 Fund; the Water and Sewer Fund and the Parks and Recreational Fund. The General Fund comprises: Revenue; Administration; Judicial; Data Processing; Community Development; Public Safety; the Village Crier (see "TABLE II, Footnote 2"); Public Works and Public Works. Approximately 35% of General Fund revenues come from property taxes, approximately 29% come from sales and use tax collections, and approximately 8% comes from building permits. The remainder of General Fund revenues comes from municipal court fines and other taxes received from the State and the County. See "DEBT STRUCTURE OF THE CITY."

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TABLE II
General Fund Budget Summary and Comparison

	2015 Budget	2016 Budget	2016 Actual Year to Date (unaudited) ¹
Revenue			
Property Taxes	\$2,133,756	\$2,461,683	\$2,481,111
Use/Tax Motor Vehicles	1,102,905	1,066,887	824,576
Sales Tax	1,005,047	991,232	821,710
Service Expansion Fees	150,000	150,000	138,678
Building Permits	550,000	550,000	667,498
Franchise Fees	359,700	359,700	301,215
Highway Users Tax	239,252	241,697	189,954
Municipal Court Fines	270,000	270,000	225,547
County Road and Bridge Levy	116,480	134,381	104,756
Specific Ownership Tax	274,000	264,000	0
Other	<u>534,436</u>	<u>515,287</u>	<u>564,775</u>
Total Revenue	<u>6,735,576</u>	<u>7,004,867</u>	<u>6,319,820</u>
Expenditures			
Administration	1,823,988	1,861,128	1,097,089
Judicial	72,740	75,279	77,428
Data Processing	116,548	133,583	116,714
Community Development	603,776	604,870	402,169
Village Crier ²	18,100	30,500	24,535
Public Safety	3,040,862	3,152,225	2,751,978
Public Works	<u>1,059,562</u>	<u>1,147,282</u>	<u>994,666</u>
Total Expenditures	<u>6,735,576</u>	<u>7,004,867</u>	<u>5,464,579</u>
Other Sources (Uses) of Funds			
Transfers Out ³	(3,435,538)	--	--
Net Change in Fund Balance	(3,435,538)	--	855,241
Beginning Fund Balance	<u>7,420,864</u>	<u>3,698,352</u>	<u>5,989,267</u>
Ending Fund Balance	<u>\$3,985,326</u>	<u>\$3,698,352</u>	<u>\$6,844,508</u>

¹ Unaudited year to date figures through November 17, 2016. [UPDATES?]

² The Village Crier is the City's official government-sponsored publication. It is published every other month and mailed or emailed to all City residents.

³ Transfers out include _____.

Source: City Finance Department; City's 2016 Annual Budget

Financial Statements

Under Colorado law the Council is required to have the financial statements of the City audited at-least annually. The audited financial statements must be filed with the Council by July 1 of each year, and with the State Auditor 30 days thereafter. If such audit is not filed with the State Auditor, he may authorize the County Treasurer to hold moneys of the City generated pursuant to the City's taxing authority to prohibit the release of such money until the City complies with the audit law.

The City's audited financial statements for the fiscal year ended December 31, 2015 are attached as Appendix C to this Official Statement. See "FINANCIAL STATEMENTS."

Major Sources of General Revenue

Succeeding sections of this Official Statement discuss the City's general operating revenues which are accounted for in the City's General Fund. The primary sources of revenue in the City's General Fund are ad valorem property taxes and sales and use taxes as discussed hereafter.

General Ad Valorem Taxes. The City certifies a mill levy upon which property taxes will be collected to the County Treasurer. The City's general ad valorem taxes constitute a perpetual lien on and against the property taxed. To enforce such liens, the County Treasurer has the power to foreclose on and cause the sale or distraint of delinquent property as provided by law. The majority of property taxes collected are deposited by the City into the General Fund. The City's mill levy in 2015 for collection in 2016 was 14.722 mills and the mill levy certified in 2016 for collection in 2017 was [. ____] . In 2014 and 2015 the City collected \$2,399,568 and \$2,404,979 respectively, in ad valorem property taxes in the General Fund. Property tax revenues in 2015 comprised approximately 31.3% of the total City General Fund revenues.

The City's tax base is reflected by the assessed valuation certified annually by the County Assessor of the County (the "County Assessor") to the City. The City's taxable final 2016 certified assessed valuation is \$335,487,662 for property taxes to be collected in 2017.

Sales and Use Tax Revenue. The collection of municipal sales and use tax is one of the City's largest source of tax revenue. Sales and use taxes are levied at the rate of 3.5% on tangible personal property sold within City limits. The City does not charge a sales tax on deliveries into the City or on services provided, including those provided within City limits. The collection of sales and use tax accounts for approximately 30% of the City's General Fund revenues. Sales and use taxes collected on behalf of the City through December 31, 2015 totaled \$2,228,129 as compared to sales tax collections of \$2,521,988 for the same period ending December 31, 2014.

Other Revenues. The City also receives revenues from other sources including licenses and permit fees, municipal court fines, franchise fees, and other charges for services.

General Fund Operating History

The General Fund is the City's major operating fund and is used to account for all resources not otherwise required to accounted for in another fund. General Fund revenues represent approximately 54% of the City's total revenue sources. The following table shows a five-year history of the City's General Fund revenues, expenditures and changes in fund balances.

TABLE III
Comparative Statement of Revenues, Expenditures,
and Changes in Fund Balance for the General Fund
Years Ended December 31,

	2011	2012	2013	2014	2015
Revenues					
Property Taxes	\$ 2,919,525	\$ 2,466,604	\$ 2,469,764	\$ 2,399,568	\$ 2,404,979
Specific Ownership Taxes	283,458	258,773	258,436	101,740	294,629
Sales and Use Taxes	1,938,471	1,827,269	2,307,871	2,521,988	2,228,129
Franchise Fees	538,094	524,883	567,599	597,610	551,716
Licenses and Permits	679,357	845,580	855,912	1,211,560	1,016,561
Intergovernmental	401,244	391,202	391,743	389,684	397,913
Charges for Services	442,422	430,892	426,900	371,313	321,194
Miscellaneous	72,840	48,139	47,789	65,835	457,640
Interest	<u>5,754</u>	<u>9,345</u>	<u>12,301</u>	<u>13,437</u>	<u>21,857</u>
Total	<u>7,281,165</u>	<u>6,802,687</u>	<u>7,338,315</u>	<u>7,672,735</u>	<u>7,694,618</u>
Expenditures					
General government	1,190,638	1,131,330	1,245,602	1,450,509	1,490,002
Judicial	84,430	97,826	99,729	106,703	81,424
Community Development	372,397	421,340	452,668	456,045	549,527
Village Crier	17,132	17,009	16,364	19,854	21,361
Public Safety	2,687,992	2,684,624	2,805,063	2,857,783	3,094,845
Public Works	775,390	801,936	869,287	1,011,125	1,156,758
Capital Outlay	<u>1,149,663</u>	<u>3,487,182</u>	<u>1,190,898</u>	<u>665,479</u>	<u>1,027,471</u>
Total	<u>6,277,642</u>	<u>8,641,247</u>	<u>6,679,611</u>	<u>6,567,498</u>	<u>7,421,388</u>
Excess of Revenues Over (Under) Expenditures	1,003,523	(1,838,560)	658,705	1,105,237	273,230
Other Financing (Uses)					
Transfers out	--	--	--	--	(1,542,491) ¹
Total	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,542,491)</u>
Net Change in Fund Balance	1,003,523	(1,838,560)	658,705	1,105,237	(1,269,261)
Beginning Fund Balance	<u>12,671,780</u>	<u>13,675,303</u>	<u>11,836,743</u>	<u>12,495,447</u>	<u>13,600,684</u>
Ending Fund Balance	<u>\$13,675,303</u>	<u>\$11,836,743</u>	<u>\$12,495,447</u>	<u>\$13,600,684</u>	<u>\$12,331,423</u>

¹ Amounts transferred to the Parks and Recreation Fund.
Source: City Finance Department

**Management's Discussion and Analysis of
Material Trends in General Fund Operations**

For a Management's Discussion and Analysis see the City's audited financial statements appended hereto as Appendix C.

Fund Balance Reserve Policy

It is the policy of the City to maintain levels of undesignated fund balance to provide the required resources to meet City operating needs and to allow for unforeseen needs of an emergency nature. In accordance with this policy, the City maintains an Emergency Reserve to provide for unforeseen reductions in revenues in the current fiscal year or expenditures that are greater than the current fiscal year revenues. Use of excess “fund balance” (which term is used to describe the cumulative difference of all City revenues and expenditures) is intended only for one-time or non-recurring expenditures.

The Council approves specific fund balance/reserve policies for each of the City’s funds. The reserve policy for the General Fund mandates an unreserved fund balance equivalent to a minimum of six months of the current year’s expenditures less capital outlay and transfers out budgeted for the General Fund. In the event that the unreserved fund balance exceeds the minimum requirements of this policy, the excess may be utilized for any lawful purpose approved by the Council.

Sales and Use Taxes

Sales and Use Taxes represents approximately 30% of the City’s General Fund Revenue. The following is a brief discussion of the City’s Sales and Use Taxes.

Imposition of Sales and Use Taxes.

A sales tax in the amount of 3.5% (the “Sales Tax”) is imposed on every vendor having a place of business within the City for the privilege of selling tangible personal property at retail. The Sales Tax is imposed on every vendor selling such property within City limits.

A use tax in the amount of 3% (the “Use Tax”), constituting the purchase price paid for a motor vehicle, is imposed on every resident who purchases a motor vehicle outside of the City for use or storage within City limits.

Collection of Sales and Use Taxes.

Every vendor operating within City limits is responsible for the payment of the Sales Tax before the twentieth day of each month. The vendor must make a return to the City for the preceding calendar month and remit an amount equivalent to the 3.5% collected less 2.5% of the sum to cover the vendor’s expense for collecting and remitting the Sales Tax, up to a maximum of \$150.00.

The Use Tax is collected by an authorized agent of the County Clerk of the County on every motor vehicle required by law to be registered for use or storage within City limits. The proceeds are paid to the City monthly.

Sales and Use Tax Data. The following table sets forth the City’s sales and use tax collections since 2011.

TABLE IV
Annual History of Sales and Use Tax Collections

Year	Sales and Use Tax Collections	Percent Increase
2011	\$1,938,471	--
2012	1,827,269	(5.74)%
2013	2,307,871	26.30
2014	2,521,988	9.28
2015	2,228,129	(11.65) ¹

¹ [Explain change]
Sources: City Finance Department

Ad Valorem Property Taxes

Property Subject to Taxation. Subject to the limitations imposed by Article X, Section 20 of the Colorado Constitution (“TABOR”) (described under the caption “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, SPENDING AND BORROWING”), the City has the power to certify to the Board of County Commissioners of the County (the “Commissioners”) a levy for collection of ad valorem taxes against all taxable property within the City.

Both real and personal property are subject to taxation, but there are certain classes of property which are exempt. These include, but are not limited to, property of the United States of America; property of the State and its political subdivisions; public libraries; public school property; certain charitable property not used for profit; health care facilities; nonprofit water companies; licensed, nonprofit child care facilities; religious property; nonprofit cemeteries; irrigation ditches, canals, and flumes used exclusively to irrigate the owner’s land; household furnishings and personal effects not used to produce income; property used by a fraternal or veterans’ organization; intangible personal property; inventories of merchandise and materials, and supplies which are held for consumption by a business or are held primarily for sale; livestock; agricultural and livestock products; agricultural equipment which is used on the farm or ranch in the production of agricultural products; and works of art on loan to a political subdivision, gallery or museum operated by a charitable organization. The State Board of Equalization supervises the administration of all laws concerning the valuation and assessment of taxable property and the levying of property taxes.

Assessment of Property. Taxable property is first appraised by the County Assessor to determine its statutory “actual” value. This amount is then multiplied by the appropriate assessment percentage to determine each property’s assessed value. The mill levy of each taxing entity is then multiplied by this assessed value to determine the amount of property tax levied upon such property by such taxing entity. Each of these steps in the taxation process is explained in more detail below.

Determination of Statutory Actual Value. The County Assessor annually conducts appraisals in order to determine, on the basis of statutorily specified approaches, the statutory “actual” value of all taxable property within the County as of January 1. Most property is valued using a market approach, a cost approach or an income approach. Residential property is valued using the market approach, and agricultural property, exclusive of building improvements thereon, is valued by considering the earning or productive capacity of such lands during a reasonable period of time, capitalized at a statutory rate.

The statutory actual value of a property is not intended to represent its current market value, but, with certain exceptions, is determined by the County Assessor utilizing a “level of value” ascertained for each two-year reassessment cycle from manuals and associated data published by the State Property Tax Administrator for the statutorily-defined period preceding the assessment date. The statutory actual value is based on the “level of value” for the period one and one-half years immediately prior to the July 1 preceding the beginning of the two-year reassessment cycle (adjusted to the final day of the data-gathering period).

The County Assessor may consider market sales from more than one and one-half years immediately prior to July 1 if there were insufficient sales during the stated market period to accurately determine the level of value.

Public utilities are valued by the State Property Tax Administrator based upon the value of the utility’s tangible property and intangibles (subject to certain statutory adjustments), gross and net operating revenues and the average market value of its outstanding securities during the prior calendar year.

Determination of Assessed Value. Assessed valuation, which represents the value upon which ad valorem property taxes are levied, is calculated by the County Assessor as a percentage of statutory actual value. The percentage used to calculate assessed valuation differs depending upon the classification of each property.

Residential Property. To avoid extraordinary increases in residential real property taxes when the base year level of value is changed, the State constitution requires the Colorado General Assembly to adjust the assessment rate of residential property for each year in which a change in the base year level of value occurs. This adjustment is constitutionally mandated to maintain the same percentage of the aggregate statewide valuation for assessment attributable to residential property which existed in the previous year (although, notwithstanding the foregoing, TABOR prohibits any valuation for assessment ratio increase for a property class without prior voter approval).

The residential ratio has remained 7.96% since the 2003 levy year. The Colorado Legislative Council Staff’s “Focus Colorado: Economic and Revenue Forecast” dated December 20, 2016 (the “2016 Economic Forecast”), projects that the residential assessment ratio will decrease to 6.85% for the 2017 reassessment period. The actual ratio change will depend on the actual residential and non residential values reported to the Division of Property Taxation in the spring of 2017 and is subject to approval by the Colorado General Assembly during the 2017 legislative session.

Non-residential property. All non-residential taxable property (including commercial property) with certain specified exceptions, is assessed at 29% of its statutory actual value.

Protests, Appeals, Abatements and Refunds. Property owners are notified of the valuation of their land or improvements, or taxable personal property and certain other information related to the amount of property taxes levied, in accordance with statutory deadlines. Property owners are given the opportunity to object to increases in the statutory actual value of such property, and may petition for a hearing thereon before the County Board of Equalization. Upon the conclusion of such hearings, the County Assessor is required to complete the assessment roll of all taxable property and, no later than August 25 each year, prepare an abstract of assessment therefrom. The abstract of assessment and certain other required information is reviewed by the State Property Tax Administrator prior to October 15 of each year and, if necessary, the State Board of Equalization orders the County Assessor to correct assessments. The valuation of property is subject to further review during various stages of the assessment process at the request of the property owner, by the State Board of Assessment Appeals, the

State courts or by arbitrators appointed by the Commissioners. On the report of an erroneous assessment, an abatement or refund must be authorized by the Commissioners; however, in no case will an abatement or refund of taxes be made unless a petition for abatement or refund is filed within two years after January 1 of the year in which the taxes were levied. Refunds or abatements of taxes are prorated among all taxing entities which levied a tax against the property.

Statewide Review. The Colorado General Assembly is required to cause a valuation for assessment study to be conducted each year in order to ascertain whether or not county assessors statewide have complied with constitutional and statutory provisions in determining statutory actual values and assessed valuations for that year. The final study, including findings and conclusions, must be submitted to the Colorado General Assembly and the State Board of Equalization by September 15 of the year in which the study is conducted. Subsequently, the Board of Equalization may order a county to conduct reappraisals and revaluations during the following property tax levy year. Accordingly, the City's assessed valuation may be subject to modification following any such annual assessment study.

Taxation Procedure. The County Assessor is required to certify to the City the assessed valuation of property within the City no later than August 25 of each year. Subject to the limitations of TABOR, based upon the valuation certified by the County Assessor, the Council computes a rate of levy which, when levied upon every dollar of the valuation for assessment of property subject to the City's property tax, and together with other legally available City revenues, will raise the amount required by the City in its upcoming fiscal year. The City subsequently certifies to the Commissioners the rate of levy sufficient to produce the needed funds. Such certification must be made no later than December 15 of the property tax levy year for collection of taxes in the ensuing year. The property tax rate is expressed as a mill levy, which is the rate equivalent to the amount of tax per \$1,000 of assessed valuation.

The Commissioners levy the tax on all property subject to taxation by the City. By December 22 of each year, the Commissioners must certify to the County Assessor the levy for all taxing entities within the County. If the Commissioners fail to so certify, it is the duty of the County Assessor to extend the levies of the previous year. Further revisions to the assessed valuation of property may occur prior to the final step in the taxing procedure, which is the delivery by the County Assessor of the tax list and warrant to the County Treasurer.

Property Tax Collections. Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2016 will be collected in 2017. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (not later than the last day of April) or in two equal installments (not later than the last day of February and June 15) without interest or penalty. Interest accrues on unpaid first installments at the rate of 1% per month from March 1 until the date of payment unless the whole amount is paid by April 30. If the second installment is not paid by June 15, the unpaid installment will bear interest at the rate of 1% per month from June 16 until the date of payment. Notwithstanding the foregoing, if the full amount of taxes is to be paid in a single payment after the last day of April and is not so paid, the unpaid taxes will bear penalty interest at the rate of 1% per month accruing from the first day of May until the date of payment. The County Treasurer collects current and delinquent property taxes, as well as any interest or penalty, and after deducting a statutory fee for such collection, remits the balance to the City on a monthly basis.

All taxes levied on property, together with interest thereon and penalties for default, as well as, all other costs of collection constitute a perpetual lien on and against the property taxed from January 1st of the property tax levy year until paid. Such lien is on a parity with the tax liens of other general taxes. It the County Treasurer's duty to enforce the collection of delinquent real property taxes by tax sale of the tax lien on such realty. Delinquent personal property taxes are enforceable by distraint, seizure, and sale of the taxpayer's personal property. Tax sales of tax liens on realty are held on or before the second

Monday in December of the collection year, preceded by a notice of delinquency to the taxpayer and a minimum of four weeks of public notice of the impending public sale. Sales of personal property may be held at any time after October 1st of the collection year following notice of delinquency and public notice of sale. There can be no assurance that the proceeds of tax liens sold, in the event of foreclosure and sale by the County Treasurer, would be sufficient to produce the amount required with respect to property taxes levied by the City and property taxes levied by overlapping taxing entities, as well as any interest or costs due thereon. Further, there can be no assurance that the tax liens will be bid on and sold. If the tax liens are not sold, the County Treasurer removes the property from the tax rolls and delinquent taxes are payable when the property is sold or redeemed. When any real property has been stricken off to the City and there has been no subsequent purchase, the taxes on such property may be determined to be uncollectible after a period of six years from the date of becoming delinquent and they may be canceled by the Commissioners after that time.

Ad Valorem Property Data. A five-year history of the City’s certified assessed valuation and mill levies is set forth in the following table.

TABLE V
History of Assessed Valuations and Mill Levies for the City

Levy Year	Collection Year	Assessed Valuation	Percent Change	Mill Levy
2012	2013	\$301,972,720	--	13.304
2013	2014	290,292,390	(3.87)%	13.374
2014	2015	292,295,294	0.69	13.360
2015	2016	337,216,810	15.37	13.557
2016	2017	335,487,662	(0.51)	[.]

Sources: Department of Local Affairs, Division of Property Taxation, Annual Property Tax Reports 2012-2015, the Arapahoe County Assessor’s office and the City Finance Department

The following table sets forth the City’s current ad valorem property tax collections for the time period indicated.

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TABLE VI
Property Tax Collections in the City

Levy Year	Tax Year	Taxes Levied¹	Current Collections²	Current Collections As a % of Tax Levied
2011	2012	\$3,998,570	\$3,977,662	99.48%
2012	2013	4,017,445	3,987,584	99.26
2013	2014	3,882,370	3,866,545	99.59
2014	2015	3,905,065	3,876,261	99.26
2015	2016	4,571,648	4,511,112 ³	98.60

¹ Represents the tax levy as certified to the County Treasurer on December 31 including any adjustments thereon.

² The County Treasurer's collection fees have not been deducted from these amounts. Figures represent current collections only and do not take into account either interest paid on current taxes, or delinquent taxes paid with any interest and/or penalties thereon.

³ Tax collections through October 31, 2016.

Sources: Department of Local Affairs, Division of Property Taxation, Annual Property Tax Reports 2011-2015 and the City Finance Department

Based upon the most recent certified information available from the County Assessor's Office, the following table lists the largest taxpayers within the City as measured by assessed value. A determination of the largest taxpayers can be made only by manually reviewing individual tax records. Therefore, it is possible that owners of several small parcels may have an aggregate assessed value in excess of those set forth in the following table. Furthermore, the taxpayers shown in the table may own additional parcels within the City not included herein.

No independent investigation has been made of and consequently there can be no representation as to the financial condition of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City.

**TABLE VII
2015 Ten Largest Taxpayers Within the City**

Taxpayer Name ¹	2015 Assessed Valuation	Percentage of Total Assessed Valuation ¹
Private Club	\$ 2,219,281	0.66%
Private Club	1,609,853	0.48
Investor LLC	1,279,984	0.38
Individual	1,027,907	0.30
Utility	992,890	0.29
Investor LLC	905,357	0.27
Investor Trust	900,912	0.27
Investor LLC	874,302	0.26
Investor Trust	871,438	0.26
Individual	<u>849,603</u>	<u>0.25</u>
Total	<u>\$11,531,527</u>	<u>3.42%</u>

¹ The names of these entities have been generalized to protect confidentiality.

² Computed based on a 2015 assessed valuation for the City of \$337,216,810.

Source: Arapahoe County Assessor's Office

The following table sets forth the 2016 assessed valuation and "actual" valuation of specific classes of property within the City. As shown below, residential property accounts for the largest percentage of the City's assessed valuation, and therefore, owners of residential property are anticipated to pay the largest percentage of ad valorem property taxes levied by the City.

**TABLE VIII
Assessed and "Actual" Valuation of Classes of Property in the City ¹**

Class	2016 Assessed Valuation	Percent of Total Assessed Valuation	2016 "Actual" Valuation	Percent of Total "Actual" Valuation
Residential	\$312,260,820	93.08%	\$3,922,874,615	98.00%
Vacant	14,893,886	4.44	51,358,221	1.28
Commercial	6,733,131	2.01	23,217,716	0.58
State Assessed	1,493,060	0.44	5,148,482	0.13
Agricultural	106,475	0.03	367,156	0.01
Natural Resources	<u>290</u>	<u>0.00</u>	<u>1,000</u>	<u>0.00</u>
Total	<u>\$335,487,662</u>	<u>100.00%</u>	<u>\$4,002,967,190</u>	<u>100.00%</u>

Source: Arapahoe County Assessor's Office

**Mill Levies Affecting
Property Owners Within the City**

In addition to the City’s ad valorem property tax levy, owners of property within the City are obligated to pay taxes to other taxing entities in which their property is located. As a result, property owners within the City’s boundaries may be subject to different mill levies depending upon the location of their property. The following table is a sample mill levy that may be imposed on certain property within the City and is not intended to portray the mills levied against all properties within the City. See also “DEBT STRUCTURE OF THE CITY—Estimated Overlapping General Obligation Debt.”

**TABLE IX
Sample Mill Levy Affecting City Property Owners**

Taxing Entity ¹	2015 Mill Levy
Arapahoe County	14.856
Arapahoe Library District	5.916
Cherry Creek School District No. 5	49.703
Cherry Hills Fire Bond	0.400
Regional Transportation District	0.000
South Metro Fire Rescue	9.344
Urban Drainage and Flood Control District	0.553
Urban Drainage and Flood Control (South Platte)	<u>0.058</u>
Sample Overlapping Mill Levy	80.830
The City	<u>13.557</u>
Total Sample Overlapping Mill Levy	<u>94.387</u>

¹ Certain properties within the City are not located within the boundaries of all the entities listed in the preceding table, and thus are subject to a smaller or larger total mill levy.
Source: Arapahoe County Assessor’s Office

DEBT STRUCTURE OF THE CITY

Authority for Debt and Other Obligations

The City is authorized by its Charter to borrow money or enter into other obligations and issue securities or other evidences of such obligations in such form and manner as determined by the Council to be in the best interests of the City and in accordance with the requirements of TABOR. The issuance of general obligation bonds requires an authorizing election; however, with certain exceptions, the issuance of multiple-fiscal year obligations requires an election pursuant to TABOR. The exceptions to this requirement include refunding bonded debt at a lower interest rate, bonds issued by an enterprise (as defined in TABOR) and obligations secured by pledged cash reserves. See “CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, SPENDING AND BORROWING.” The City also may enter into contracts and leases authorized by the Council, including lease purchase contracts such as the Lease. The City may pursue any of the foregoing alternatives to finance capital improvement projects.

Debt or Indebtedness. “Debt” or “indebtedness” means, as used in this paragraph and in the following table, generally, long-term obligations backed by the full faith and credit of the City. The City currently has no authorized but unissued general obligation indebtedness.

Revenue Obligations. Pursuant to ordinance, the City has the power to issue revenue securities for any public purpose payable from any source of revenues other than ad valorem property taxes. As of December 31, 2015 the City has no outstanding revenue obligations.

South Suburban Parks and Recreation District Obligation. The City initiated exclusion proceedings from the South Suburban Park and Recreation District (the "District"), a quasi-municipal governmental entity created to provide park and recreation facilities to residents and taxpayers within its boundaries. The exclusion led to litigation which resulted in an order from the District Court dated November 2004 requiring the City to pay the District \$9,660,838 for the conveyance and transfer of facilities, including water rights, parks, trails, and other consideration (the "South Suburban Obligation"). The City's appeals were exhausted in 2009. The City is required to make annual principal and interest payments through 2019. As of December 31, 2015, the South Suburban Obligation was outstanding in the principal amount of \$2,976,155. See Note 6 to the City's audited financial statements appended hereto.

Leases and Other Financial Obligations. The City has the authority (i) to enter into types of financial obligations which do not extend beyond the current fiscal year and (ii) to enter into installment or lease option contracts, subject to annual appropriation, for the purchase of property or capital equipment without prior electoral approval.

Other than the Certificates, upon their issuance, the City does not have any outstanding lease obligations as of the date of this Official Statement.

Additional Commitments. Additional commitments and contingencies are described in the City's 2015 audited financial statements attached to this Official Statement as Appendix C.

Special Assessments. The City has the power to issue special assessment bonds payable from assessments against benefited properties within special improvement districts formed for the purpose of constructing certain improvements. Such bonds do not constitute an indebtedness of the City. The City has one special improvement district with special assessment bonds outstanding in the principal amount of \$370,000 as of December 31, 2015.

Estimated Overlapping General Obligation Debt

In addition to the general obligation indebtedness of the City, other taxing entities overlap or partially overlap the boundaries of the City. The following table sets forth those taxing entities which currently pay their general obligation debt directly from a mill levy assessed against property within the City boundaries.

TABLE X
Estimated Overlapping General Obligation Debt

Overlapping Entity	Outstanding General Obligation Debt	Outstanding General Obligation Debt Chargeable to the City	
		Percent	Debt
Cherry Creek School District No. 5	\$458,270,000	6.27%	\$28,733,529
Country Homes Metropolitan District–Parcel A	250,000	100.00	250,000
Englewood School District	55,742,746	0.42	234,119
South Suburban Park and Recreation District	12,835,000	12.11	<u>1,554,318</u>
Total			<u>\$30,771,966</u>

Source: Arapahoe County Assessor’s Office and individual entities

Debt Ratios

The City does not have any outstanding general obligation debt, therefore, no debt ratios have been included herein.

CONSTITUTIONAL LIMITATIONS ON TAXES, REVENUES, SPENDING AND BORROWING

At the general election held November 3, 1992, the voters of the State approved an initiated amendment (“TABOR”) to the Colorado Constitution limiting the ability of the State and local governments such as the City to increase revenues, debt and spending and restricting property, income and other taxes. Generally, TABOR limits the percentage increases in spending and property tax revenues to the prior year’s amounts, adjusted for inflation, local growth and voter approved changes. In addition, TABOR requires that the State and local governments obtain voter approval for certain tax or tax rate increases and to create any “multiple fiscal year direct or indirect debt or other financial obligation whatsoever without adequate present cash reserves pledged irrevocably and held for payments in all future fiscal years,” except for refinancing debt at a lower interest rate or adding new employees to existing pension plans. The Lease is not a multiple fiscal year obligation for purposes of TABOR because it is subject to annual appropriation.

TABOR continues to affect many aspects of the City’s financial operations, revenue sources and budgetary planning. Many of the provisions of TABOR are ambiguous and will require judicial interpretation. The application of TABOR, particularly during periods of reduced or negative growth, may adversely affect the financial condition and operations of the City to an extent which cannot be predicted.

RATINGS

_____ has assigned a rating of “___” (with a stable outlook) to the Series 2017 Certificates. Such ratings reflect only the view of the rating agency and any desired explanation of the significance of either of such ratings should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agency if, in the

judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2017 Certificates.

LITIGATION

There is no litigation now pending or, to the knowledge of the City, threatened, which questions the validity of the Lease, the Series 2017 Certificates or of any proceedings of the City taken with respect to the execution, delivery and performance or sale thereof. [UPDATES?]

LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Series 2017 Certificates are subject to approval by Kutak Rock LLP, Bond Counsel, whose opinion is expected to be delivered in substantially the form set forth in Appendix A hereto. In addition to acting as Bond Counsel, Kutak Rock LLP has also been retained to advise the City concerning, and has assisted in, the preparation of this Official Statement. Certain legal matters will be passed upon for the City by the Office of the City Attorney.

TAX MATTERS

Generally

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, the portion of the Base Rentals paid by the City with respect to the Series 2017 Certificates which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2017 Certificates (the "Interest Portion"), is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described in the preceding sentence assumes the accuracy of certain representations and compliance by the City with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Series 2017 Certificates. Failure to comply with such requirements could cause the Interest Portion to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2017 Certificates. The City has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Series 2017 Certificates, and has expressed no opinion as to the effect of any termination of the obligations of the City under the Lease, under certain circumstances as provided in the Lease, upon the treatment for federal income tax purposes of any moneys received by the Owners of the Series 2017 Certificates subsequent to such termination.

Notwithstanding Bond Counsel's opinion that the Interest Portion is not a specific preference item for purposes of the federal alternative minimum tax, such Interest Portion will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

The accrual or receipt of the Interest Portion may otherwise affect the federal income tax liability of the Owners of the Series 2017 Certificates. The extent of these other tax consequences will depend upon such Owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Series 2017 Certificates, particularly purchasers that are corporations (including S corporations and foreign corporations operating

branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Series 2017 Certificates.

In the opinion of Bond Counsel, under existing State of Colorado statutes, to the extent the Interest Portion is excludable from gross income for federal income tax purposes, such Interest Portion is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Series 2017 Certificates under the laws of the State of Colorado or any other state or jurisdiction, and has expressed no opinion as to the effect of any termination of the obligations of the City under the Lease, under certain circumstances as provided in the Lease, upon the treatment for Colorado income tax purposes of any moneys received by the Owners of the Series 2017 Certificates subsequent to such termination.

Changes in Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2017 Certificates. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2017 Certificates. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2017 Certificates or the market value thereof would be impacted thereby. Purchasers of the Series 2017 Certificates should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2017 Certificates, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

UNDERWRITING

The Series 2017 Certificates were purchased at negotiated sale on _____, 2017, by the Underwriter named on the cover page hereof (the "Underwriter"), for a price equal to \$ _____ (representing the par amount of the Series 2017 Certificates, plus premium, less Underwriters' discount of \$ _____).

FINANCIAL STATEMENTS

The financial statements of the City for the year ended December 31, 2015, appended hereto, have been audited by John Cutler & Associates, LLC, independent certified public accountants, Denver, Colorado, as stated in their report appearing therein.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement shall not be construed as a contract between the City and any person.

The execution and delivery of this Official Statement have been duly authorized by the City.

CITY OF CHERRY HILLS VILLAGE, COLORADO

By: /s/ _____
Mayor

APPENDIX A

**PROPOSED FORM OF OPINION OF
KUTAK ROCK LLP, BOND COUNSEL**

City of Cherry Hills Village, Colorado
2450 East Quincy Avenue
Cherry Hills Village, CO 80113

§ _____ *

**Certificates of Participation, Series 2017
Evidencing Proportionate Undivided Interests in Rights to Receive Certain Revenues Payable
Pursuant to a Lease Purchase Agreement
Dated as of February __, 2017
Between UMB Bank, n.a., as Trustee, and the
City of Cherry Hills Village, Colorado**

Ladies and Gentlemen:

We have acted as bond counsel to the City of Cherry Hills Village, Colorado (the "City") in connection with the execution and delivery of the captioned certificates (the "Series 2017 Certificates"). The Series 2017 Certificates are being executed and delivered pursuant to an Indenture of Trust dated as of February __, 2017 (the "Indenture") by UMB Bank, n.a., as trustee thereunder (the "Trustee"), and evidence undivided interests in the right to receive certain revenues payable by the City under a Lease Purchase Agreement dated as of February __, 2017 (the "Lease") between the Trustee, as lessor, and the City, as lessee. Capitalized terms used but not defined herein have the meanings assigned to them in the Indenture and the Lease.

We have examined the Constitution and the laws of the State of Colorado; the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations, rulings and judicial decisions relevant to the opinion set forth in paragraph 4 below; and such certified proceedings, certificates, documents, opinions and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certificates of public officials and others furnished to us without undertaking to verify the same by independent investigation. We have assumed the due authorization, execution and delivery of the Lease, the Indenture and the Series 2017 Certificates by the Trustee and have relied upon, and assumed the correctness of the legal conclusions stated in, the opinion, dated the date hereof, of the City Attorney.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing law, that:

1. The City has the power to enter into and perform its obligations under the Lease.
2. The Lease has been duly authorized, executed and delivered and is a legal, valid and binding obligation of the City enforceable against the City in accordance with its terms.

* Preliminary; subject to change.

3. The Series 2017 Certificates evidence legal, valid and binding assignments of undivided interests in the right to receive certain revenues, as provided in the Series 2017 Certificates and the Indenture, from Base Rentals payable by the City under the Lease, which payments include portions designated and paid as interest and principal, as provided in the Lease.

4. Under existing statutes, regulations, rulings and judicial decisions, the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the owners of the Series 2017 Certificates, is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence assume compliance by the City with certain requirements of the Code that must be met subsequent to the issuance of the Series 2017 Certificates. Failure to comply with such requirements could cause such interest to be includible in gross income for federal income tax purposes or could otherwise adversely affect such opinions, retroactive to the date of issuance of the Series 2017 Certificates. The City has covenanted in the Lease and the Tax Compliance Certificate executed and delivered in connection with the issuance of the Series 2017 Certificates to comply with such requirements. We express no opinion regarding other federal tax consequences arising with respect to the Series 2017 Certificates, and we express no opinion as to the effect of any termination of the City's obligations under the Lease upon the treatment for federal income tax purposes of any moneys received by the Owners of the Series 2017 Certificates subsequent to such termination.

5. Under existing State of Colorado statutes, to the extent the portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2017 Certificates, is excludable from gross income for federal income tax purposes, such portion of the Base Rentals paid by the City which is designated and paid as interest, as provided in the Lease, and received by the Owners of the Series 2017 Certificates, is excludable from gross income for Colorado income tax purposes and from the calculation of Colorado alternative minimum taxable income. We express no opinion regarding other tax consequences arising with respect to the Series 2017 Certificates under the laws of the State of Colorado or any other state or jurisdiction, and we express no opinion as to the effect of any termination of the City's obligations under the Lease, under certain circumstances as provided in the Lease, upon the treatment for State of Colorado income tax purposes of any moneys received by the Owners of the Series 2017 Certificates subsequent to such termination.

The rights of the Owners of the Series 2017 Certificates and the enforceability of the Series 2017 Certificates and the Lease may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, by equitable principles, whether considered at law or in equity, by the exercise by the State of Colorado and its governmental bodies of the police power inherent in the sovereignty of the State of Colorado and by the exercise by the United States of America of the powers delegated to it by the Constitution of the United States of America.

This opinion is limited to the matters specifically set forth above and we offer no other opinion or advice as to any other aspect of the transaction described herein. In particular, but without limitation, we offer no opinion or advice herein as to the enforceability of the Lease, the Indenture or the Series 2017 Certificates against the Trustee; legal title to the Leased Property; the priority of the lien of the Indenture; the creditworthiness or financial condition of the City or the Trustee; the accuracy or completeness of the statements made in connection with the offer and sale of the Series 2017 Certificates; or the ability of the City to apply amounts on deposit in any particular fund or account of the City for the purpose of making payments under the Lease.

This opinion is based solely on the Constitution and laws of the State of Colorado, the provisions of the Code and the regulations, rulings and judicial decisions relevant to the opinion set forth in numbered paragraph 4 above, the other items described in the eighth unnumbered paragraph hereof and

the assumptions set forth herein; and we have no obligation to update or supplement this opinion with respect to changes in any of such items or with respect to other events or circumstances occurring after the date hereof.

This opinion is solely for the benefit of the addressees in connection with the original issuance of the Series 2017 Certificates and may not be relied upon by any other person or for any other purpose without our express written consent.

Very truly yours,

APPENDIX B

SUMMARIES OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS

Certain provisions of the Indenture, the Lease and the Site Lease are summarized in the body of this Official Statement and are not summarized in this Appendix. This summary should be read in conjunction with the material in the body of this Official Statement describing provisions of such documents.

This summary, the descriptions herein and the descriptions of provisions of the Indenture, the Lease and the Site Lease in the body of this Official Statement are qualified in all respects by reference to the Indenture, the Lease and the Site Lease. Copies of the Indenture, the Lease and the Site Lease may be obtained as described in “SUMMARY OF THE OFFICIAL STATEMENT” in the body of this Official Statement.

DEFINITIONS

The following capitalized terms have the following meanings in this Appendix:

“*Additional Rentals*” means the costs and expenses incurred by the City in performing its obligations under the Lease with respect to the Leased Property, the Project, the Lease, the Site Lease, the Indenture, the Series 2017 Certificates and any matter related thereto; the costs and expenses incurred by the City in paying the reasonable fees and expenses of the Trustee pursuant to the Lease; all amounts paid by the City to the Trustee to fund the Rebate Fund pursuant to the Lease, as required by the Indenture, and all other costs and expenses incurred by the City in connection with the foregoing; provided, however, that Additional Rentals do not include the Base Rentals or the Purchase Option Price.

“*Additional Certificates*” means any Certificates delivered after the initial delivery of the Series 2017 Certificates pursuant to the Indenture.

“*Base Rentals*” means the payments by the City directly to the Trustee pursuant to of the Lease, for and in consideration of the right to use the Leased Property during the Lease Term.

“*Base Rental Payment Date*” means one of the dates in the “Base Rental Payment Date” column in Exhibit D of the Lease, as from time to time amended or supplemented.

“*Bond Counsel*” means (a) as of the date of initial delivery of the Series 2017 Certificates, Kutak Rock LLP; and (b) as of any other date, Kutak Rock LLP or such other attorneys selected by the City with nationally recognized expertise in the issuance of municipal securities, the interest on which is excluded from gross income for federal income tax purposes.

“*Business Day*” means any day other than a Saturday, a Sunday or a day on which banks in New York, New York or Denver, Colorado are authorized by law to remain closed.

“*Certificate Fund*” means the special fund created by the Indenture to account for Base Rental Payments.

“*Certificates*” means, collectively, the Series 2017 Certificates and any Additional Certificates.

“*City*” means the City of Cherry Hills Village, Colorado.

“*Code*” means the Internal Revenue Code of 1986, as amended, and regulations thereunder.

“*Construction Fund*” means the special fund created in the Indenture to account for the expenditure of the net proceeds of the Series 2017 Certificates upon the Project.

“*Council*” means the City Council of the City.

“*Costs of Issuance*” means administrative costs of issuance of any Series 2017 Certificates, including, but not limited to, any fees and expenses of any underwriter or financial advisor that provides services in connection with the delivery of any Series 2017 Certificates, legal fees and expenses, costs incurred in obtaining ratings from rating agencies, costs of immediately available funds, costs of publication, printing and engraving, accountants’ fees and recording and filing fees.

“*Costs of Issuance Fund*” means the fund created by and designated as such in the Indenture for the purpose of paying the Costs of Issuance.

“*Costs*” or “*Costs of the Project*” means any and all costs and expenses incurred in financing the Project.

“*City Representative*” means any officer of the Council and any other person or persons designated to act on behalf of the City for the purposes of performing any act under the Lease, the Site Lease, and the Indenture by a written certificate furnished to the Trustee containing the specimen signature of such person and signed on behalf of the City by any member of the Council. The identity of the City Representative may be changed by the City from time to time by furnishing a new certificate to the Trustee.

“*Defeasance Securities*” means direct obligations of or obligations unconditionally guaranteed as to principal and interest by the United States of America.

“*Equipment*” means the equipment and other personal property, if any, described in the Lease, as such equipment and other personal property is modified, remodeled, substituted or replaced pursuant to the Lease, and less any equipment or other personal property released from the Lease. There is initially no Equipment.

“*Event of Default*” means a failure to pay Base Rentals or Additional Rentals, certain covenant defaults, bankruptcy and other events described in the Lease.

“*Event of Nonappropriation*” means an event involving the failure to appropriate Base Rentals or Additional Rentals, as described in the Lease.

“*Fiscal Year*” means the fiscal or budget year of the City, which begins on January 1 of each calendar year and ends on December 31 of the same calendar year.

[“*Fitch*” means Fitch Ratings Services and its successors and assigns.]

“*Force Majeure*” means any event that is not within the control of the City or the Trustee, as applicable, including, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies or officials or any civil or military authority; insurrection; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; or breakage or accidents affecting machinery, transmission pipes or canals.

“*Improvements*” means the buildings, site improvements and other real property, as such buildings, site improvements and other real property are modified pursuant to the Lease.

“*Indenture*” means the Indenture of Trust and any amendment or supplement hereto.

“*Independent Counsel*” means an attorney duly admitted to the practice of law before the highest court in the State and who is not an employee of the City or the Trustee.

“*Initial Purchaser*” means (a) with respect to the Series 2017 Certificates, Stifel, Nicolaus & Company, Incorporated; and (b) with respect to any Additional Certificates, the purchasers designated as such in any Supplemental Indenture.

“*Initial Term*” means the period commencing on the date the Series 2017 Certificates are initially delivered to the Owners thereof and ending on December 31, 2017.

“*Interest Payment Date*” means June 1 and December 1 of each year beginning on June 1, 2017.

“*Lease*” means the Lease Purchase Agreement dated as of February __, 2017 between the Trustee, as lessor, and the City, as lessee, and any amendment or supplement thereto.

“*Lease Term*” means the Initial Term and successive one-year Renewal Terms as defined in the Lease.

“*Leased Property*” means, collectively, the City’s leasehold interest pursuant to the Lease in, collectively, the Site Leased Property, the Improvements, if any, and the Equipment, if any.

[“*Moody’s*” means Moody’s Investor Services and its successors and assigns.]

“*Net Proceeds*” means (a) the gross proceeds received from an event of replacement or substitution of Equipment, damage to, condemnation of, material defect in or loss of title to the Leased Property referred to in the Lease, minus (b) all expenses incurred in the collection of such gross proceeds or award. The trade-in of Equipment pursuant to the Lease is deemed to have generated gross proceeds for purposes of this definition in an amount equal to the credit received upon such trade-in.

“*Operations Center*” means the operations center of the Trustee in Kansas City, Missouri, or at such other location as the Trustee may designate from time to time by written notice to the City, the Owners, and the Rating Agencies.

“*Outstanding*” means all Certificates which have been executed and delivered, except:

- (a) Certificates canceled or which have been surrendered to the Trustee for cancellation;
- (b) Certificates in lieu of which other Certificates have been delivered under the Indenture;
- (c) Certificates which have been redeemed as provided in the Indenture (including Certificates redeemed on payment of an amount less than the outstanding principal thereof and accrued interest thereon to the redemption date as provided in the Indenture);
- (d) Certificates which are due and for which the Trustee holds funds for the benefit of the Owner thereof pursuant to the Indenture;

(e) Certificates which are otherwise deemed discharged pursuant to the Indenture;
and

(f) Certificates held by the City.

“*Owner*” of a Certificate means the registered owner of any Certificate as shown in the registration records of the Trustee.

“*Permitted Encumbrances*” means those items listed in Exhibit D to the Lease.

“*Permitted Investments*” means any investment which is a lawful investment permitted for the investment of funds of the City by the laws of the State.

“*Person*” means any natural person, firm, corporation, partnership, limited liability company, state, political subdivision of any state, other public body or other organization or association.

“*Project*” means the financing of the construction of two City-owned facilities, including a new City Center building and a building to house the City’s Public Works department, as well as the construction of certain park improvements.

“*Project Contract*” means any contract or agreement entered into with respect to the acquisition or construction of the Project.

“*Purchase Option Price*” means the amount that the City must pay to purchase the Leased Property pursuant to the Lease.

“*Rating Agency*” means each nationally recognized securities rating agency then maintaining a rating on the Series 2017 Certificates, and initially means [S&P/Moody’s/Fitch].

“*Rebate Fund*” means the special fund created by the Indenture for the purpose of accounting for arbitrage rebate funds.

“*Record Date*” means, with respect to each Interest Payment Date, the fifteenth day of the month (whether or not a Business Day) immediately preceding the month in which the Interest Payment Date occurs.

“*Redemption Date*” means the date fixed for the redemption prior to their respective maturities of any Series 2017 Certificates in any notice of prior redemption or otherwise fixed and designated by the City.

“*Renewal Term*” means each Fiscal Year for which the City renews the Lease Term.

“*Requirement of Law*” means, when used in the Lease, any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety issues.

“*Requirement of Law*” means, when used in the Indenture, any federal, state or local statute, indenture, rule or regulation, any judicial or administrative order (whether or not on consent), request or judgment, any common law doctrine or theory, any provision or condition of any permit required to be

obtained or maintained, or any other binding determination of any governmental authority relating to the ownership or operation of property, including but not limited to any of the foregoing relating to zoning, environmental, health or safety matters.

["*S&P*" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors and assigns.]

"*Scheduled Lease Term*" means the period from the commencement of the Initial Term through the expiration of the Lease upon any of the events described in the Lease.

"*Site Lease*" means the Site Lease dated as of February __, 2017, between the City, as site lessor, and the Trustee, as site lessee, and any amendment or supplement thereto.

"*Site Leased Property*" means the Property leased by the City to the Trustee pursuant to the Site Lease, which is the property described in Exhibit A to the Lease.

"*Special Record Date*" means a special date fixed to determine the names and addresses of Owners of Certificates for purposes of paying defaulted interest in accordance with the provisions of the Indenture.

"*State*" means the State of Colorado.

"*Subcontract*" means any Project Contract entered into by and between the City and any Subcontractor.

"*Subcontractor*" means any Person with whom the City contracts for the construction, acquisition or installation by such person of all or any portion of the Project.

"*Supplemental Indenture*" means any indenture supplementing or amending the Indenture that is adopted pursuant to the Indenture.

"*Trust Bank*" means a commercial bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

"*Trust Estate*" means the property placed in trust by the Trustee pursuant to the Description of Trust Estate in the preambles to the Indenture. The Trust Estate does not include the Rebate Fund or any escrow accounts established pursuant to the defeasance provisions of the Indenture.

"*Trustee*" means UMB Bank, n.a., or any successor thereto, acting solely in its capacity as trustee under the Indenture, and not in its own corporate capacity, or any successor trustee under the Indenture. Pursuant to the Lease, any successor trustee under the Indenture will automatically succeed to the interest of the previous trustee in the Leased Property and the previous trustee's rights, title, interest and obligations in, to and under the Lease.

LEASE

Obligations of Trustee Generally

The Trustee has agreed in the Lease to permit the City to use the Leased Property during the Lease Term, subject to the terms of the Lease.

Obligations of City Generally

The City has agreed in the Lease, subject to the terms of the Lease and subject to the caveat that all obligations of the City to pay Base Rentals and Additional Rentals and all other obligations of the City under the Lease are subject to annual appropriation by the Council and the other limitations discussed below under this caption:

- (a) to pay Base Rentals for the use of the Leased Property;
- (b) to pay all taxes, assessments and other governmental charges and utility charges with respect to the Leased Property;
- (c) to insure the Leased Property;
- (d) to maintain, preserve and keep the Leased Property in good repair, working order and condition, subject to normal wear and tear;
- (e) to repair, restore, modify, improve or replace the Leased Property following (i) the destruction or damage of the Leased Property by fire or other casualty, (ii) the taking of the Leased Property by eminent domain, (iii) a breach of warranty or material defect with respect to the Leased Property or (iv) a defect in the title to the Leased Property;
- (f) to pay the reasonable fees and expenses of the Trustee in connection with the Leased Property, the Lease, the Site Lease, the Indenture, the Series 2017 Certificates or any matter related thereto;
- (g) to make payments to the Trustee required to be deposited into the Rebate Fund;
and
- (h) to pay the costs incurred pursuant to clauses (b) through (g) above as Additional Rentals.

Lease Term

The Lease Term will consist of an Initial Term and successive one-year Renewal Terms, will commence on the date the Series 2017 Certificates are initially delivered, and will terminate upon the earliest of:

- (a) the last day of the month in which the final Base Rental payment is scheduled to be paid in accordance with the schedule attached to the Lease;
- (b) December 31 of any Fiscal Year during which an Event of Nonappropriation has occurred;
- (c) the purchase of the Leased Property by the City pursuant to its exercise of its option to pay the Purchase Option Price; or
- (d) termination of the Lease following an Event of Default under the Lease as described below.

Upon termination of the Lease Term, all unaccrued obligations of the City under the Lease will terminate, but all obligations of the City that have accrued under the Lease prior to such termination will

continue until they are discharged in full. If the Lease Term is terminated because of the occurrence of an Event of Nonappropriation or an Event of Default, the City's right to possession of the Leased Property hereunder will terminate and (i) the City is required to, within 45 days, vacate the Leased Property; and (ii) if and to the extent the Council has appropriated funds for payment of Base Rentals and Additional Rentals payable during, or with respect to the City's use of the Leased Property during, the period between termination of the Lease Term and the date the Leased Property is vacated pursuant to clause (i), the City is required to pay such Base Rentals and Additional Rentals to the Trustee or, in the case of Additional Rentals, the other Person entitled thereto.

Event of Nonappropriation

The officer of the City who is responsible for formulating budget proposals with respect to payments of Base Rentals and Additional Rentals is directed in the Lease (a) to estimate the Additional Rentals payable in the next ensuing Fiscal Year prior the submission of each annual budget proposal to the Council during the Lease Term; and (b) to include in each annual budget proposal submitted to the Council during the Lease Term the entire amount of Base Rentals scheduled to be paid and the Additional Rentals estimated to be payable during the next ensuing Fiscal Year; it being the intention of the City that any decision to continue or to terminate the Lease will be made solely by the Council, in its sole discretion, and not by any other department, agency or official of the City.

An Event of Nonappropriation will be deemed to have occurred on December 31 of any Fiscal Year if the City has, on such date, failed, for any reason, to appropriate sufficient amounts authorized and directed to be used to pay all Base Rentals scheduled to be paid and all Additional Rentals estimated to be payable in the next ensuing Fiscal Year.

An Event of Nonappropriation will also be deemed to have occurred on December 31 of the Fiscal Year in which an event described in clause (a) below occurred or on December 31 of any subsequent Fiscal Year in which it became apparent that the Net Proceeds received as a consequence of an event described in clause (a) below are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with the Lease. In order for an Event of Nonappropriation described in this paragraph to be deemed to occur:

(a) the Leased Property (or any portion thereof) is destroyed or damaged by fire or other casualty, title to, or the temporary or permanent use of, the Leased Property (or any portion thereof) or the estate of the City or the Trustee in the Leased Property (or any portion thereof), is taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, a breach of warranty or any material defect with respect to the Leased Property (or any portion thereof) becomes apparent or title to or the use of the Leased Property (or any portion thereof) is lost by reason of a defect in the title thereto;

(b) the Net Proceeds received as a consequence of an event described in clause (a) are not sufficient to repair, restore, modify, improve or replace the Leased Property in accordance with the Lease hereof; and

(c) the City has not appropriated amounts sufficient to repair, restore, modify, improve or replace the Leased Property or to exercise its option to purchase the Leased Property by paying the Purchase Option Price by December 31 of the Fiscal Year in which such event occurred or by December 31 of any subsequent Fiscal Year in which the insufficiency of Net Proceeds to repair, restore, modify, improve or replace the Leased Property becomes apparent.

Notwithstanding the preceding two paragraphs, the Trustee may waive any such failure to appropriate that otherwise would cause an Event of Nonappropriation to occur if such failure to appropriate is cured by the City within a reasonable period of time.

City's Purchase Option

The City has the option to purchase the Leased Property by paying to the Trustee an amount, which, together with other amounts then on deposit in the Series 2017 Certificate Fund that are available for such purpose, is sufficient (a) to pay all the Outstanding Certificates at maturity, to redeem all the Outstanding Certificates in accordance with the redemption provisions of the Indenture or to defease all the Outstanding Certificates in accordance with the defeasance provisions of the Indenture; and (b) to pay all Additional Rentals payable through the date of conveyance of the Leased Property of the City or its designee, including, but not limited to, all fees and expenses of the Trustee relating to the conveyance of the Leased Property and the payment, redemption or defeasance of the Series 2017 Certificates.

The City may exercise its option to purchase the Leased Property by (a) giving written notice to the Trustee prior to the end of the Scheduled Lease Term (i) stating that the City intends to purchase the Leased Property, (ii) identifying the source of funds it will use to pay the Purchase Option Price, and (iii) specifying a closing date for such purpose which is at least 40 and no more than 90 days after the delivery of such notice; and (b) paying the Purchase Option Price to the Trustee in immediately available funds on the closing date.

At the closing of any purchase of the Leased Property pursuant to the City's exercise of its purchase option, the Trustee is to execute and deliver to the City or its designee, all necessary documents assigning, transferring and conveying to the City or its designee the same interest in the Leased Property that was conveyed to the Trustee, subject only to the following: (a) Permitted Encumbrances, other than the Lease, the Site Lease and the Indenture; (b) all liens, encumbrances and restrictions created or suffered to exist by the Trustee as required or permitted by the Lease or the Site Lease or arising as a result of any action taken or omitted to be taken by the Trustee as required or permitted by the Lease or the Site Lease; (c) any lien or encumbrance created or suffered to exist by action of the City; and (d) those liens and encumbrances, if any, to which the Leased Property was subject when acquired by the Trustee.

Limitations on Obligations of the City

The Lease specifically provides that:

- (a) payment of Base Rentals and Additional Rentals by the City constitute currently appropriated expenditures of the City and may be paid from any legally available funds;
- (b) the City's obligations under the Lease are subject to the City's annual right to terminate the Lease upon the occurrence of an Event of Nonappropriation;
- (c) no provision of the Series 2017 Certificates, the Indenture, the Lease or the Site Lease is to be construed or interpreted (i) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (iii) as a delegation of governmental powers by the City; (iv) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution;

or (v) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution;

(d) the City will be under no obligation whatsoever to exercise its option to purchase the Leased Property; and

(e) no provision of the Lease is to be construed to pledge or to create a lien on any class or source of moneys of the City; nor will any provision of the Lease restrict the future issuance of any obligations of the City, payable from any class or source of moneys of the City.

Events of Default and Remedies Under the Lease

Events of Default. Any of the following constitutes an “Event of Default” under the Lease:

(a) failure by the City to pay any specifically appropriated Base Rentals to the Trustee on or before the applicable Base Rental Payment Date; provided, however, that a failure by the City to pay Base Rentals on the applicable Base Rental Payment Date will not constitute an Event of Default if such payment is received by the Trustee within five days following such Base Rental Payment Date;

(b) failure by the City to pay any Additional Rental for which funds have been specifically appropriated when due, or if such Additional Rental is payable to a Person other than the Trustee, when nonpayment thereof has, or may have, a material adverse effect upon the Leased Property or the interest of the Trustee in the Leased Property;

(c) failure by the City to vacate the Site Leased Property and the Improvements within 45 days following an Event of Nonappropriation as described in “—Lease Term” above under this caption;

(d) any sublease, assignment, encumbrance, conveyance or other transfer of the interest of the City in all or any portion of the Lease or the Leased Property in violation of the provisions of the Lease;

(e) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a), (b), (c) or (d) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied is given to the City by the Trustee, unless the Trustee agrees in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee is not to withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; or

(f) an order of decree by a court of competent jurisdiction declaring the City bankrupt under federal bankruptcy law or appointing a receiver of all or any material portion of the City’s assets or revenues is entered with the consent or acquiescence of the City or is entered without the consent or acquiescence of the City but is not vacated, discharged or stayed within 30 days after it is entered.

The provisions regarding Events of Default set forth above are subject to the following limitations:

(i) the City will be obligated to pay Base Rentals and Additional Rentals only during the Lease Term, except as otherwise described in “—Lease Term” above under this caption; and

(ii) if, by reason of Force Majeure, the City is unable in whole or in part to carry out any agreement on its part contained in the Lease, other than its obligation to pay Base Rentals or Additional Rentals, the City will not be deemed in default during the continuance of such inability; provided, however, that the City will, as promptly as legally and reasonably possible, remedy the cause or causes preventing the City from carrying out such agreement.

Remedies. Whenever any Event of Default has happened and is continuing, the Trustee may take one or any combination of the following remedial steps:

(a) terminate the Lease Term and give notice to the City to immediately vacate the Leased Property in the manner described in “—Lease Term” above under this caption;

(b) exercise all the rights and remedies of a secured party under the Uniform Commercial Code with respect to the Equipment and otherwise repossess, liquidate or otherwise dispose of the Equipment in any lawful manner; provided, however, that the Trustee may not recover from the City any deficiency which may exist following the liquidation of the Equipment;

(c) sell or lease all or any portion of the Leased Property;

(d) recover from the City:

(i) the portion of Base Rentals and Additional Rentals payable as described in “—Lease Term” above under this caption;

(ii) the portion of Base Rentals for the then current Fiscal Year that has been specifically appropriated by the Council, regardless of when the City vacates the Site Leased Property; and

(iii) the portion of the Additional Rentals for the then current Fiscal Year that has been specifically appropriated by the Council, but only to the extent such Additional Rentals are payable prior to the date, or are attributable to the use of the Leased Property prior to the date, and the City vacates the Leased Property;

(e) enforce any provision of the Lease by equitable remedy, including, but not limited to, enforcement of the restrictions on assignment, encumbrance, conveyance, transfer or succession described in the Lease by specific performance, writ of mandamus or other injunctive relief; and

(f) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under the Lease, subject, however, to the limitations on the obligations of the City described the next paragraph and in “—Limitations on Obligations of the City” above under this caption and the limitations on the obligations of the Trustee described in “—Limitations on Obligations of the Trustee” below under this caption.

Notwithstanding the foregoing, a judgment requiring a payment of money may be entered against the City by reason of an Event of Default only as to the City’s liabilities described in clause (d) above and a judgment requiring a payment of money may be entered against the City by reason of an Event of

Nonappropriation, or a failure to vacate the Site Leased Property following an Event of Nonappropriation, only to the extent described in clause (d)(i) above.

Notwithstanding any other provision of the Lease, the Trustee may waive any Event of Default under the Lease and its consequences.

Limitations on Obligations of the Trustee

The Lease specifically provides that:

(a) the Trustee makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Leased Property or any other representation or warranty with respect to the Leased Property or any portion thereof;

(b) in no event will the Trustee be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of the Lease or the existence, furnishing, functioning or use by the City of any item, product or service provided in the Lease; and

(c) notwithstanding any other provision of the Lease, all financial obligations of the Trustee under the Lease, except those resulting from its negligence or willful misconduct, are limited to the Trust Estate.

INDENTURE

In addition to the other terms of the Indenture described in the body of this Official Statement and elsewhere in this Appendix B, the Indenture contains the following provisions:

DTC As Registered Owner

While the Series 2017 Certificates remain in book-entry only form, DTC remains the sole registered owner of the Series 2017 Certificates for all purposes of the Indenture. Transfers of ownership by Beneficial Owners may be made as described in “APPENDIX F—BOOK-ENTRY-ONLY SYSTEM.” In the event that DTC ceases to act as depository for the Series 2017 Certificates, transfers may be effected as described below.

Registration of Certificates; Persons Treated As Owners; Transfer and Exchange of Certificates

Records for the registration and transfer of Certificates are to be kept by the Trustee which is appointed by the Indenture as the registrar for the Series 2017 Certificates. The principal of, interest on, and any prior redemption premium on any Certificate will be payable only to or upon the order of the Owner or his legal representative (except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest). Upon surrender for transfer of any Certificate at the Operations Center of the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner or his attorney duly authorized in writing, the Trustee is to enter such transfer on the registration records and is to execute and deliver in the name of the transferee or transferees a new fully registered Certificate or Certificates of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned.

Fully registered Certificates may be exchanged at the Operations Center of the Trustee for an equal aggregate principal amount of fully registered Certificates of the same maturity of other authorized denominations. The Trustee is to execute and deliver Certificates which the Owner making the exchange is entitled to receive, bearing numbers not previously assigned.

The Trustee may require the payment, by the Owner of any Certificate requesting exchange or transfer, of any reasonable charges as well as any taxes, transfer fees or other governmental charges required to be paid with respect to such exchange or transfer.

The Trustee will not be required to transfer or exchange (a) all or any portion of any Certificate during the period beginning at the opening of business 15 days before the day of the mailing by the Trustee of notice calling any Certificates for prior redemption and ending at the close of business on the day of such mailing, or (b) all or any portion of a Certificate after the mailing of notice calling such Certificate or any portion thereof for prior redemption.

Except as otherwise provided in the Indenture with respect to Record Dates and Special Record Dates for the payment of interest, the person in whose name any Certificate is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or interest on any Certificate will be made only to or upon the written order of the Owner thereof or his legal representative, but such registration may be changed as provided in the Indenture. All such payments will be valid and effectual to satisfy and discharge such Certificate to the extent of the sum or sums paid.

Cancellation of Certificates

Whenever any Outstanding Certificates are delivered to the Trustee for cancellation as described in the Indenture, upon payment thereof or for or after replacement as described in “INDENTURE—Mutilated, Lost, Stolen or Destroyed Certificates” and “INDENTURE—Registration of Certificates; Persons Treated As Owners; Transfer and Exchange of Certificates” in this Appendix, such Certificates are to be promptly cancelled by the Trustee.

Negotiability

Subject to the registration provisions of the Indenture, the Series 2017 Certificates will be fully negotiable and will have all the qualities of negotiable paper, and the Owners thereof will possess all rights enjoyed by the holders or owners of negotiable instruments under the provisions of the Uniform Commercial Code-Investment Securities. The principal of and interest on the Series 2017 Certificates will be paid, and the Series 2017 Certificates will be transferable, free from and without regard to any equities, setoffs or cross-claims between the Trustee and the original or any intermediate owner of any Certificates.

Mutilated, Lost, Stolen or Destroyed Certificates

In the event that any Certificate is mutilated, lost, stolen or destroyed, a new Certificate may be executed on behalf of the Trustee, of like date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that the Trustee has received such evidence, information or indemnity from the Owner of the Certificate as it and the Trustee may reasonably require, and provided further, in case of any mutilated Certificate, that such mutilated Certificate is first to be surrendered to the Trustee. In the event that any such Certificate has matured, instead of delivering a duplicate Certificate, the Trustee may pay the same without surrender thereof. The Trustee may charge the Owner of the Certificate with its

reasonable fees and expenses in this connection and require payment of such fees and expenses as a condition precedent to the delivery of a new Certificate.

Certificate Fund

The Certificate Fund created by the Indenture is to be used to pay the principal of, premium, if any, and interest on the Series 2017 Certificates. There is to be created within the Certificate Fund an Interest Account and a Principal Account.

There is to be deposited into the Interest Account (i) all accrued interest and capitalized interest, if any, received at the time of the delivery of the Series 2017 Certificates; (ii) that portion of each payment of Base Rentals made by the City which is designated and paid as the interest component thereof, as provided in the Lease; (iii) any moneys transferred to the Interest Account of the Certificate Fund from the Costs of Issuance Fund (discussed below); and (iv) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited in the Interest Account.

There is to be deposited into the Principal Account: (i) that portion of each payment of Base Rentals made by the City which is designated and paid as the principal component thereof, as provided in the Lease; and (ii) all other moneys received by the Trustee under the Indenture accompanied by directions that such moneys are to be deposited in the Principal Account

Costs of Issuance Fund

There is to be deposited into the Costs of Issuance Fund or transferred to the City from proceeds of the Series 2017 Certificates an amount equal to the Costs of Issuance, as certified by a City Representative. Such money deposited into the Costs of Issuance Fund is to be disbursed by the Trustee to pay the costs of execution and delivery of the Series 2017 Certificates as directed in writing by the City or paid directly by the City.

Construction Fund

The Construction Fund created by the Indenture is to be comprised of the Acquisition Account and the Construction Account. The net proceeds of the Series 2017 Certificates remaining after any required deposits to the Costs of Issuance Fund and the Interest Account of the Certificate Fund is to be deposited to the Construction Fund and allocated to the Acquisition Account and Construction Account as directed by the City. Amounts in the Construction Fund are to be expended on costs of the Project, in accordance with the Agreement to Construct and any contracts entered into by the City for the completion of the Project and deposited with the Trustee pursuant to the Indenture.

As provided in the Indenture, the City intends that disbursements from the Construction Fund are to be applied, to the extent practicable, to the Costs of the Project in the following order:

- (a) first, disbursements from the Construction Fund are to be applied the costs of the Public Works component of the Project;
- (b) second, disbursements from the Construction Fund are to be applied to the costs of the City Hall component of the Project;

(c) third, disbursements from the Construction Fund are to be applied to the costs of constructing improvements to City-owned park property that are incidental to the City Hall component of the Project; and

(d) fourth, disbursements from the Construction Fund are to be applied to the costs of constructing various other to City park improvements.

Funds deposited into the Acquisition Account are to be expended on the costs of acquiring real property for purposes of the Project. Funds deposited into the Construction Account are to be expended on the costs of constructing, improving and equipping the Project, pursuant to the requirements of the Indenture.

Rebate Fund

There is to be deposited into the Rebate Fund (a) all amounts paid by the City as described in the fourth paragraph under this caption, and (b) all other moneys delivered to the Trustee that are accompanied by instructions to deposit the same into the Rebate Fund.

Not later than 60 days after December 1, 2022, and every five years thereafter, the Trustee is required, at the direction of the City, to pay to the United States of America 90% of the amount required to be on deposit in the Rebate Fund as of such payment date. No later than 60 days after the final retirement of the Series 2017 Certificates, the Trustee is to, at the direction of the City, pay to the United States of America 100% of the amount required to be on deposit in the Rebate Fund which will remain in effect for such period of time as is necessary for such final payment to be made. Each payment required to be paid to the United States of America as described in this paragraph is to be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Each payment is to be accompanied by a copy of the Internal Revenue Form 8038-T executed by the City and a statement prepared by the City or its agent summarizing the determination of the amount to be paid to the United States of America. The Trustee acknowledges that the City has reserved the right, in all events, to pursue such remedies and procedures as are available to it in order to assert any claim of overpayment of any rebated amounts.

The City is to make or cause to be made all requisite rebate calculations so as to provide the information required to transfer moneys to the Rebate Fund as described in the first paragraph under this caption and to make the payments described in the second paragraph under this caption. The Trustee is to make deposits to and disbursements from the Rebate Fund in accordance with the written directions of the City given pursuant to the Investment Instructions (the "Investment Instructions") and the Tax Compliance Certificate (the "Tax Compliance Certificate") executed by the City in connection with the initial delivery of the Series 2017 Certificates or any similar certificate or instrument delivered by the City in connection with the initial delivery of any Additional Certificates. The Trustee is to invest the Rebate Fund as described in said Investment Instructions and is to deposit income from said investments immediately upon receipt thereof in the Rebate Fund, all as set forth in the Investment Instructions. The Investment Instructions may be superseded or amended by new Investment Instructions drafted by, and accompanied by an opinion of, Bond Counsel addressed to the Trustee to the effect that the use of said new Investment Instructions will not cause the interest on the Series 2017 Certificates to be includible in the gross income of the recipients thereof for purposes of federal income taxation. The City may employ, at its expense, a designated agent to calculate the amount of deposits to and disbursements from the Rebate Fund. If a withdrawal from the Rebate Fund is permitted as a result of the computation described in the Investment Instructions, the amount withdrawn is to be deposited in the Certificate Fund. Record of the determinations required by this caption and delivered to the Trustee and the Investment Instructions are to be retained by the Trustee until six years after the final retirement of the Series 2017 Certificates.

The City has agreed in the Lease, subject to the terms of the Lease, that, if, for any reason, the amount on deposit in the Rebate Fund is less than the amount required to be paid to the United States of America on any date, the City is to pay to the Trustee as Additional Rentals under the Lease the amount required to make such payment on such date.

Nonpresentment of Certificates

In the event any Certificate is not presented for payment when due, if funds sufficient to pay such Certificate have been made available to the Trustee for the benefit of the Owner thereof, it will be the duty of the Trustee to hold such funds without liability for interest thereon, for the benefit of the Owner of such Certificate, who will be restricted exclusively to such funds for any claim of whatever nature on his part under the Indenture or on or with respect to such Certificate. Funds so held but unclaimed by an Owner are to be transferred to the Principal Account of the Certificate Fund and are to be applied to the payment of the principal of other Certificates after the expiration of five years or, upon receipt by the Trustee of an opinion of Bond Counsel that such funds may be made available for such use on such earlier date, on any earlier date designated by the Trustee.

Moneys To Be Held in Trust

The Certificate Fund, the Costs of Issuance Fund and, except for the Rebate Fund and any escrow accounts created under the Indenture, any other fund or account created under the Indenture are to be held by the Trustee, for the benefit of the Owners as specified in the Indenture, subject to the terms of the Indenture, the Site Lease and the Lease. The Rebate Fund is to be held by the Trustee for the purpose of making payments to the United States of America as described in “INDENTURE—Rebate Fund” in this Appendix. Any escrow account established as described in “INDENTURE—Discharge of Indenture” in this Appendix is to be held for the benefit of the Owners of the Series 2017 Certificates to be paid therefrom as provided in the applicable escrow agreement.

Repayment to the City From the Trustee

After payment in full of the principal of, premium, if any, and interest on the Series 2017 Certificates, all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts required to be paid under the Indenture, any remaining amounts held by the Trustee pursuant to the Indenture are to be paid to the City.

Investment of Moneys

All moneys held as part of any fund, account or subaccount created under the Indenture are, subject to the restrictions described in “INDENTURE—Tax Certification” and “INDENTURE—Tax Covenant” in this Appendix, to be deposited or invested and reinvested by the Trustee, at the written direction of the City, in Permitted Investments. Any and all such deposits or investments are to be held by or under the control of the Trustee. The Trustee may make any and all such deposits or investments through its own investment department or the investment department of any Trust Bank or trust company under common control with the Trustee. Income from deposits or investments of moneys held in the Rebate Fund is to be deposited as described in “INDENTURE—Rebate Fund” in this Appendix and income from deposits or investments of moneys held in any escrow account established as described in “INDENTURE—Discharge of Indenture” in this Appendix is to be deposited as provided in the escrow agreement governing such escrow account. Otherwise, except as otherwise described in “THE SERIES 2017 CERTIFICATES—Security—Series 2017 Certificate Fund,” in the body of this Official Statement and “INDENTURE—Rebate Fund” in this Appendix, deposits or investments are at all times to be a part of the fund, account or subaccount from which the moneys used to acquire such deposits or investments

have come, and all income and profits on such deposits or investments are to be credited to, and losses thereon are to be charged against, such fund, account or subaccount. The Trustee is to sell and reduce to cash a sufficient amount of such deposits or investments in the respective funds whenever the cash balance in the Principal Account or Interest Account is insufficient to pay the principal of or interest on the Series 2017 Certificates when due, or whenever the cash balance in any fund or account created under the Indenture is insufficient to satisfy the purposes of such fund or account. In computing the amount in any fund or account created under the Indenture for any purpose under the Indenture, investments are to be valued at cost (exclusive of accrued interest) or par, whichever is less.

Tax Certification

The Trustee certifies and covenants in the Indenture to and for the benefit of the Owners that so long as any of the Series 2017 Certificates remain Outstanding, moneys in any fund or account held by the Trustee under the Indenture, whether or not such moneys were derived from the proceeds of the sale of the Series 2017 Certificates or from any other source, will not be knowingly deposited or invested in a manner which will be a violation of “INDENTURE—Tax Covenant” in this Appendix.

Duties of the Trustee

The Trustee accepts the trusts imposed upon it by the Indenture and agrees in the Indenture to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations will be read into the Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default or Event of Nonappropriation and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically assigned to it in the Lease and the Indenture. In case an Event of Default or Event of Nonappropriation has occurred (which has not been cured or waived), the Trustee is to exercise such of the rights and powers vested in it by the Lease and the Indenture, and use the degree of care and skill applicable to trustees of municipal bond issues under Colorado law.

(b) The Trustee may execute any of the trusts or powers granted or imposed under the Indenture and perform any of its duties by or through attorneys, agents, receivers or employees but will be answerable for the conduct of the same in accordance with the standard specified above, and will be entitled to act upon an Opinion of Counsel concerning all matters of trust under the Indenture and the duties under the Indenture, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts under the Indenture. The Trustee may act upon an Opinion of Counsel and will not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee will not be responsible for any recital in the Indenture or in the Series 2017 Certificates (except in respect of the execution of the Series 2017 Certificates by the Trustee), for collecting any insurance moneys, for the sufficiency of the security for the Series 2017 Certificates delivered under the Indenture or intended to be secured by the Indenture, or for the value of or title to the Leased Property.

(d) The Trustee will not be accountable for the use of any Certificates delivered to the Initial Purchaser under the Indenture. The Trustee may become the Owner of Certificates with the same rights which it would have if not Trustee.

(e) The Trustee will be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee as described in the Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Certificate will be conclusive and binding upon any Certificates delivered in place thereof.

(f) The permissive right of the Trustee to do things enumerated in the Indenture will not be construed as a duty and the Trustee will not be answerable for other than its negligence or willful misconduct.

(g) The Trustee will not be required to take notice or be deemed to have notice of any Event of Default or Event of Nonappropriation except failure by the City to cause to be made any of the payments to the Trustee required to be made thereunder, unless (i) an officer in the Trustee's trust department has actual knowledge of such Event of Default or Event of Nonappropriation, or (ii) the Trustee has been notified in writing of such Event of Default or Event of Nonappropriation by the City or by the Owners of at least 10% in aggregate principal amount of Certificates then Outstanding.

(h) All moneys received by the Trustee will, until used or applied or invested as provided in the Indenture, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by the Indenture or law.

(i) The Trustee will not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything in the Indenture to the contrary, the Trustee will have the right, but will not be required, to demand in respect of the delivery of any Certificates, the withdrawal of any cash, or any action whatsoever within the purview of the Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms of the Indenture required, as a condition of such action by the Trustee.

(k) The Trustee will not be required to advance any of its own funds in the performance of its obligations under the Indenture unless it has received assurances or indemnification satisfactory to it that it will be repaid.

(l) In no event will the Trustee be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of the performance of its obligations under the Indenture.

(m) Notwithstanding any other provision of the Indenture, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions hereof, the Trustee must consider the effect on the Owners.

(n) Notwithstanding anything in the Indenture or the Lease to the contrary, before taking any action under the Indenture other than the payments from moneys on deposit in the Certificate Fund, as provided therein, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all costs and expenses (including, without limitation,

attorney's fees and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(o) Notwithstanding any other provision of the Indenture to the contrary, any provision relating to the conduct of, intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Trustee, is to be interpreted to include any action of the Trustee, whether it is deemed to be in its capacity as Trustee, bond registrar or Paying Agent.

Maintenance of Existence; Performance of Obligations

The Trustee is to maintain its existence at all times and is to use its best efforts to maintain, preserve and renew all the rights and powers provided to it under its articles of association and bylaws, action of its board of directors and applicable law; provided, however, that the covenant described under this caption will not prevent the assumption, by operation of law or otherwise, by any Person of the rights and obligations of the Trustee under the Indenture, but only if and to the extent such assumption does not materially impair the rights of the Owners of any Outstanding Certificates or the City.

The Trustee is to do and perform or cause to be done and performed all acts and things required to be done or performed in its capacity as Trustee under the provisions of the Indenture, the Lease and any other instrument or other arrangement to which it is a party.

Tax Covenant

The Trustee is not to knowingly take any action or omit to take any action with respect to the Series 2017 Certificates, the proceeds of the Series 2017 Certificates, the Trust Estate or any other funds or property and it is to not knowingly permit any other Person to take any action or omit to take any action with respect thereto if the City has informed the Trustee that such action or omission would cause interest on any of the Series 2017 Certificates to be included in gross income for federal income tax purposes or to be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations (except, with respect to corporations, as such interest is required to be taken into account in determining "adjusted current earnings" for the purpose of computing the alternative minimum tax imposed on such corporations). In furtherance of the covenant described under this caption, the Trustee agrees, at the written direction of the City, to comply with the procedures set forth in the Tax Compliance Certificate delivered by the City in connection with the initial delivery of the Series 2017 Certificates and the provisions of any similar certificate or instrument delivered by the City in connection with the initial delivery of any Additional Certificates. The covenants described under this caption will remain in full force and effect notwithstanding the payment in full or defeasance of the Series 2017 Certificates until the date on which all obligations of the Trustee in fulfilling such covenants have been met. The covenants described under this caption will not, however, apply to any series of Certificates if, at the time of the initial delivery thereof, the interest on such series of Certificates is intended to be subject to federal income tax.

Title Insurance

The Trustee is to be provided with a standard leasehold title insurance policy insuring the Trustee's interest in the real estate included in the Leased Property, and if all or any portion of the Trustee's title to the real estate included in the Leased Property is a leasehold interest, then also insuring the title of the owner of such real estate, subject only to Permitted Encumbrances, in an amount not less

than the lesser of either the Outstanding amount of Certificates or the insurable value of such real property. Such policy, or a binding commitment therefor, is to be in a form approved by the City and is to be provided to the Trustee concurrently with the initial delivery of any Certificates.

Sale or Encumbrance of Leased Property

As long as there are any Outstanding Certificates, and except as otherwise permitted by the Indenture and except as the Lease otherwise specifically requires, the Trustee is to not sell or otherwise dispose of any of the Leased Property unless it determines that such sale or other disposal will not materially adversely affect the rights of the Owners of the Certificate.

Rights of Trustee Under the Lease and the Site Lease

The Trustee covenants in the Indenture for the benefit of the Owners that the Trustee will observe and comply with its obligations under the Lease, including, but not limited to, the provisions of the Lease regarding the conveyance of the Leased Property and releases of Equipment and the Site Lease, and that the representations made by the Trustee in the Lease and the Site Lease are true. Wherever in the Lease or the Site Lease it is stated that the Trustee will be notified or wherever the Lease or the Site Lease gives the Trustee some right or privilege, such part of the Lease or the Site Lease will be as if it were set forth in full in the Indenture.

Defense of Trust Estate

The Trustee is to, at all times, to the extent permitted by law, upon receipt of assurances or indemnification satisfactory to it that it will be repaid for such action, defend, preserve and protect its interest in the Leased Property and the other property or property rights included in the Trust Estate and all the rights of the Owners under the Indenture against all claims and demands of all Persons whomsoever.

Resignation or Replacement of Trustee

The present or any future Trustee may resign by giving written notice to the Owners of a majority in principal amount of the Series 2017 Certificates and the City not less than 60 days before such resignation is to take effect. Such resignation will take effect only upon the appointment of a successor qualified as described in the fourth paragraph under this caption; provided, however, that if no successor is appointed within 90 days following the date designated in the notice for the Trustee's resignation to take effect, the resigning Trustee may petition a court of competent jurisdiction for the appointment of a successor.

The present or any future Trustee may be removed at any time (a) by the City for any reason upon delivery to the Trustee of an instrument signed by the City Representative and accompanied by a resolution of the Council seeking such removal, provided that the City will not be entitled to remove the Trustee as described in this clause if an Event of Default has occurred and is continuing or if any Event of Nonappropriation has occurred; (b) if an Event of Default has occurred and is continuing or if an Event of Nonappropriation has occurred, by the Owners of a majority in principal amount of the Series 2017 Certificates Outstanding upon delivery to the Trustee of an instrument or concurrent instruments signed by such Owners or their attorneys in fact duly appointed; or (c) by any Owner, upon delivery to the Trustee of an instrument signed by such Owner or his or her attorney in fact duly appointed following a determination by a court of competent jurisdiction that the Trustee is not duly performing its obligations under the Indenture or that such removal is in the best interests of the Owners.

In case the present or any future Trustee at any time resigns or is removed or otherwise becomes incapable of acting, a successor may be appointed by the City. The City, upon making such appointment, is to forthwith give notice thereof to each Owner, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. The Owners of a majority in principal amount of the Series 2017 Certificates Outstanding may thereupon act to appoint a successor trustee to such successor appointed by the City, by an instrument or concurrent instruments signed by such Owners, or their attorneys in fact duly appointed. Any successor so appointed by the City will immediately and without further act be superseded by a successor appointed in the manner above described by the Owners of a majority in principal amount of the Series 2017 Certificates Outstanding.

Every successor is to be a commercial bank with trust powers in good standing, located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, qualified to act under the Indenture, having capital and surplus not less than \$75,000,000.

Remedies of Trustee Upon the Occurrence of an Event of Default or Event of Nonappropriation

Upon the occurrence of an Event of Default or Event of Nonappropriation:

(a) the Trustee will be entitled to apply any moneys in any of the funds or accounts created under the Indenture (except the Rebate Fund and any escrow accounts described in “INDENTURE—Discharge of Indenture” in this Appendix) to the payment of the principal of, premium, if any, and interest on the Series 2017 Certificates when due;

(b) the Trustee may, and at the request of the Owners of a majority in principal amount of the Series 2017 Certificates then Outstanding and upon receipt of assurances or indemnification satisfactory to it that it will be repaid for such action, is required to, without any further demand or notice, exercise any of the remedies available to it under the Lease; and

(c) the Trustee may take any other action at law or in equity that may appear necessary or desirable to enforce the rights of such Owner.

Remedies of Trustee Upon Event of Default by the City Under the Site Lease

Upon an event of default by the City under the Site Lease, the Trustee may, and at the request of the Owners of a majority in principal amount of the Series 2017 Certificates then Outstanding and upon receipt of assurances or indemnification satisfactory to it that it will be repaid for such action, is required to, without further demand or notice, take any action at law or in equity that may appear necessary or desirable to enforce the rights of the Trustee and the Owners.

Limitations Upon Rights and Remedies of Owners

No Owner will have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Lease or the Site Lease, unless an Event of Default or Event of Nonappropriation, event of default by the City under the Site Lease has occurred of which the Trustee has been notified as described in “INDENTURE—Duties of the Trustee” in this Appendix, or of which by the provision of the Indenture described under that caption it is deemed to have notice, and the Owners of not less than a majority in principal amount of Certificates then Outstanding have made written request to the Trustee

and have offered reasonable indemnity to the Trustee pursuant to the Indenture and reasonable opportunity either to proceed to exercise the powers granted by the Indenture or to institute such action, suit or proceedings in its own name.

Majority of Owners May Control Proceedings

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in principal amount of the Series 2017 Certificates then Outstanding will have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Lease, the Site Lease or the Indenture, or for the appointment of a receiver, and any other proceedings under the Indenture; provided that such direction is not otherwise than in accordance with the provisions of the Indenture.

Waivers

The Trustee may in its discretion waive any Event of Default, Event of Nonappropriation or event of default by the City under the Site Lease and its consequences, and notwithstanding anything else to the contrary contained in the Indenture is required to do so upon the written request of the Owners of a majority in aggregate principal amount of all the Series 2017 Certificates then Outstanding; provided, however, that an Event of Nonappropriation is not permitted to be waived without the consent of the Owners of 100% of the Series 2017 Certificates then Outstanding as to which the Event of Nonappropriation exists, unless prior to such waiver or rescission, all arrears of interest and all arrears of payments of principal and premium, if any, then due, as the case may be (including interest on all overdue installments at the highest rate due on the Series 2017 Certificates), and all expenses of the Trustee in connection with such Event of Nonappropriation have been paid or provided for. In case of any such waiver, or in case any proceedings taken by the Trustee on account of any such Event of Default, Event of Nonappropriation or, event of default by the City under the Site Lease have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Trustee, the Trustee, the Owners and the City will be restored to their former positions and rights under the Indenture respectively, but no such waiver or rescission will extend to any subsequent or other Event of Default, Event of Nonappropriation or event of default by the City under the Site Lease or impair any right consequent thereon.

Delay or Omission No Waiver

No delay or omission of the Trustee or of any Owner to exercise any right or power accruing upon any Event of Default, Event or Nonappropriation or event of default by the City under the Site Lease will exhaust or impair any such right or power or will be construed to be a waiver of any such Event of Default, Event of Nonappropriation, event of default by the City under the Site Lease or acquiescence therein; and every power and remedy given by the Indenture may be exercised from time to time and as often as may be deemed expedient.

No Waiver of Default or Breach To Affect Another

No waiver of any Event of Default, Event of Nonappropriation or event of default by the City under the Site Lease will extend to or affect any subsequent or any other then existing Event of Default, Event of Nonappropriation, event of default by the City under the Site Lease, or will impair any rights or remedies consequent thereon.

Position of Parties Restored Upon Discontinuance of Proceedings

In case the Trustee or the Owners have proceeded to enforce any right under the Lease, the Site Lease or the Indenture and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely to the Person or Persons enforcing the same, then and in every such case the City, the Trustee and the Owners will be restored to their former positions and rights under the Indenture with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Owners will continue as if no such proceedings had been taken.

Purchase of Leased Property by Owner; Application of Certificates Toward Purchase Price

Upon the occurrence of an Event of Default or Event of Nonappropriation and the sale or lease of the Leased Property by the Trustee as described in the Lease, any Owner may bid for and purchase or lease the Leased Property; and, upon compliance with the terms of sale or lease, may hold, retain and possess and dispose of such property in his, her, its or their own absolute right without further accountability; and any purchaser or lessee at any such sale may, if permitted by law, after allowing for payment of the costs and expenses of the sale, compensation and other charges, in paying purchase or rent money, turn in Certificates then Outstanding in lieu of cash. Upon the happening of any such sale or lease, the Trustee may take any further lawful action with respect to the Leased Property which it deems to be in the best interest of the Owners, including but not limited to the enforcement of all rights and remedies set forth in the Lease, the Site Lease and the Indenture and the taking of all other courses of action permitted therein.

Supplemental Indentures Not Requiring Consent of Owners

The Trustee may, without the consent of, or notice to, the Owners, execute and deliver a Supplemental Indenture for any one or more or all of the following purposes:

- (a) to add to the covenants and agreements of the Trustee contained in the Indenture other covenants and agreements to be thereafter observed by the Trustee;
- (b) to cure any ambiguity, or to cure, correct or supplement any defect or omission or inconsistent provision contained in the Indenture, or to make any provisions with respect to matters arising under the Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners;
- (c) to subject to the Indenture additional revenues, properties or collateral (including release and substitution of property permitted under the Lease);
- (d) to set forth the terms and conditions and other matters in connection with the initial delivery of Additional Certificates, including Additional Certificates bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;
- (e) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes interest on the Series 2017 Certificates; or

(f) to effect any other changes in the Indenture which, in the opinion of Bond Counsel, do not materially adversely affect the rights of the Owners.

Supplemental Indentures Requiring Consent of Owners

Exclusive of Supplemental Indentures described under the immediately preceding caption, the written consent of the Owners of not less than a majority in aggregate principal amount of the Series 2017 Certificates Outstanding will be required for the execution and delivery by the Trustee of any Supplemental Indenture; provided, however, that without the consent of the Owners of all the Series 2017 Certificates Outstanding nothing in the Indenture contained will permit, or be construed as permitting:

(a) a change in the terms of redemption or maturity of the principal amount of or the interest on any Outstanding Certificate, or a reduction in the principal amount of or premium payable upon any redemption of any Outstanding Certificate or the rate of interest thereon, without the consent of the Owner of such Certificate;

(b) the deprivation as to the Owner of any Certificate Outstanding of the lien created by the Indenture (other than as originally permitted thereby);

(c) a privilege or priority of any Certificate or Certificates over any other Certificate or Certificates, except as permitted in the Indenture; or

(d) a reduction in the percentage of the aggregate principal amount of the Series 2017 Certificates required for consent to any Supplemental Indenture.

If at any time the Trustee proposes to execute and deliver any Supplemental Indenture for any of the purposes described under this caption, the Trustee is to cause notice of the proposed execution and delivery of such Supplemental Indenture to be mailed to the Owners of the Series 2017 Certificates at the addresses last shown on the registration records of the Trustee. Such notice is to briefly set forth the nature of the proposed Supplemental Indenture and is to state that copies thereof are on file at the Operations Center of the Trustee for inspection by all Owners. If, within 60 days or such longer period as is prescribed by the Trustee following the mailing of such notice, the Owners of not less than a majority, or, with respect to the matters specified in clauses (a) through (b) of the immediately preceding paragraph, 100%, in aggregate principal amount of the Series 2017 Certificates Outstanding at the time of the execution of any such Supplemental Indenture have consented to and approved the execution thereof as provided in the Indenture, no Owner will have any right to object to any of the terms and provisions contained therein, or the operation thereof, or to enjoin or restrain the Trustee from executing the same or from taking any action as described in the provisions thereof.

Execution of Supplemental Indentures

Any Supplemental Indenture executed and delivered as described under the immediately preceding two captions will thereafter form a part of the Indenture; and all the terms and conditions contained in any such Supplemental Indenture will be deemed to be part of the Indenture for any and all purposes. In case of the execution and delivery of any Supplemental Indenture, express reference may be made thereto in the text of the Series 2017 Certificates delivered thereafter, if any, if deemed necessary or desirable by the Trustee. As a condition to executing any Supplemental Indenture, the Trustee will be entitled to receive and rely upon a written opinion of Bond Counsel to the effect that the execution thereof is authorized or permitted under the Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Certificates.

Amendments of the Lease or the Site Lease Not Requiring Consent of Owners

The Trustee may, without the consent of or notice to the Owners, amend, change or modify the Lease or the Site Lease as may be required:

- (a) by the provisions of the Lease, the Site Lease or the Indenture;
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Lease or the Site Lease;
- (c) in order more precisely to identify the Site Leased Property or the Leased Property or to add additional or substituted improvements or properties acquired in accordance with the Lease;
- (d) in order to provide for the acquisition, construction or installation of additional property under the Lease;
- (e) in connection with the initial delivery of Additional Certificates, including Additional Certificates bearing interest at a variable, adjustable, convertible or other similar rate which is not fixed in percentage for the entire term thereof and Additional Certificates which by their terms appreciate in value to a stated face amount at maturity;
- (f) in connection with any Supplemental Indenture permitted as described in “INDENTURE—Supplemental Indentures Not Requiring Consent of Owners” and “INDENTURE—Supplemental Indentures Requiring Consent of Owners” in this Appendix;
- (g) to effect any change in connection with the preservation of the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Certificates;
- (h) to effect any change that (i) does not reduce the revenues available to the Trustee from the Lease below the amount required to make all the payments and transfers described in “THE SERIES 2017 CERTIFICATES—Security—Series 2017 Certificate Fund” in the body of this Official Statement and “INDENTURE—Rebate Fund” in this Appendix, (ii) does not reduce the value of the Leased Property, and (iii) does not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2017 Certificates;
- (i) to effect any change to any Project permitted by, and in accordance with the terms of, the Lease, any similar lease or agreement relating to any other Project; or
- (j) to effect any other change in the Lease or the Site Lease which, in the opinion of Bond Counsel, does not materially adversely affect the rights of the Owners.

Amendments of the Lease or the Site Lease Requiring Consent of Owners

Except for the amendments, changes or modifications permitted as described under the immediately preceding caption, the Trustee is not permitted to consent to any other amendment, change or modification of the Lease or the Site Lease without notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Series 2017 Certificates Outstanding given and procured as described in “INDENTURE—Supplemental Indentures Requiring

Consent of Owners” in this Appendix. If at any time the City requests the consent of the Trustee to any such proposed amendment, change or modification of the Lease, the Site Lease or the Agreement, the Trustee is to, upon receipt of amounts necessary to pay expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as described in “INDENTURE—Supplemental Indentures Requiring Consent of Owners” in this Appendix. Such notice is to briefly set forth the nature of such proposed amendment, change or modification and is to state that copies of the instrument embodying the same are on file at the office of the Trustee designated therein for inspection by all Owners.

Discharge of Indenture

If, when the Series 2017 Certificates secured by the Indenture become due and payable in accordance with their terms or otherwise as provided in the Indenture, the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Series 2017 Certificates is paid, or provision has been made for the payment of the same, together with all rebate payments due to the United States of America, the fees and expenses of the Trustee and all other amounts payable under the Indenture, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Trustee to the Owners will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee is to transfer and convey to (or to the order of) the City all property then held in trust by the Trustee as described in the Indenture, and the Trustee is to execute such documents as may be reasonably required by the City and is to turn over to (or to the order of) the City any surplus in any fund, account or subaccount created under the Indenture, except any escrow accounts theretofore established as described under this caption.

All or any portion of the Outstanding Certificates will prior to the maturity or redemption date thereof be deemed to have been paid (“defeased”) within the meaning and with the effect expressed in the immediately preceding paragraph if (a) in case such Certificates are to be redeemed on any date prior to their maturity, the Trustee has given notice of redemption of such Certificates on said redemption date, such notice to be given on a date and otherwise as described in “THE SERIES 2017 CERTIFICATES—Redemption—Sinking Fund Redemption” in the body of this Official Statement; and (b) there has been deposited in trust either moneys in an amount which will be sufficient, or Defeasance Securities which do not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held in trust at the same time, will be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Certificates on and prior to the redemption date or maturity date thereof, as the case may be. Neither the Defeasance Securities nor moneys deposited in trust as described under this caption or principal or interest payments on any such Defeasance Securities is permitted to be withdrawn or used for any purpose other than, and is to be held in trust for, the payment of the principal of, premium, if any, and interest on said Certificates; provided any cash received from such principal or interest payments on such Defeasance Securities deposited in trust, if not then needed for such purpose, is to, to the extent practicable, be reinvested in Defeasance Securities of the type described in clause (b) of this paragraph maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Certificates on or prior to such redemption date or maturity date thereof, as the case may be. At such time as any Certificates are deemed paid as aforesaid, such Certificates will no longer be secured by or entitled to the benefits of the Indenture, except for the purpose of exchange and transfer and any payment from such moneys or Defeasance Securities deposited in trust.

Prior to any discharge of the Indenture as described under this caption or the defeasance of any Certificates as described under this caption becoming effective, there is to be delivered to the Trustee an opinion of Bond Counsel, addressed to the Trustee to the effect that all requirements of the Indenture for

such defeasance have been complied with and that such discharge or defeasance will not constitute a violation by the Trustee of its tax covenant described in “INDENTURE—Tax Covenant” in this Appendix.

In the event that there is a defeasance of only part of the Series 2017 Certificates of any maturity, the Trustee may institute a system to preserve the identity of the individual Certificates or portions thereof so defeased, regardless of changes in Certificate numbers attributable to transfers and exchanges of Certificates.

Further Assurances and Corrective Instruments

So long as the Indenture is in full force and effect, the Trustee will have full power to carry out the acts and agreements provided for in the Indenture and is to, from time to time, execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such supplements to the Indenture and such further instruments as may reasonably be requested by the City for correcting any inadequate or incorrect description of the Trust Estate, or for otherwise carrying out the intention of or facilitating the performance of the Indenture.

Financial Obligations of Trustee Limited to Trust Estate

Notwithstanding any other provision of the Indenture, all financial obligations of the Trustee under the Indenture, except those resulting from its negligence or willful misconduct, are limited solely to the Trust Estate, and there are no assets available to pay the Series 2017 Certificates or any other obligation under the Indenture other than the Trust Estate.

SITE LEASE

Lease and Terms

The Site Lease provides that the City thereby leases to the Trustee and the Trustee thereby leases from the City, on the terms and conditions hereinafter set forth, the Site Leased Property, subject to Permitted Encumbrances.

The term of the Site Lease is to commence on the date of the Site Lease and end on February __, 20__ (the “Site Lease Termination Date”); provided that, if prior to the Site Lease Termination Date, the interest of the Trustee in the Site Leased Property has been conveyed to the City pursuant to provisions of the Lease relating to the City’s purchase option, then the term of the Site Lease will end on the date of such conveyance.

Rent and Payment

In the Site Lease, the City acknowledges receipt from the Trustee as rent and payment thereunder, in full, the lump-sum of \$_____ and other good and valuable consideration.

* Preliminary; subject to change.

Purpose

The Trustee is to use the Site Leased Property for the purpose of subletting the same to the City pursuant to the Lease; provided, that upon the occurrence of an Event of Nonappropriation or an Event of Default under the Lease or Event of Default under the Indenture, the City is to vacate the Site Leased Property as provided in the Lease, the Trustee may exercise the remedies provided in the Lease and the Indenture and the Trustee may use or sublet the Site Leased Property for any lawful purposes.

Owner in Fee

The City covenants in the Site Lease that it is the owner in fee of the Site Leased Property, subject only to Permitted Encumbrances.

Assignments and Subleases

Unless an Event of Nonappropriation or an Event of Default under the Lease has occurred and except as may otherwise be provided in the Lease, the Trustee may not assign its rights under the Site Lease or sublet the Site Leased Property without the written consent of the City.

In the event that (a) the Lease is terminated for any reason, and (b) the Site Lease is not terminated, the Trustee may sublease the Site Leased Property or any portion thereof, or sell or assign its interest in the Site Lease. Except as provided in the Site Lease, the City and the Trustee agree therein that, except as may otherwise be provided in the Lease, neither the City nor the Trustee will sell, mortgage or encumber the Site Leased Property or any portion thereof during the term of the Site Lease.

Right of Entry

The City reserves the right in the Site Lease, so long as no Event of Nonappropriation or Event of Default has occurred under the Lease, for any of its duly authorized representatives to enter upon the Site Leased Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Termination

The Trustee agrees in the Site Lease, upon the termination thereof, to quit and surrender the Site Leased Property to the City, and agrees therein that any fixtures, permanent improvements and structures existing as a part of the Site Leased Property at the time of the termination of the Site Lease are to remain thereon and all legal interests of the Trustee thereto are to vest in the City. The Trustee and any sublessee or assignee is to execute and deliver, upon request by the City, any instrument of transfer, conveyance or release necessary or appropriate to confirm the vesting of such legal interests in the City.

Default

In the event the Trustee is in default in the performance of any obligation on its part to be performed under the terms of the Site Lease, which default continues for 30 days following notice and demand for correction thereof to the Trustee, the City may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Lease will be deemed to occur as a result thereof and except for any other exceptions enumerated in the Lease. In addition, so long as the Lease is in effect, the Site Lease is not to be terminated except as described in "SITE LEASE—Termination" in this Appendix.

Quiet Enjoyment and Acknowledgment of Ownership

The Trustee at all times during the term of the Site Lease is to peaceably and quietly have, hold and enjoy the Site Leased Property, subject to the provisions of the Lease, and the City in the Site Lease acknowledges that the Trustee has a leasehold interest in the Site Leased Property, subject to the Lease.

Waiver of Personal Liability

All liabilities under the Site Lease on the part of the Trustee are solely liabilities of the Trustee, and in the Site Lease the City releases each and every, member, director, employee and officer of the Trustee of and from any personal or individual liability under the Site Lease. No member, director, employee or officer of the Trustee is at any time or under any circumstances to be individually or personally liable under the Site Lease for anything done or omitted to be done by the Trustee thereunder.

Taxes; Maintenance; Insurance

During the Lease Term of the Lease and in accordance with the provisions of the Lease, the City covenants and agrees in the Site Lease to perform its obligations under the Lease with respect to the payment of any and all assessments of any kind or character and all taxes levied or assessed upon the Site Leased Property, and all maintenance costs, insurance premiums and costs and utility charges in connection with the Site Leased Property, subject to the terms of the Lease.

In the event that (a) the Lease is terminated for any reason, (b) the Site Lease is not terminated, and (c) the Trustee subleases all or any portion of the Site Leased Property or sells an assignment of its interest in the Site Lease, the Trustee or any sublessee or assignee of the Site Leased Property is to, solely from the proceeds of such leasing or sale, obtain and keep in force all insurance that it is required to maintain under the Lease, pay or cause to be paid when due all taxes and assessments imposed thereon and maintain the Site Leased Property in good condition; provided the Trustee has no obligation to advance any of its own funds to maintain the insurance required under the Lease.

Damage, Destruction or Condemnation

The provisions of the Lease govern with respect to any damage, destruction or condemnation of the Site Leased Property during the Lease Term of the Lease. In the event that (a) the Lease is terminated for any reason; and (b) the Site Lease is not terminated, and (c) either (i) the Site Leased Property or any portion thereof is destroyed (in whole or in part) or damaged by fire or other casualty; or (ii) title to, or the temporary or permanent use of the Site Leased Property or any portion thereof or the estate of the City, the Trustee or any sublessee or assignee of the Trustee in the Site Leased Property or any portion thereof, is taken under the exercise of the power of eminent domain; or (iii) breach of warranty or any material defect with respect to the Site Leased Property becomes apparent; or (iv) title to or the use of all or any portion of the Site Leased Property is lost by reason of defect in the title thereto, the Trustee or any sublessee or assignee of the Trustee is to cause any Net Proceeds of any insurance, performance bonds, condemnation award or any Net Proceeds received as a consequence of default or breach of warranty under any Project Contract relating to the Site Leased Property or other contract relating to the Site Leased Property to be applied as described in "LEASE—Damage to, Condemnation of, Material Defect in or Loss of Title to Leased Property" in this Appendix.

Compliance With Requirements of Law

To the best knowledge of the City: (a) the Site Leased Property has at all times been operated in substantial compliance with all Requirements of Law; (b) all permits required by Requirements of Law in respect of the Site Leased Property have been obtained and are in full force and effect and the City is in substantial compliance with the material terms and conditions of such permits; (c) there is no pending litigation, investigation, administrative or other proceeding of any kind before or by any governmental authority or other Person relating to, or alleging, any violation of any Requirements of Law in connection with the Site Leased Property and there are no grounds on which any such litigation, investigation or proceedings might be commenced; and (d) the Site Leased Property is not subject to any judgment, injunction, writ, order or agreement respecting any Requirements of Law.

No Merger

The City and the Trustee intend that the legal doctrine of merger has no application to the Site Lease and that neither the execution and delivery of the Lease by the Trustee and the City nor the exercise of any remedies under the Site Lease or the Lease operates to terminate or extinguish the Site Lease or the Lease, except as specifically provided therein.

AGREEMENT TO CONSTRUCT

City's Obligations

The City is to construct the Improvements in and on the Site Leased Property and is to acquire and install the Equipment in the Improvements or in the Site Leased Property, as appropriate, promptly and with due diligence and in accordance with the terms of the Agreement to Construct, provided, however, that, if the performance by the City of such obligations is delayed by Force Majeure, the period for the commencement or completion thereof will be extended for a period equal to such delay.

Plans and Specifications

The City is to construct the Improvements and acquire and install the Equipment in accordance with the plans and specifications prepared by and currently in the possession of the City, a copy of which is attached to the Agreement to Construct as Exhibit A and any change orders made as described under this caption (which plans and specifications, as modified by such changes orders, are referred to as the "Plans and Specifications").

The City at any time may change the Plans and Specifications by a change order, written evidence of which is to be filed with the Plans and Specifications then in effect, upon the City's determination that such change order will not materially adversely affect the value of the Project or its intended use.

Completion Date

The City is to use its best efforts to cause the Completion Date to occur on or before _____, 201_ (the "Scheduled Completion Date"). The "Completion Date" will be deemed to have occurred when the City delivers a certificate to the Trustee stating that, to the best of the City's knowledge based upon the representations of the contractors, architects, engineers, vendors or other consultants and, except for any amounts estimated by the City to be necessary for payment of any Costs of the Project not then due and payable, the Project has been completed, and all Costs of the Project have been paid; provided, however, that the delivery of such certificate will not, and such certificate is to state that it does not,

prejudice any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

If the Completion Date does not occur by the Scheduled Completion Date for any reason other than Force Majeure, the Trustee, may, but will not be required to, terminate the Agreement to Construct, retain a Person other than the City to complete the Project and recover from the City (a) all reasonable costs incurred by or on behalf of the Trustee in completing the Project, net of any amounts that would otherwise have been paid to the City to complete the Project under the Agreement to Construct, plus (b) interest on the amount determined as described in clause (a) at the maximum rate of interest payable on any of the Series 2017 Certificates.

Subcontractor Guarantees

The City is to cause each Subcontractor that is responsible for the construction of any portion of the Improvements or for the acquisition or installation of any portion of the Equipment to bond or otherwise guarantee all work performed by it against defective workmanship and materials for a period of one year after the Completion Date, provided that such one year period will not begin with respect to any item that is not completed on the Completion Date until such item is completed. The City is to assign to the Trustee any guarantee of workmanship and materials which it may receive but is to retain the right to enforce such guarantee directly.

Performance and Payment Bonds

The City is to require that each Subcontractor that is responsible for the construction of any portion of the Improvements provide a performance bond and a separate labor and material payment bond, which is to (a) be executed by a corporate surety licensed to transact business in the State, (b) be in customary form, (c) be in the amount payable to such subcontractor as described in its Project Contract and (d) be payable to the City. If, at any time prior to completion of the work covered by any such bond, the surety is disqualified from doing business within the State, a new bond is to be provided from an alternate surety licensed to transact business in the State. The amount of each bond is to be increased or decreased, as appropriate, to reflect change orders described under “AGREEMENT TO CONSTRUCT—Plans and Specifications” in this Appendix. The City assigns in the Agreement to Construct its rights to any proceeds under such bonds to the Trustee. A copy of each such bond and all modifications thereto is to be furnished to the Trustee.

Builder’s Risk Completed Value Insurance

The Subcontractor for any Project Contract is to procure and maintain, at its own cost and expense, during the term of the applicable Project Contract and until the property to which such insurance relates is insured by the City as described in the Lease, standard, all risk of loss builder’s risk completed value insurance upon such property in an amount at least equal to the total contract price for such contractor’s work. In the event of any change order resulting in the performance of additional work, the amount of such insurance is to be increased to include the cost of such additional work, as well as related materials and fixtures. The policy is to name the City and the Trustee as mortgagee/trustee and/or loss payees and/or additional insureds, as their respective interests may appear. A certificate of insurance evidencing such insurance is to be provided to the Trustee.

General Public Liability and Property Damage Insurance

The City is to require that each Subcontractor procure and maintain, at its own cost and expense, standard form comprehensive general public liability and property damage insurance during the duration

of such Subcontractor's Project Contract, in an amount acceptable to the City. Such policies are to name the City and the Trustee as mortgagee/trustee and/or loss payees and/or additional insureds, as their respective interests may appear, and are to include a provision prohibiting cancellation, termination or alteration without 60 days' prior notice by certified mail to the City and the Trustee. A certificate of insurance evidencing such insurance is to be provided to the Trustee with respect to each Subcontractor upon the Trustee's request. Such insurance is to provide protection from all claims for bodily injury, including death, property damage and contractual liability.

Workers' Compensation Insurance

The City is to require that each Subcontractor that is responsible for construction of any portion of the Improvements procure and maintain, at its own cost and expense, workers' compensation insurance during the term of its Project Contract, covering all persons working thereunder. The policy is to include the Trustee as an additional insured and as loss payee. Such insurance, if issued by a private carrier, is to contain a provision that such coverage will not be canceled, terminated or altered without 10 days' prior written notice to the City and the Trustee. A certificate issued by the Colorado State Compensation Insurance Fund evidencing such coverage is to be provided by the City to the Trustee at its request, or if such insurance is provided by a private carrier a completed certificate of insurance is to be provided to the Trustee at its request, with respect to each Subcontractor.

Compliance with Requirements of Law

The City is to construct, acquire and install the Project in a manner such that (a) all permits required by law in respect of the Project are to be obtained, maintained in full force and effect and complied with; (b) there is to be no hazardous substance, pollutant or contaminant (as those terms are defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, et seq., any applicable state law or regulations promulgated under either), solid or hazardous waste (as defined in the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., any applicable state law or regulations promulgated under either), special waste, petroleum or petroleum derived substance, radioactive material or waste, polychlorinated biphenyls, asbestos or any constituent of any of the foregoing located on, in or under the Leased Property as a result of the Project in such manner as would constitute a violation of any Requirements of Law; (c) there is to be no disposal of any of the items referred to in clause (b) on, from, into or out of the Leased Property in connection with the Project in violation of any Requirements of Law; and (d) there is to be no spillage, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leeching, dumping, disposing, depositing or dispersing of any of the items referred to in clause (b) into the indoor or outdoor environment from, into or out of the Leased Property in connection with the Project, including but not limited to the movement of any such items through or in the air, soil, surface water, ground water from, into or out of the Leased Property or the abandonment or discard of barrels, containers or other open or closed receptacles containing any such items from, into or out of the Leased Property in violation of any Requirements of Law.

Defaults Under Project Contracts

In the event of any default under any Project Contract, or in the event of a breach of warranty with respect to any materials, workmanship or performance or with respect to the Project, which default or breach results in frustration of the purpose for which the Leased Property was intended, the City is to promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies, including any remedy against the surety of any bond securing the performance of the Project Contract.

Assignment of Rights Under Subcontracts

The City in the Agreement to Construct assigns to the Trustee, and each Subcontract is to expressly provide that the Trustee will have, the right to enforce any Subcontract against the Subcontractor (a) following termination of the Lease and (b) in any case where, in the reasonable judgment of the Trustee, the City has failed to enforce the terms of such Subcontract in a manner consistent with the obligations of the City under the Agreement to Construct.

Fixed Price

As consideration for the design, construction and installation of the Project in accordance with the Agreement to Construct, including but not limited to the preparation of the Plans and Specifications, the Trustee is to pay the City, solely from the Trust Estate and upon receipt of requisitions therefore, the total amount to be deposited into the Construction Fund, pursuant to the Indenture, to pay the Costs of the Project, plus any earnings received from the investment of such amount pending disbursement to the City under the Agreement to Construct (the "Fixed Price"). The Fixed Price will not be adjusted up or down for change orders or for any other reason, it being the intention of the parties that the City will bear the cost of cost-overruns and will reap the benefit of cost savings in connection with the services and property provided by it under the Agreement to Construct. The Fixed Price is to be allocated to various cost portions of the design, construction and installation of the Project generally as set forth in the Project Budget attached to the Agreement to Construct as Exhibit B (the "Project Budget"), which Project Budget, as modified by the City from time to time, is to serve as the basis for reviewing the City's periodic requisitions for payment described under the immediately succeeding caption.

Requisitions for Payment

The City may request from time to time, payment of a portion of the Fixed Price for work performed pursuant to the Project Budget by delivering a requisition to the Trustee in the form attached as Appendix D to the Lease. The Trustee may rely conclusively on any such certificate and will not be required to make any independent investigation in connection therewith. The execution of any requisition certificate by the City constitutes, unto the Trustee, an irrevocable determination that all conditions precedent to the payments requested have been completed. The City is not to submit a requisition for payment of amounts that the City does not intend to pay to a Subcontractor or material supplier because of a dispute or other reason. Requisitions for materials or equipment are not to be submitted until the materials or equipment have been delivered and title thereto has been transferred to the City. The City warrants in the Agreement to Construct that title to all work covered by a requisition will pass to the Trustee no later than the time of payment and the City is to provide, in connection therewith, all lien waivers and title insurance endorsements sufficient to insure the Trustee's title to all work included in an application for payment free and clear of all liens. The requisition for the final installment of the Fixed Price is to be accompanied by the certificate of completion described in "AGREEMENT TO CONSTRUCT—Completion Date" in this Appendix.

Events of Default

Any of the following will constitute an "Event of Default" under the Agreement to Construct:

(a) failure by the City to use its best efforts to cause the Completion Date to occur by the Scheduled Completion Date for any reason other than Force Majeure, or, if the City has used its best efforts to cause the Completion Date to occur by the Scheduled Completion Date but has failed to cause the same to occur, the failure by the City to use its best efforts to thereafter cause the Completion Date to occur;

(b) failure by the City to construct, acquire and install the Project in a manner required by the Agreement to Construct; and

(c) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (a) and (b) above, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied is given to the City by the Trustee, unless the Trustee agrees in writing to an extension of such time prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee is not to withhold its consent to an extension of such time if corrective action is instituted within the applicable period and diligently pursued until the default is corrected.

Whenever any Event of Default has happened and be continuing, the Trustee may, but is not required to pursue any remedy available at law or equity, including, without limitation, the remedy set forth in “AGREEMENT TO CONSTRUCT—Completion Date” in this Appendix with respect to defaults described in (a) above.

The Trustee may waive any Event of Default under the Agreement to Construct and its consequences. In the event that any agreement contained in the Agreement to Construct should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under the Agreement to Construct.

Limitations on Obligations of the City

Notwithstanding any other provision of the Agreement to Construct, (a) the obligations of the City under the Agreement to Construct are to constitute a special obligation of the City and the City’s performance of such obligations will be limited to the availability of funds to pay the costs of such performance from (i) moneys paid to the City by the Trustee as described in the Agreement to Construct and (ii) funds appropriated by the Board for Base Rentals and Additional Rentals for the Fiscal Year in which such funds are to be expended; and (b) no provision of the Agreement to Construct is to be construed or interpreted (i) to directly or indirectly obligate the City to make any payment in any Fiscal Year in excess of amounts appropriated for such Fiscal Year; (ii) as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the City within the meaning of Article XI, Section 6 or Article X, Section 20 of the Colorado Constitution or any other constitutional or statutory limitation or provision; (iii) as a delegation of governmental powers by the City; (iv) as a loan or pledge of the credit or faith of the City or as creating any responsibility by the City for any debt or liability of any person, company or corporation within the meaning of Article XI, Section 1 of the Colorado Constitution; or (v) as a donation or grant by the City to, or in aid of, any person, company or corporation within the meaning of Article XI, Section 2 of the Colorado Constitution.

Trustee’s Rights in Trust for Benefit of Owners; Successor Trustee; Assignment by Trustee

The Trustee will hold its rights, title and interest in, to and under the Agreement to Construct in trust for the benefit of the Owners as described in the Indenture. Any successor trustee under the Indenture will automatically succeed to the rights, title, interest and obligations of the previous trustee under the Indenture in, to and under the Agreement. The Trustee is not permitted, except as otherwise described under this caption, to assign any of its rights, title or interest in, to or under the Agreement to Construct to any Person.

APPENDIX C
AUDITED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2015

APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this “Undertaking”) is executed and delivered, as of February __, 2017, by the City of Cherry Hills Village, Colorado (the “City”) in connection with the issuance of Certificates of Participation, Series 2017, in the aggregate principal amount of \$_____*, dated as of the date of delivery (the “Series 2017 Certificates”). The Series 2017 Certificates are being issued pursuant to an Indenture of Trust entered into by the Board of City Commissioners (the “Indenture”) and the Trustee prior to the issuance of the Series 2017 Certificates. Capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in the Indenture.

In consideration of the issuance of the Series 2017 Certificates by the City and the purchase of such Series 2017 Certificates by the owners thereof, the City hereby covenants and agrees as follows:

Section 1. Purpose of This Agreement. This Agreement is executed and delivered by the City as of the date set forth below, for the benefit of the holders and owners (the “Certificateholders”) of the Series 2017 Certificates and in order to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below).

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Agreement*” means the obligations of the City pursuant to Sections 4, 5 and 6 hereof.

“*Annual Financial Information*” means the financial information and operating data described in Exhibit I.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 hereof.

“*Audited Financial Statements*” means the audited consolidated financial statements of the City, prepared pursuant to the standards and as described in Exhibit I.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means, initially the City, or any successor agent designated as such in writing by the City and which has filed with the City a written acceptance of such designation, and such agent’s successors and assigns.

“*EMMA*” means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Listed [Material?] Event*” means the occurrence of any of the events with respect to the Series 2017 Certificates set forth in Exhibit II.

* Preliminary; subject to change.

“*Listed Events Disclosure*” means dissemination of a notice of a Listed Event as set forth in Section 6 hereof.

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Participating Underwriter*” means each broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the Series 2017 Certificates.

“*Prescribed Form*” means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Listed Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

“*Rule*” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“*State*” means the State of Colorado.

Section 3. CUSIP Number/Final Official Statement. The final CUSIP ^{1,®}, of the Series 2017 Certificates is . The final Official Statement relating to the Series 2017 Certificates is dated as of , 2017 (the “Final Official Statement”).

Section 4. Annual Financial Information Disclosure. Subject to Section 10 of this Agreement, the City hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I) by the City’s delivery of such Annual Financial Information and Audited Financial Statements to the MSRB within 210 days of the completion date of the City’s fiscal year.

The City is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the City will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Listed Events Disclosure. Subject to Section 10 of this Agreement, the City hereby covenants that it will disseminate in a timely manner, not in excess of 10 Business Days after the occurrence of the event, Listed Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2017 Certificates or defeasance of any Series 2017 Certificates need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2017 Certificates pursuant to the

¹ The City takes no responsibility for the accuracy of the CUSIP numbers, which are included solely for the convenience of owners of the Certificates.

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Indenture. From and after the Effective Date, the City is required to deliver such Listed Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The City shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the City To Provide Information. The City shall give notice in a timely manner, not in excess of 10 Business Days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the City to comply with any provision of this Agreement, the Certificateholder of any Series 2017 Certificate may seek specific performance by court order to cause the City to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture or any other agreement, and the sole remedy under this Agreement in the event of any failure of the City to comply with this Agreement shall be an action to compel performance.

Section 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the City may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) this Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the Certificateholders of the Series 2017 Certificates, as determined either by parties unaffiliated with the City or the City (such as the Paying Agent) or by an approving vote of the Certificateholder Representative or of the Certificateholders of the Series 2017 Certificates holding a majority of the aggregate principal amount of the Series 2017 Certificates (excluding Series 2017 Certificates held by or on behalf of the City or its affiliates) at the time of the amendment, pursuant to the terms of the Indenture; or

(iv) the amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Agreement. The Agreement of the City shall be terminated hereunder when the City shall no longer have any legal liability under the terms of the Indenture pursuant to the terms of the Indenture for any obligation on or relating to the repayment of the Series 2017 Certificates. The City shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Dissemination Agent shall transmit all information delivered to it by the City hereunder to the MSRB as provided in this Agreement. The City may, from time to time, appoint or engage a substitute Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the City chooses to include any information from any document or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the City shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Listed Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the City, the Dissemination Agent, if any, the City, the Certificateholder Representative and the Certificateholders of the Series 2017 Certificates, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The City shall maintain records of all Annual Financial Information Disclosure and Listed Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 15. Assignment. The City shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of the City under this Agreement or to execute a continuing disclosure agreement under the Rule.

Section 16. Governing Law. This Agreement shall be governed by the laws of the State.

EXECUTED as of the date first set forth above.

THE CITY OF CHERRY HILLS VILLAGE

By _____
Mayor,

ATTEST:

By _____
City Clerk

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

“*Annual Financial Information*” means statistical and tabular material of the type contained in the final Official Statement pertaining to the Series 2017 Certificates under the captions “FINANCIAL INFORMATION CONCERNING THE CITY—General Fund Operating History,” “—Major Sources of General Revenue,” and “DEBT STRUCTURE OF THE CITY.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission, and such information need not be provided in the exact format as shown in the Final Official Statement. The City shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 210 days after the last day of the City’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 Business Days after availability to the City.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year end of the City, the City will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2017 CERTIFICATES FOR WHICH LISTED EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Nonpayment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to rights of security holders, if material
8. Certificate calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the City²
13. The consummation of a merger, consolidation or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent, if material.

² This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

APPENDIX E

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in the City and surrounding Arapahoe County. It is intended only to provide prospective investors with general information regarding the City’s community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The City makes no representation as to the accuracy or completeness of data obtained from parties other than the City.

Population and Median Age

The following table sets forth population statistics for the City of Cherry Hills Village (the “City”), Arapahoe County (the “County”), the Denver Metropolitan Area (the “DMA”) and Colorado.

Population								
Year	Cherry Hills Village	Percent Change	Arapahoe County	Percent Change	DMA ¹	Percent Change	Colorado	Percent Change
1970	4,605	--	162,142	--	1,238,273	--	2,207,259	--
1980	5,127	11.33%	293,621	81.09%	1,618,461	30.70%	2,889,964	30.93%
1990	5,245	2.30	391,511	33.33	1,848,319	14.20	3,294,394	13.99
2000	5,958	13.59	488,896	24.87	2,401,501	29.93	4,301,261	30.56
2010	5,987	0.49	572,003	17.00	2,784,228	15.94	5,029,196	16.92
2015 ²	6,408	7.03	630,564	10.24	3,075,701	10.47	5,456,584	8.50

¹ The DMA includes the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson.

² Estimate.

Source: U.S. Department of Commerce, Bureau of the Census for years other than 2015; Colorado Division of Local Government, Demographic Section for 2015

Income

The following tables set forth historical median household effective buying income, the percentage of households by classification of effective buying income (“EBI”) levels, and per capita personal income for the County, the DMA and the State . The City’s median EBI income level has been historically higher than the State and national levels.

Median Household Effective Buying Income¹

	2012	2013	2014	2015	2016
Arapahoe County	\$45,674	\$46,299	\$47,773	\$52,902	\$53,589
Colorado	43,515	43,718	47,469	49,949	52,345
United States	41,253	41,358	43,715	45,448	46,738

¹ As of January 1.

Source: The Nielsen Company, *Site Reports*, 2012-2016

**Percent of Households by
Effective Buying Income Groups – 2016 ¹**

	Less than \$25,000	\$25,000- \$49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000 and more
Arapahoe County	18.91%	28.05%	34.88%	11.62%	6.54%
Colorado	21.53	28.52	33.30	10.84	5.79
United States	25.65	29.47	31.05	8.89	4.95

¹ As of January 1. Totals may not equal 100% due to rounding.
Source: The Nielsen Company, *Site Reports, 2016*

Per Capita Personal Income

	2011	2012	2013	2014	2015
Arapahoe County	\$45,432	\$47,578	\$48,790	\$51,743	\$52,545
Colorado	42,946	45,073	46,792	49,768	50,899
United States	42,453	44,267	44,462	46,414	48,112

Source: United States Department of Commerce, Bureau of Economic Analysis

School Enrollment

The following table presents a five year history of school enrollment for Cherry Creek School District No. 5, the school district serving the City.

District Enrollment

School Year	Enrollment	Percent Change
2011-2012	52,589	--
2012-2013	53,368	1.48%
2013-2014	54,226	1.61
2014-2015	54,499	0.50
2015-2016	54,695	0.36

Source: Colorado Department of Education

Housing Stock

The following table sets forth information on housing units in the City and County.

	Housing Units		Percent Change	2014 ¹
	2000	2010		
Cherry Hills Village	2,023	2,151	6.33%	2,163
Arapahoe County	196,835	238,301	21.07	243,228

¹ Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, State of Colorado Department of Local Affairs

Building Permit Activity

Set forth in the following table is historical building permit activity for the City of Cherry Hills Village.

History of Building Permit Activity – City of Cherry Hills Village

Year	Non-Residential ¹		Residential	
	Permits	Valuation	Permits	Valuation
2011 ²	n/a	--	586	\$487,236
2012 ²	n/a	--	871	850,900
2013	4	\$ 19,589	948	787,857
2014	7	320,434	961	993,544
2015	9	34,542	894	909,892
2016 ²	6	11,111	824	973,883

¹ Includes residential additions/alterations, accessory, recreational and miscellaneous structures and electrical permits.

² Residential data unavailable for fiscal years 2011 and 2012.

³ Permits filed through November 21, 2016.

Source: City of Cherry Hills Village Building Department

Foreclosure Activity

Set forth in the following table is a history of foreclosures in Arapahoe County.

History of Foreclosures - Arapahoe County

Year	Foreclosures Filed	Percent Change
2011	4,076	--
2012	3,677	(9.79)%
2013	1,764	(52.03)
2014	1,314	(25.51)
2015	858	(34.70)
2016 ¹	651	--

¹ Foreclosures filed through November 18, 2016.
Source: Arapahoe County Public Trustee

Retail Sales

The retail trade sector employs a large portion of the City's and Arapahoe County's work force and is important to the area's economy. The following table sets forth retail sales figures as reported by the State for the City and the County and the state.

Retail Sales

Year	City of Cherry Hills Village	Percent Change	Arapahoe County	City as Percent of County	Colorado	Percent Change
2011	\$45,952,119	--	\$17,463,206,508	0.25%	\$154,697,942,972	--
2012	45,828,066	(0.27)%	19,279,074,121	0.24	164,387,648,458	6.26%
2013	53,419,867	16.57	20,447,568,134	0.26	172,784,033,081	5.11
2014	53,283,630	(0.26)	21,203,770,137	0.25	182,374,956,947	5.55
2015	49,639,813	(6.84)	21,515,064,813	0.23	182,836,468,711	0.25

Source: State of Colorado, Department of Revenue, *Sales Tax Statistics*, 2011-2015

Employment

The following tables set forth employment statistics by industry and the most recent historical labor force estimates for Arapahoe County.

Total Business Establishments and Employment - Arapahoe County

Industry ¹	Second Quarter 2015		Second Quarter 2016		Quarterly Change	
	Units	Employment	Units	Employment	Units	Employment
Agriculture, forestry, fishing and hunting	18	93	20	93	2	0
Mining	120	917	115	725	(5)	(192)
Utilities	8	172	8	179	0	7
Construction	1,593	18,826	1,699	20,036	106	1,210
Manufacturing	460	8,062	467	8,185	7	123
Wholesale trade	1,636	13,914	1,621	14,772	(15)	858
Retail trade	1,779	34,109	1,805	34,302	26	193
Transportation and warehousing	342	3,029	359	3,205	17	76
Information	422	17,605	449	17,401	27	(204)
Finance and insurance	1,770	27,252	1,804	28,326	34	1,074
Real estate and rental and leasing	1,161	6,220	1,188	6,210	27	(10)
Professional and technical services	4,075	30,031	4,168	31,065	93	34
Management of companies and enterprises	312	8,165	305	7,514	(7)	(651)
Administrative and waste services	1,390	28,452	1,407	26,909	17	(1,543)
Educational services	341	3,830	335	3,880	(6)	50
Health care and social assistance	1,976	40,557	2,050	42,137	71	1,580
Arts, entertainment, and recreation	224	4,225	239	4,362	15	137
Accommodation and food services	1,279	25,610	1,291	25,965	12	355
Other services, except public administration	1,623	8,638	1,773	8,997	150	362
Non-classifiable	13	24	28	60	15	36
Government	146	37,112	141	37,372	(5)	260
Total	20,688	316,843	21,272	321,695	584	4,852

¹ Information provided herein reflects only those employers who are subject to state unemployment insurance law.

Source: State of Colorado, Division of Employment and Training, Colorado Employment and Wages Covered by Unemployment Insurance

Labor Force Estimates

Year	Arapahoe County		Colorado	
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed
2011	319,253	8.3%	2,736,079	8.4%
2012	323,152	7.7	2,759,437	7.9
2013	327,811	6.6	2,780,536	6.8
2014	332,801	4.9	2,815,200	5.0
2015	334,800	3.7	2,828,529	3.9
2016 ¹	342,657	3.2	2,890,740	3.4

¹ Labor force averages through October 31, 2016.

Source: State of Colorado, Division of Employment and Training

Selected major employers in the DMA are set forth in the following table. No independent investigation has been made of, and there can be no representation as to, the stability or financial condition of the companies listed below, or the likelihood that such companies will maintain their status as major employers in the area.

Selected Major Employers in the Denver Metropolitan Area ¹

Firm	Product or Service	Estimated Number of Employees
Federal Government	Federal Government	36,398
State of Colorado	State Government	31,398
Wal-Mart Stores Inc.	Retail Discount Variety and Grocery	26,491
University of Colorado System	University and Health Care Services	20,249
Centura Health	Nonprofit Health System	15,751
Denver Public School District No. 1	Education	11,932
City & County of Denver	City Government	11,697
Jefferson County Public Schools	Education	11,505
HCA-HealthOne LLC	Health Care	10,026
King Soopers	Grocery Stores	9,490

¹ As of December 31, 2015.

Source: *Denver Business Journal*, July 15-21, 2016

APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning The Depository Trust Company (“DTC”) New York, NY and DTC’s book-entry-only system has been obtained from DTC, and the City and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Series 2017 Certificates. The Series 2017 Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2017 Certificates, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2017 Certificates and deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Series 2017 Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Certificates on DTC’s records. The ownership interest of each actual purchaser of each Series 2017 Certificate (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2017 Certificates, except in the event that use of the book entry-system for the Series 2017 Certificates is discontinued.

To facilitate subsequent transfers, all Series 2017 Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017 Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2017 Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2017 Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017 Certificate documents. For example, Beneficial Owners of the Series 2017 Certificates may wish to ascertain that the nominee holding the Series 2017 Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2017 Certificates within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2017 Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2017 Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2017 Certificates are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2017 Certificates purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2017 Certificates by causing the Direct Participant to transfer the Participant's interest in the Series 2017 Certificates, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery

of the Series 2017 Certificates in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2017 Certificates are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2017 Certificates to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2017 Certificates at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2017 Certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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Certificates of Participation, Series 2017

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SOURCES AND USES OF FUNDS

City of Cherry Hills Village
Certificates of Participation, Series 2017

Dated Date 02/28/2017
Delivery Date 02/28/2017

Sources:

Bond Proceeds:	
Par Amount	12,160,000.00
Net Premium	965,874.10
	<hr/>
	13,125,874.10

Uses:

Project Fund Deposits:	
Deposit to Project Account	12,900,000.00
Delivery Date Expenses:	
Cost of Issuance	77,000.00
Underwriter's Discount	72,960.00
Certificate Insurance	72,486.87
	<hr/>
	222,446.87
Other Uses of Funds:	
Additional Proceeds	3,427.23
	<hr/>
	13,125,874.10

BOND DEBT SERVICE

City of Cherry Hills Village
Certificates of Participation, Series 2017

Dated Date 02/28/2017
Delivery Date 02/28/2017

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017	220,000	2.000%	414,884.17	634,884.17
12/01/2018	295,000	3.000%	542,700.00	837,700.00
12/01/2019	300,000	3.000%	533,850.00	833,850.00
12/01/2020	310,000	4.000%	524,850.00	834,850.00
12/01/2021	325,000	4.000%	512,450.00	837,450.00
12/01/2022	335,000	4.000%	499,450.00	834,450.00
12/01/2023	350,000	4.000%	486,050.00	836,050.00
12/01/2024	365,000	5.000%	472,050.00	837,050.00
12/01/2025	385,000	5.000%	453,800.00	838,800.00
12/01/2026	400,000	5.000%	434,550.00	834,550.00
12/01/2027	420,000	5.000%	414,550.00	834,550.00
12/01/2028	445,000	5.000%	393,550.00	838,550.00
12/01/2029	465,000	5.000%	371,300.00	836,300.00
12/01/2030	490,000	5.000%	348,050.00	838,050.00
12/01/2031	515,000	5.000%	323,550.00	838,550.00
12/01/2032	540,000	4.000%	297,800.00	837,800.00
12/01/2033	560,000	4.000%	276,200.00	836,200.00
12/01/2034	585,000	4.000%	253,800.00	838,800.00
12/01/2035	605,000	4.000%	230,400.00	835,400.00
12/01/2036	630,000	4.000%	206,200.00	836,200.00
12/01/2037	655,000	5.000%	181,000.00	836,000.00
12/01/2038	690,000	5.000%	148,250.00	838,250.00
12/01/2039	720,000	5.000%	113,750.00	833,750.00
12/01/2040	760,000	5.000%	77,750.00	837,750.00
12/01/2041	795,000	5.000%	39,750.00	834,750.00
	12,160,000		8,550,534.17	20,710,534.17

Notes:

The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

BOND PRICING

City of Cherry Hills Village
Certificates of Participation, Series 2017

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Certificates:									
	12/01/2017	220,000	2.000%	1.270%	100.548				1,205.60
	12/01/2018	295,000	3.000%	1.590%	102.433				7,177.35
	12/01/2019	300,000	3.000%	1.870%	103.022				9,066.00
	12/01/2020	310,000	4.000%	2.060%	106.978				21,631.80
	12/01/2021	325,000	4.000%	2.290%	107.664				24,908.00
	12/01/2022	335,000	4.000%	2.510%	107.939				26,595.65
	12/01/2023	350,000	4.000%	2.730%	107.786				27,251.00
	12/01/2024	365,000	5.000%	2.840%	114.941				54,534.65
	12/01/2025	385,000	5.000%	2.980%	115.466				59,544.10
	12/01/2026	400,000	5.000%	3.080%	116.071				64,284.00
	12/01/2027	420,000	5.000%	3.150%	115.433 C	3.285%	12/01/2026	100.000	64,818.60
	12/01/2028	445,000	5.000%	3.220%	114.799 C	3.457%	12/01/2026	100.000	65,855.55
	12/01/2029	465,000	5.000%	3.300%	114.079 C	3.612%	12/01/2026	100.000	65,467.35
	12/01/2030	490,000	5.000%	3.360%	113.543 C	3.732%	12/01/2026	100.000	66,360.70
	12/01/2031	515,000	5.000%	3.430%	112.921 C	3.844%	12/01/2026	100.000	66,543.15
		5,620,000							625,243.50
Term Certificates Due 2036:									
	12/01/2036	2,920,000	4.000%	4.050%	99.319				-19,885.20
Term Certificates Due 2041:									
	12/01/2041	3,620,000	5.000%	3.770%	109.959 C	4.339%	12/01/2026	100.000	360,515.80
		12,160,000							965,874.10

Dated Date	02/28/2017	
Delivery Date	02/28/2017	
First Coupon	06/01/2017	
Par Amount	12,160,000.00	
Premium	965,874.10	
Production	13,125,874.10	107.943044%
Underwriter's Discount	-72,960.00	-0.600000%
Purchase Price	13,052,914.10	107.343044%
Accrued Interest		
Net Proceeds	13,052,914.10	

Notes:

The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

BOND SUMMARY STATISTICS

City of Cherry Hills Village
Certificates of Participation, Series 2017

Dated Date	02/28/2017
Delivery Date	02/28/2017
First Coupon	06/01/2017
Last Maturity	12/01/2041
Arbitrage Yield	3.670389%
True Interest Cost (TIC)	4.014210%
Net Interest Cost (NIC)	4.213365%
All-In TIC	4.070737%
Average Coupon	4.660547%
Average Life (years)	15.088
Weighted Average Maturity (years)	15.062
Duration of Issue (years)	10.752
Par Amount	12,160,000.00
Bond Proceeds	13,125,874.10
Total Interest	8,550,534.17
Net Interest	7,657,620.07
Bond Years from Dated Date	183,466,333.33
Bond Years from Delivery Date	183,466,333.33
Total Debt Service	20,710,534.17
Maximum Annual Debt Service	838,800.00
Average Annual Debt Service	836,507.61
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.000000
Total Underwriter's Discount	6.000000
Bid Price	107.343044

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Certificates	5,620,000.00	111.125	4.790%	8.657	7.215	3,874.80
Term Certificates Due 2036	2,920,000.00	99.319	4.000%	17.835	12.876	3,912.80
Term Certificates Due 2041	3,620,000.00	109.959	5.000%	22.855	14.297	3,113.20
	12,160,000.00			15.088		10,900.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	12,160,000.00	12,160,000.00	12,160,000.00
+ Accrued Interest			
+ Premium (Discount)	965,874.10	965,874.10	965,874.10
- Underwriter's Discount	-72,960.00	-72,960.00	
- Cost of Issuance Expense		-77,000.00	
- Other Amounts	-72,486.87	-72,486.87	-72,486.87
Target Value	12,980,427.23	12,903,427.23	13,053,387.23
Target Date	02/28/2017	02/28/2017	02/28/2017
Yield	4.014210%	4.070737%	3.670389%

Notes:

The interest rate and rating assumptions assumed in this presentation are based on current market conditions and similar credits. The actual results may differ, and Stifel makes no commitment to underwrite at these levels.

**CHERRY HILLS VILLAGE
COLORADO**

2450 E. Quincy Avenue
Cherry Hills Village, CO 80113
www.cherryhillsvillage.com

Village Center
Telephone 303-789-2541
FAX 303-761-9386

ITEM: 17a

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: LAURA SMITH, CITY CLERK

SUBJECT: CITY COUNCIL LIAISON ASSIGNMENTS

DATE: JANUARY 3, 2017

DISCUSSION

Attached is the City Council Liaison Program that was adopted in 1984, formalized in 2006, and updated in 2015 (see Exhibit A).

With the election of new City Council members, the liaison assignments need to be updated. Current assignments are shown in Exhibit B. Per the City Council Liaison Program, the Mayor shall make updates to the assignment after consultation with the City Council and City Manager. Staff is seeking direction from the City Council on updated liaison assignments.

ATTACHMENTS

Exhibit A – City Council Liaison Program
Exhibit B – Current City Council Liaison Assignments

City of Cherry Hills Village
Policies and Procedures
Adopted February 2006
Updated March 2015

CITY COUNCIL LIAISON PROGRAM

During the budget study sessions of 1980 and 1981, the topic of City Council liaison assignments was discussed as a method of ensuring legislative involvement in a number of important functions before the City Council was asked to act on various matters. Recognizing the roles and responsibilities assigned by the City Charter (with the City Council as the policy legislative body and the City Manager as the chief administrative officer), the Mayor and the City Manager have endorsed such a program since that time.

To clarify the role of these liaison assignments, the following policies were adopted for this program in 1984, formalized in 2006, and updated in 2015:

1. Duration of Assignment
 - a. One year minimum (usually two years), or as needed as determined by the Mayor and City Manager
 - b. The Mayor shall bring this program to the attention of the City Council and the City Manager after each City Council election, and after consultation shall make updates to Council liaison assignments
2. Categories of Assignment
 - a. City Departments
 - i. Police Department
 - ii. Public Works Department
 - iii. Parks & Trails Division
 - iv. Community Development Department
 - v. Finance Division
 - b. City Boards and Commissions
 - i. Board of Adjustment & Appeals
 - ii. Parks, Trails & Recreation Commission
 - iii. Public Art Commission
 - iv. Other Committees as determined by City Council
 - c. Outside Agencies
 - i. DRCOG
 - ii. CML Policy Making Committee
 - iii. Arapahoe County Mayors & Managers
 - iv. The Crier Committee

- v. High Line Canal Working Group
 - vi. Centennial Airport Noise Roundtable
3. Responsibility
- a. Councilmember
 - i. Be the first contact on the City Council for matters involving City policy decisions
 - ii. City Department Liaisons: Review and understand the monthly reports and general operation of the department or agency
 - iii. City Department Liaisons: Review and comment on department budget requests
 - iv. Report all public comments (pro and con) to the department or agency head for follow-up action
 - v. City Board and Commission & Outside Agencies Liaisons: Attend regular and special meetings and report anything of interest at the next City Council meeting and/or to the Mayor and City Manager as may be necessary
 - b. Department Head
 - i. Recognize departmental matters relating to the citywide policy decisions and consult with Council liaison for advice
 - ii. Review and explain monthly report data with Council liaison as needed
 - iii. Review budget request with Council liaison
 - iv. Follow-up on all public comments and report back to Council liaison

CITY COUNCIL LIAISON ASSIGNMENTS

Revised August 16, 2016

	Liaison	Alternate
<u>CITY DEPARTMENTS AND DIVISIONS:</u>		
Police Department	<i>Griffin</i>	<i>Hoellen</i>
Public Works Department	<i>K. Brown</i>	<i>A. Brown</i>
Parks & Trails Division	<i>Gallagher</i>	<i>VanderWurf</i>
Community Development Department	<i>Christman</i>	<i>Hoellen</i>
Finance Division	<i>A. Brown</i>	<i>Griffin</i>
<u>CITY BOARDS AND COMMISSIONS:</u>		
Board of Adjustment & Appeals	<i>Griffin</i>	<i>A. Brown</i>
Parks, Trails & Recreation Commission	<i>Gallagher</i>	<i>K. Brown</i>
Public Art Commission	<i>VanderWurf</i>	<i>Christman</i>
Quincy Farm Commission	<i>Christman</i>	
<u>OUTSIDE AGENCIES:</u>		
DRCOG	<i>Christman</i>	<i>Griffin</i>
CML Policy Making Committee	<i>K. Brown</i>	<i>Gallagher</i>
Arapahoe County Mayors & Managers	<i>Christman</i>	<i>A. Brown</i>
The Crier Committee	<i>VanderWurf</i>	<i>K. Brown</i>
High Line Canal Working Group	<i>Christman</i>	<i>Gallagher</i>
Centennial Airport Noise Roundtable	<i>K. Brown</i>	<i>Christman</i>

**CHERRY HILLS VILLAGE
COLORADO**

2450 E. Quincy Avenue
Cherry Hills Village, CO 80113
www.cherryhillsvillage.com

Village Center
Telephone 303-789-2541
FAX 303-761-938

ITEM: 17b

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: KAREN PROCTOR, DIRECTOR OF FINANCE AND ADMINISTRATION

SUBJECT: RESOLUTION 3, SERIES 2017; APPROVING THE FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT WITH ARAPAHOE COUNTY REGARDING A CONTRIBUTION TO THE HIGH LINE CANAL VISIONING PROJECT

DATE: JANUARY 3, 2017

ISSUE

Shall the City Council approve Resolution 3, Series 2017, approving the first amendment to the Intergovernmental Agreement with Arapahoe County regarding a contribution to the High Line Canal Visioning Project (Exhibit A)?

BACKGROUND

At the July 21, 2015 City Council meeting, Ms. Harriet LaMair, Executive Director of the High Line Conservancy, gave a presentation to the Council about the history and initiatives of the High Line Conservancy. She asked the City of Cherry Hills Village to participate in funding a long term visioning process for the High Line Canal.

The High Line Conservancy was formed out of the High Line Canal Working Group with the goal of harnessing citizen commitment to the High Line Canal and with the broad mission to ensure the future of the High Line Canal is preserved and protected forever. They have worked with the High Line Canal Working Group and the Core Team to design an inclusive bottom up planning process that will focus on building sustainable future visions for the Canal that generate from each of the local communities. The plan will also focus on building a regional vision and management plan for the High Line Canal that protects, connects and enhances the 71 mile stretch of the Canal as a multijurisdictional Greenway.

Through Ordinance 9, Series 2015, City Council approved a supplemental appropriation for \$10,000 to Arapahoe County for the support of the High Line Canal Conservancy efforts for fiscal year 2015 (Exhibit B). In October 2015, City Council also approved an Intergovernmental

Agreement with Arapahoe County regarding a contribution to the High Line Canal Visioning Project for 2015 (Exhibit A to Resolution 3, Series 2017).

The 2016 and 2017 Budgets each include \$15,000 to be paid to Arapahoe County for the support of the High Line Canal Conservancy efforts for the respective fiscal year. The proposed funding for the High Line Conservancy demonstrates a partnership that is critical to leveraging the private and public funding already committed. The 2017 payment of \$15,000 is anticipated to be the last payment to complete the Visioning Project.

After consultation with the City Attorney, staff has determined that an amendment to the 2015 IGA is necessary for the City to make these payments. Should Council approve Resolution 3, Series 2016, staff will make the 2016 payment before the 2016 audit occurs and record the payment in 2016.

BUDGET IMPACT STATEMENT

The 2016 and 2017 Budgets each include \$15,000 to be paid to Arapahoe County for the support of the High Line Canal Conservancy efforts for the respective fiscal year. Should Council approve Resolution 3, Series 2016, staff will make the 2016 payment before the 2016 audit occurs and record the payment in 2016.

STAFF RECOMMENDATION

Staff recommends that City Council approve Resolution 3, Series 2017.

RECOMMENDED MOTION

“I move to approve Resolution 3, Series 2017; approving the first amendment to the Intergovernmental Agreement regarding contribution of City of Cherry Hills Village Funds for the High Line Canal Visioning Project.”

ATTACHMENTS

Exhibit A: Resolution 3, Series 2017

Exhibit B: Ordinance 9, Series 2015

RESOLUTION NO. 3
SERIES 2017

INTRODUCED BY:
SECONDED BY:

**A
RESOLUTION
OF THE CITY COUNCIL
OF THE CITY OF CHERRY HILLS VILLAGE
APPROVING THE FIRST AMENDMENT
TO THE INTERGOVERNMENTAL AGREEMENT
WITH ARAPAHOE COUNTY REGARDING CONTRIBUTION
OF CITY OF CHERRY HILLS VILLAGE FUNDS
TO THE HIGH LINE CANAL VISIONING PROJECT**

WHEREAS, C.R.S. Section 29-1-203 authorizes governments to cooperate or contract with one another to provide any function, service, or facility; and

WHEREAS, Section 13.6 of the Cherry Hills Village Home Rule Charter authorizes the City Council, by resolution or by ordinance, to enter into contracts or agreements with other governmental units for receiving services; and

WHEREAS, the City Council has approved funding for the High Line Canal Visioning Project in 2015, 2016, and 2017; and

WHEREAS, the City Council approved an Intergovernmental Agreement with Arapahoe County regarding contribution of City funds to the High Line Canal Visioning Project in 2015 (attached as **Exhibit A**) ; and

WHEREAS, the City Council desires to approve an amendment to the Intergovernmental Agreement in order to authorize funding in 2016 and 2017 (attached as **Exhibit B**).

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cherry Hills Village, Colorado that:

Section 1. The City Council hereby approves the attached First Amendment to the Intergovernmental Agreement with Arapahoe County regarding contribution of City funds to the High Line Canal Visioning Project (**Exhibit B**) in substantially the same form as attached hereto, subject to minor modifications that do not increase the City's financial obligations and review and approval of any such modifications by the City Manager and City Attorney.

This Resolution shall be effective immediately.

Introduced, passed and adopted at the
regular meeting of City Council this ___ day
of _____, 2017, by a vote of _ yes _ no.

(SEAL)

Laura Christman, Mayor

ATTEST:

APPROVED AS TO FORM:

Laura Smith, City Clerk

Linda C. Michow, City Attorney

Exhibit A
Intergovernmental Agreement with Arapahoe County Regarding Contribution of Funds to
the High Line Canal Visioning Project

**INTERGOVERNMENTAL AGREEMENT REGARDING
CONTRIBUTION OF CITY OF CHERRY HILLS VILLAGE FUNDS
PROJECT NAME: HIGH LINE CANAL VISIONING PROJECT**

This Intergovernmental Agreement (“Agreement”), is made and entered into by and between **THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF ARAPAHOE, STATE OF COLORADO**, (the “County”) and the **CITY OF CHERRY HILLS VILLAGE**, a home rule municipality and political subdivision of the State of Colorado (the “City”) (collectively, “Parties” and individually a “Party”).

WHEREAS, on November 4, 2003, and on November 1, 2011, the voters of Arapahoe County approved a countywide sales and use tax to be deposited in the Arapahoe County Open Space Fund and used for specified open space purposes as set forth in County Resolution No. 030381, as amended by Resolution No. 110637 (the “Open Space Resolution”);

WHEREAS, the Open Space Resolution authorizes the County to expend a portion of the tax funds for the development and improvement of trails and access to public lands and also to expend funds on joint projects, as more fully set forth therein;

WHEREAS, in March, 2015, the County committed \$30,000 in funds from the Open Space funds pledged to the High Line Canal Working Group to contract with the High Line Canal Conservancy (HLCC) to undertake a comprehensive community outreach and visioning project for the future of the High Line Canal (the “Visioning Plan”);

WHEREAS, in June, 2015, Great Outdoors Colorado awarded a \$75,000 planning grant to the County and HLCC to further support the Visioning Plan (the “GOCO Grant”);

WHEREAS, the overall budget for the Visioning Plan is estimated to be a minimum of \$250,000, and on September 15, 2015 the City approved funding to go toward the Visioning Plan and to help the County and HLCC fulfill the matching requirements of the GOCO Grant; and

WHEREAS, this intergovernmental agreement is authorized by Article XIV, Section 18 of the Colorado Constitution and COLO. REV. STAT. § 29-1-203.

NOW, THEREFORE, the County and City agree as follows:

1. Funding Amount. The City agrees to contribute Ten Thousand Dollars (\$10,000.00) (the “City Funds”) toward the Visioning Plan project as described in the GOCO Grant application attached as **Exhibit A**.
2. Disbursement of City Funds. Subsequent to execution of this Agreement, the City Funds shall be paid to the County via check by October 16, 2015.
3. Time for Use of City Funds. The Parties agree that the Visioning Plan will be completed and the City Funds will be expended by no later than two (2) years from the date of this fully executed IGA, unless a longer period of time is otherwise agreed to by the City in writing.

4. Administration of the Visioning Project. The City acknowledges that the Visioning Plan will primarily be led and administered by the HLCC, and the County will enter into a service agreement with HLCC to complete the project.
5. Record Keeping Requirements. The County shall maintain a complete set of books and records documenting use of the City Funds related to the Visioning Plan. The City or any of its duly authorized representatives shall have reasonable access to any books, documents, papers, and records of the County which are pertinent to the Visioning Project for the purpose of making an audit, examination, or excerpts. The County shall keep all books, documents, papers, and records, which are pertinent to the Visioning Plan, for a minimum of three (3) years. The County agrees to report to the City any unexpended City Funds and consult with the City concerning proper accounting for unexpended City Funds.
6. Reimbursement of City Funds. The County understands and agrees that failure to expend the funds and complete the Visioning Plan in accordance with this Agreement will result in the City Funds being refunded to the City.
7. Remedies. The rights and remedies of the City as set forth in this Agreement shall not be exclusive and are in addition to any other rights or remedies provided by law.
8. No Waiver of Rights. A waiver by any Party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any Party.
9. Relationship of the Parties. The County shall perform all duties and obligations under this Agreement as an independent contractor and shall not be deemed by virtue of this Agreement to have entered into any partnership, joint venture, employer/employee, or other relationship with the City.
10. No Third Party Beneficiaries. Nothing in this Agreement shall give or allow any claim or right of action whatsoever by any third party, including, but not limited to, any agents or contractors of the Parties.
11. Severability. Should any one or more provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective; provided, however, the Parties shall forthwith enter into good faith negotiations and proceed with due diligence to draft a provision that will achieve the original intent of the Parties hereunder.
12. Written Amendment Required. This Agreement may be amended, modified, or changed, in whole or in part, only by written agreement duly authorized and executed by the Parties.
13. Venue. Venue for the trial of any action arising out of any dispute hereunder shall be in Arapahoe County District Court, pursuant to the appropriate rules of civil procedure.
14. Notices. Notices, as referred to in this Agreement, shall be sent to:

COUNTY: Arapahoe County Open Spaces
6934 S Lima St, Unit A
Centennial, Colorado 80112

and

Arapahoe County Attorney
5334 South Prince Street
Littleton, Colorado 80120-1136

and

CITY: City of Cherry Hills Village
Attn: City Manager
2450 E. Quincy Avenue
Cherry Hills Village, CO 80113

and

City Attorney
c/o City of Cherry Hills Village
2450 E. Quincy Avenue
Cherry Hills Village, CO 80113

15. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Colorado.
16. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed to be an original and all of which taken together will constitute one and the same agreement.
17. Incorporation of Exhibits. Unless otherwise stated in this Agreement, any exhibits, applications, resolutions, or other documents referenced in this Agreement shall be incorporated by reference into this Agreement for all purposes.
18. Section Headings. The headings for any section of this Agreement are only for the convenience and reference of the Parties and are not intended in any way to define, limit or describe the scope or intent of this Agreement.
19. Assignment. The rights, or any parts thereof, granted to the Parties herein may be assigned only with the prior written consent of the non-assigning party.
20. Extent of Agreement. This Agreement constitutes the entire agreement of the Parties hereto. The Parties agree that there have been no representations made regarding the subject matter hereof other than those, if any, contained herein, that this Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof,

and further agree that the various promises and covenants contained herein are mutually agreed upon and are in consideration of one another.

21. Signatures. The signatories to this Agreement represent that they are fully authorized to execute this Agreement and bind their respective entities.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the County and the City have executed this Agreement as of the date set forth below.

DATED this 6th day of October, 2015.

ATTEST:

CITY:

By: 

By: 

Laura Smith
City Clerk

Laura Christman
Mayor

ATTEST:

COUNTY OF ARAPAHOE
STATE OF COLORADO

By: Ardelia Seghers
Name Ardelia Seghers
Title Program Administrator

By: [Signature]
Shannon Carter, Director
Intergovernmental Relations and Open Spaces
Pursuant to Resolution No. 150211



Exhibit B
**First Amendment to the Intergovernmental Agreement with Arapahoe County Regarding
Contribution of Funds to the High Line Canal Visioning Project**

**FIRST AMENDMENT TO INTERGOVERNMENTAL AGREEMENT REGARDING
CONTRIBUTION OF CITY OF CHERRY HILLS VILLAGE FUNDS
PROJECT NAME: HIGH LINE CANAL VISIONING PROJECT**

This First Amendment to Intergovernmental Agreement (“First Amendment”), is made and entered into by and between **THE BOARD OF COUNTY COMMISSIONERS OF THE COUNTY OF ARAPAHOE, STATE OF COLORADO**, (the “County”) and the **CITY OF CHERRY HILLS VILLAGE**, a home rule municipality and political subdivision of the State of Colorado (the “City”) (collectively, “Parties” and individually a “Party”).

WHEREAS, the City and County previously entered into that certain Intergovernmental Agreement Regarding Contribution of City of Cherry Hills Village Funds for the High Line Canal Visioning Project dated October 6, 2015 (“Agreement”); and

WHEREAS, pursuant to the terms of the Agreement, the City and County committed and paid funds to the High Line Canal Working Group through a contract with the High Line Canal Conservancy (“HLCC”) to undertake a comprehensive community outreach and visioning project for the future of the High Line Canal (the “Visioning Plan”); and

WHEREAS, the overall budget for the Visioning Plan is estimated to be a minimum of \$250,000; and

WHEREAS, the City has paid Ten Thousand Dollars to the Visioning Plan and has budgeted and appropriated additional amounts for 2016 and 2017 on terms and conditions memorialized in this First Amendment; and

WHEREAS, this First Amendment is authorized by Article XIV, Section 18 of the Colorado Constitution and COLO. REV. STAT. § 29-1-203 and under Paragraph 10 of the Agreement.

NOW, THEREFORE, the County and City agree as follows:

1. Paragraph 1 of the Agreement, titled *Funding Amount*, is hereby amended to add the City’s payment of \$15,000 for 2016 and \$15,000 for 2017 to pay toward the Visioning Plan project as described in the GOCO Grant application attached as **Exhibit A** to the Agreement.

2. Paragraph 2 of the Agreement, titled Disbursement of City Funds, is hereby amended to read as follows:

Disbursement of City Funds. Within thirty (30) days of execution of this First Amendment, the City shall pay to the County the amount of Fifteen Thousand Dollars (\$15,000.00) for its 2016 funding commitment toward the Visioning Plan, and within sixty (60) days of execution of this First Amendment, the City shall pay to the County its 2017 commitment of Fifteen Thousand Dollars (\$15,000.00).

3. Except as amended hereby, the terms and conditions set forth in the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the County and the City have executed this Agreement as of the date set forth below.

DATED this _____ day of _____, 2017.

ATTEST:

CITY:

By: _____

By: _____

Laura Smith
City Clerk

Laura Christman
Mayor

ATTEST:

COUNTY OF ARAPAHOE
STATE OF COLORADO

By: _____

By: _____

Name
Title

Shannon Carter, Director
Intergovernmental Relations and Open Spaces
Pursuant to Resolution No. 150211

ORDINANCE NO. 9
Series 2015

September 1, 2015: Introduced as Council Bill 5, Series 2015 by Mayor Pro Tem Alex Brown, seconded by Councilor Klasina VanderWerf and considered in full text on first reading. Passed by a vote of 6 yes and 0 no.

September 15, 2015: Considered in full text on second reading. Passed by a vote of 6 yes and 0 no.

**A BILL FOR AN ORDINANCE
OF THE CITY OF CHERRY HILLS VILLAGE
AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO ARAPAHOE COUNTY FOR THE
SUPPORT OF THE HIGH LINE CANAL CONSERVANCY EFFORTS
FOR FISCAL YEAR 2015**

711NDJUZ

WHEREAS, by Ordinance No. 9, Series 2014, the City Council approved the 2015 budget and appropriated funds in accordance with such budget; and

WHEREAS, the City Council is authorized by Section 9.10 of its Home Rule Charter to make additional appropriations by ordinance during the fiscal year for unanticipated expenditures required of the City; and

WHEREAS, the City Council desires to support the efforts of High Line Canal Conservancy to preserve, protect and enhance the Canal for the public benefit; and

WHEREAS, the Conservancy has asked jurisdictions through which the Canal passes to help fund its long term planning initiative; and

WHEREAS, Arapahoe County ("County") has allocated funds from its annual Open Space budget and obtained a planning grant from the State Board of Great Outdoors Colorado Trust Fund ("GOCO") to support the Conservancy's planning efforts for the High Line Canal; and

WHEREAS, the City Council desires to make an additional appropriation of \$10,000 toward the GOCO grant to be administered by the County pursuant to an intergovernmental agreement to be entered into between the City and the County; and

WHEREAS, in accordance with Section 9.10 of the Charter, the additional appropriation contemplated herein does not exceed the amount of estimated and actual revenues in budget year 2015.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHERRY HILLS VILLAGE, COLORADO, ORDAINS:

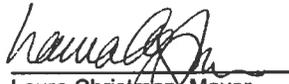
Section 1. That the 2015 Budget and Appropriations is hereby amended and supplemented by increasing the following funds and accounts, to-wit:

<u>General Fund 01-411-6068</u>	<u>From</u>	<u>To</u>
As determined on or before December 31, 2015		
Miscellaneous Expenses	\$32,000.00	\$42,000.00

Section 2. The City Council hereby ratifies all expenditures heretofore and hereafter made pursuant to this supplemental appropriation ordinance.

Adopted as Ordinance No. 9, Series 2015, by the City Council of the City of Cherry Hills Village, Colorado this 18th day of August, 2015.

(SEAL)


Laura Christman, Mayor

ATTEST:

Laura Smith
Laura Smith, City Clerk

APPROVED AS TO FORM:

Linda C. Michow
Linda C. Michow, City Attorney

Published in the Villager
Published: 9-24-15
Legal # 5934

**CITY OF CHERRY HILLS VILLAGE
ADOPTION OF ORDINANCE
ORDINANCE 9, SERIES 2015**

A Bill for an Ordinance of the City of Cherry Hills Village Approving a Supplemental Appropriation to Arapahoe County for the Support of the High Line Canal Conservancy Efforts for Fiscal Year 2015.

Copies of the Ordinances are on file at the office of the City Clerk and may be inspected during regular business hours.

Published In The Villager
Published: September 24, 2015
Legal # 5934

CHERRY HILLS VILLAGE
COLORADO

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Village Center
Telephone 303-789-2541
FAX 303-761-9386

ITEM: 18d(i)

MEMORANDUM

TO: HONORABLE MAYOR CHRISTMAN AND MEMBERS OF THE CITY COUNCIL

FROM: LAURA SMITH, CITY CLERK

SUBJECT: PLANNING AND ZONING COMMISSION VACANCY

DATE: JANUARY 3, 2017

ISSUE

The City currently has a vacancy on the Planning and Zoning Commission (P&Z) as a result of the November 2016 election.

DISCUSSION

The vacancy was included in the December issue of the Village Crier and posted on the City website. The application deadline was identified as December 30, 2016. At the time packets were completed staff has received two new applications.

Per the Board and Commission Policy adopted by Council at the November 18, 2014 meeting staff has contacted seven residents who have applied within the last two years. At the time packets were completed staff has received confirmation that four past applicant would like to be considered for the vacancy.

NEXT STEPS

Staff is asking for Council appointment of two Councilors to conduct interviews and make recommendations to Council in order to fill the vacancies.