

**URBAN RENEWAL AUTHORITY OF DACONO**

**ANNUAL BUDGET**

**FOR THE YEAR ENDING DECEMBER 31, 2022**

**URBAN RENEWAL AUTHORITY OF DACONO  
SUMMARY  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 31,815	\$ 2,267,691	\$ 2,327,813	\$ 2,327,813	\$ 2,438,034
<b>REVENUES</b>					
Incremental property taxes - Plan Area I	410,975	810,424	789,590	805,672	927,863
Incremental property taxes - Plan Area II	-	18,807	15,749	18,421	12,889,450
Interest income	418	500	442	700	500
Royalties	-	-	25,911	50,000	50,000
Transfer from City	-	3,000	-	-	-
Bond proceeds - series 2020	16,043,000	-	-	-	-
Total revenues	<u>16,454,393</u>	<u>832,731</u>	<u>831,692</u>	<u>874,793</u>	<u>13,867,813</u>
TRANSFERS IN	-	315,111	13,445	140,113	1,235,528
Total funds available	<u>16,486,208</u>	<u>3,415,533</u>	<u>3,172,950</u>	<u>3,342,719</u>	<u>17,541,375</u>
<b>EXPENDITURES</b>					
General					
Accounting	21,016	50,000	20,399	45,000	50,000
Auditing	-	7,000	5,750	5,750	7,000
County Treasurer's fee	6,164	12,438	12,080	12,361	207,260
Legal services	45,823	60,000	3,836	40,000	60,000
Professional services	60,250	100,000	-	50,000	100,000
Staffing	-	70,000	25,849	60,000	120,000
Contingency	-	10,844	701	1,000	9,082
Property tax increment payments	-	7,613	6,248	7,461	5,036,461
Debt Service					
Trustee fees	-	3,000	-	3,000	3,000
Bond interest	-	-	-	-	2,171,804
Bond principal	-	-	-	-	4,300,000
Capital Projects					
Bond issue costs - Series 2020	525,142	-	-	-	-
Capital outlay - Plan Area I	-	315,000	13,445	40,000	1,260,000
Capital outlay - Plan Area II	13,500,000	2,000,900	227,500	500,000	1,519,476
Total expenditures	<u>14,158,395</u>	<u>2,636,795</u>	<u>315,808</u>	<u>764,572</u>	<u>14,844,083</u>
TRANSFERS OUT	-	315,111	13,445	140,113	1,235,528
Total expenditures and transfers out requiring appropriation	<u>14,158,395</u>	<u>2,951,906</u>	<u>329,253</u>	<u>904,685</u>	<u>16,079,611</u>
ENDING FUND BALANCES	<u>\$ 2,327,813</u>	<u>\$ 463,627</u>	<u>\$ 2,843,697</u>	<u>\$ 2,438,034</u>	<u>\$ 1,461,764</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO  
PROPERTY TAX SUMMARY INFORMATION  
PLAN AREA I  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION - WELD COUNTY</b>					
TIF Increment	\$ 3,017,862	\$ 5,921,051	\$ 5,921,051	\$ 5,921,051	\$ 6,848,711
Total TIF Certified Assessed Value	<u>\$ 3,017,862</u>	<u>\$ 5,921,051</u>	<u>\$ 5,921,051</u>	<u>\$ 5,921,051</u>	<u>\$ 6,848,711</u>
<b>MILL LEVY</b>					
General Fund	136.181	136.872	136.069	136.069	135.480
Total mill levy	<u>136.181</u>	<u>136.872</u>	<u>136.069</u>	<u>136.069</u>	<u>135.480</u>
<b>PROPERTY TAXES</b>					
General Fund	410,975	\$ 810,424	\$ 805,672	\$ 805,672	\$ 927,863
Levied property taxes	410,975	810,424	805,672	805,672	927,863
Adjustments to actual/rounding	-	-	(16,082)	-	-
Budgeted property taxes	<u>\$ 410,975</u>	<u>\$ 810,424</u>	<u>\$ 789,590</u>	<u>\$ 805,672</u>	<u>\$ 927,863</u>
<b>BUDGETED PROPERTY TAXES</b>					
General Fund	\$ 410,975	\$ 810,424	\$ 789,590	\$ 805,672	\$ 927,863
	<u>\$ 410,975</u>	<u>\$ 810,424</u>	<u>\$ 789,590</u>	<u>\$ 805,672</u>	<u>\$ 927,863</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO**  
**PROPERTY TAX SUMMARY INFORMATION**  
**PLAN AREA II**  
**2021 BUDGET**  
**WITH 2020 ACTUAL AND 2021 ESTIMATED**  
**For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
<b>ASSESSED VALUATION - WELD COUNTY</b>					
TIF Increment	\$ -	\$ 159,460	\$ 159,460	\$ 159,460	\$ 109,674,750
Total TIF Certified Assessed Value	<u>\$ -</u>	<u>\$ 159,460</u>	<u>\$ 159,460</u>	<u>\$ 159,460</u>	<u>\$ 109,674,750</u>
<b>MILL LEVY</b>					
Debt Service	-	117.942	115.521	115.521	117.524
Total mill levy	<u>-</u>	<u>117.942</u>	<u>115.521</u>	<u>115.521</u>	<u>117.524</u>
<b>PROPERTY TAXES</b>					
Debt Service	\$ -	\$ 18,807	\$ 18,421	\$ 18,421	\$ 12,889,450
Levied property taxes	-	18,807	18,421	18,421	12,889,450
Adjustments to actual/rounding	-	-	(2,672)	-	-
Budgeted property taxes	<u>\$ -</u>	<u>\$ 18,807</u>	<u>\$ 15,749</u>	<u>\$ 18,421</u>	<u>\$ 12,889,450</u>
<b>BUDGETED PROPERTY TAXES</b>					
Debt Service	\$ -	\$ 18,807	\$ 15,749	\$ 18,421	\$ 12,889,450
	<u>\$ -</u>	<u>\$ 18,807</u>	<u>\$ 15,749</u>	<u>\$ 18,421</u>	<u>\$ 12,889,450</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO  
GENERAL FUND  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ 31,815	\$ 267,291	\$ 309,537	\$ 309,537	\$ 811,487
REVENUES					
Incremental property taxes - Plan Area I	410,975	810,424	789,590	805,672	927,863
Royalties	-	-	25,911	50,000	50,000
Total revenues	<u>410,975</u>	<u>810,424</u>	<u>815,501</u>	<u>855,672</u>	<u>977,863</u>
TRANSFERS IN					
Debt Service Fund - administration fees	-	111	-	113	75,528
Total transfers in	<u>-</u>	<u>111</u>	<u>-</u>	<u>113</u>	<u>75,528</u>
Total funds available	<u>442,790</u>	<u>1,077,826</u>	<u>1,125,038</u>	<u>1,165,322</u>	<u>1,864,878</u>
EXPENDITURES					
Accounting	21,016	50,000	20,399	45,000	50,000
Auditing	-	7,000	5,750	5,750	7,000
County treasurer's fee	6,164	12,156	11,844	12,085	13,918
Legal services	45,823	60,000	3,836	40,000	60,000
Professional Services	60,250	100,000	-	50,000	100,000
Staffing	-	70,000	25,849	60,000	120,000
Contingency	-	10,844	701	1,000	9,082
Total expenditures	<u>133,253</u>	<u>310,000</u>	<u>68,379</u>	<u>213,835</u>	<u>360,000</u>
TRANSFERS OUT					
Capital Projects Fund - Plan Area I	-	219,765	13,445	43,801	1,048,729
Capital Projects Fund - Plan Area I (Mountain View Fire)	-	95,235	-	96,199	111,271
Total transfers out	<u>-</u>	<u>315,000</u>	<u>13,445</u>	<u>140,000</u>	<u>1,160,000</u>
Total expenditures and transfers out requiring appropriation	<u>133,253</u>	<u>625,000</u>	<u>81,824</u>	<u>353,835</u>	<u>1,520,000</u>
ENDING FUND BALANCES	<u>\$ 309,537</u>	<u>\$ 452,826</u>	<u>\$ 1,043,214</u>	<u>\$ 811,487</u>	<u>\$ 344,878</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO  
DEBT SERVICE FUND  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 7,571
REVENUES					
Incremental property taxes - Plan Area II	-	18,807	15,749	18,421	12,889,450
Transfer from City	-	3,000	-	-	-
Total revenues	-	21,807	15,749	18,421	12,889,450
Total funds available	-	21,807	15,749	18,421	12,897,021
EXPENDITURES					
Trustee fees	-	3,000	-	3,000	3,000
County Treasurer's fee	-	282	236	276	193,342
Property tax increment payment - AIMS Junior College	-	94	77	92	93,187
Property tax increment payment - School Dist RE1J	-	4,567	3,699	4,417	2,889,025
Property tax increment payment - School Dist RE8	-	88	78	93	94,340
Property tax increment payment - St Vrain Sanitation	-	74	60	71	47,079
Property tax increment payment - Weld County	-	1,179	989	1,181	812,275
Property tax increment payment - Mountain View Fire	-	1,457	1,218	1,455	1,000,440
Property tax increment payment - Northern Colorado Water	-	154	127	152	100,115
Bond interest	-	-	-	-	2,171,804
Bond principal	-	-	-	-	4,300,000
Total expenditures	-	10,895	6,484	10,737	11,704,607
TRANSFERS OUT					
General Fund - Administration fees	-	111	-	113	75,528
Total transfers out	-	111	-	113	75,528
Total expenditures and transfers out requiring appropriation	-	11,006	6,484	10,850	11,780,135
ENDING FUND BALANCES	\$ -	\$ 10,801	\$ 9,265	\$ 7,571	\$ 1,116,886

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO  
CAPITAL PROJECTS FUND - PLAN AREA I  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 100,000
REVENUES					
Total revenues	-	-	-	-	-
TRANSFERS IN					
General Fund	-	315,000	13,445	140,000	1,160,000
Total transfers in	-	315,000	13,445	140,000	1,160,000
Total funds available	-	315,000	13,445	140,000	1,260,000
EXPENDITURES					
I-25 Corridor (market analysis)	-	150,000	-	-	150,000
URAD Property (site planning)	-	65,000	13,445	40,000	25,000
County Road 12 (design/survey)	-	100,000	-	-	100,000
County Road 12 (construction)	-	-	-	-	985,000
Total expenditures	-	315,000	13,445	40,000	1,260,000
Total expenditures and transfers out requiring appropriation	-	315,000	13,445	40,000	1,260,000
ENDING FUND BALANCES	\$ -	\$ -	\$ -	\$ 100,000	\$ -

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.

**URBAN RENEWAL AUTHORITY OF DACONO  
CAPITAL PROJECTS FUND - PLAN AREA II  
2021 BUDGET  
WITH 2020 ACTUAL AND 2021 ESTIMATED  
For the Years Ended and Ending December 31,**

9/30/2021

	ACTUAL 2020	BUDGET 2021	ACTUAL 6/30/21	ESTIMATED 2021	BUDGET 2022
BEGINNING FUND BALANCES	\$ -	\$ 2,000,400	\$ 2,018,276	\$ 2,018,276	\$ 1,518,976
REVENUES					
Bond proceeds - Series 2020	16,043,000	-	-	-	-
Interest income	418	500	442	700	500
Total revenues	<u>16,043,418</u>	<u>500</u>	<u>442</u>	<u>700</u>	<u>500</u>
Total funds available	<u>16,043,418</u>	<u>2,000,900</u>	<u>2,018,718</u>	<u>2,018,976</u>	<u>1,519,476</u>
EXPENDITURES					
Bond issue costs - Series 2020	525,142	-	-	-	-
Capital outlay	13,500,000	2,000,900	227,500	500,000	1,519,476
Total expenditures	<u>14,025,142</u>	<u>2,000,900</u>	<u>227,500</u>	<u>500,000</u>	<u>1,519,476</u>
Total expenditures and transfers out requiring appropriation	<u>14,025,142</u>	<u>2,000,900</u>	<u>227,500</u>	<u>500,000</u>	<u>1,519,476</u>
ENDING FUND BALANCES	<u>\$ 2,018,276</u>	<u>\$ -</u>	<u>\$ 1,791,218</u>	<u>\$ 1,518,976</u>	<u>\$ -</u>

PRELIMINARY DRAFT - SUBJECT TO REVISION  
No assurance provided. See summary of significant assumptions.



**URBAN RENEWAL AUTHORITY OF DACONO  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Services Provided**

The Economic Development Authority of Dacono was formed by resolution passed March 23, 2015, by the City Council of the City of Dacono, Colorado (the City) pursuant to the Colorado Urban Renewal Law, Colorado Revised Statutes. On June 8, 2020, a resolution was passed to change the name of the organization to the Urban Renewal Authority of Dacono (Authority). The purpose of the Authority is to acquire and develop certain blighted areas in the City to maintain the public welfare.

The Authority is considered a component unit of the City since the Authority's tax increment financing indicates financial accountability with the City, due to the benefits redevelopment will provide the City. The Mayor appoints the Authority board members and the City Council reviews the Urban Renewal Plans and any changes thereto. Legal counsel is of the opinion that under state statutes, the City is not liable with respect to the bonds issued by the Authority.

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

The Authority prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Revenues**

**Incremental Property Taxes**

The Authority receives incremental property tax revenue for each of the active Urban Renewal areas. Incremental property tax revenues are the property tax revenues in excess of an amount equal to the ad valorem property taxes produced by the levy at the rates fixed for such year by or for the governing bodies of the various taxing jurisdictions within or overlapping the Urban Renewal area upon a valuation for assessment equal to the property tax base amount. The property tax base amount is certified by the County Assessor as the valuation for assessment of all taxable property within the Urban Renewal area last certified by the County Assessor prior to the adoption of the Urban Renewal plan. The base amount may be proportionately adjusted for general reassessments in accordance with Colorado law.

The calculation of the incremental property taxes budgeted is displayed on the Property Summary Information pages the budget at the estimated mill levies for each project area.

**Interest Income**

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

**URBAN RENEWAL AUTHORITY OF DACONO  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures**

**Administrative Expenditures**

Administrative expenditures include the services necessary to maintain the administrative viability such as legal, accounting, audit, contractual, and professional services, and other administrative expenses for the Authority.

**County Treasurer's Fees**

County Treasurer's collection fees have been computed at 1.5% of the incremental property taxes.

**Property Tax Increment Payment**

*City Cooperation Agreement.* On December 16, 2019, the Authority entered into a Cooperation Agreement (Dacono II Urban Renewal Plan) with the City (the "*City Cooperation Agreement*"). Pursuant to the City Cooperation Agreement, the parties agreed that, in furtherance of carrying out the purposes of the Plan, the Authority may retain and expend, 100% of the following revenue: (a) incremental property tax revenues derived from the City's mill levy and transferred by the County Treasurer to the Authority for deposit into the Special Fund (the "*City Property Tax Increment*") and (b) the incremental sales and use tax revenues from the portion of the City's 3.0% general fund sales and use tax which are in excess of the sales tax base amount which revenues are deposited into the Special Fund by the City (the "*City Sales Tax Increment*" and together with the City Property Tax Increment, the "*City Increment*"). Under the City Cooperation Agreement, the Authority agreed to use the City Increment to pay eligible costs of the redevelopment of the TIF Area. The City Sales Tax Increment is not pledged to the Bonds and will be used by the Authority for other uses. The City presently imposes a debt service mill levy for the payment of general obligation indebtedness (2.62 of its 25.082 mills imposed in 2019, all of which will contribute to the Pledged Revenues) with a final maturity date of December 1, 2025.

*County Tax Increment Revenue Sharing Agreement.* On December 16, 2019, the Authority entered into a Tax Increment Revenue Sharing Agreement with the County (the "*County Sharing Agreement*"). The parties agreed that the Authority may retain 50% of the net property tax increment revenues generated from the County's mill levy during the TIF Period (the "*County Increment*") and the Authority will remit to the County the remaining 50% of the net property tax increment revenues.

*St. Vrain Valley School District IGA.* On December 16, 2019, the Authority and St. Vrain Valley School District RE-1J (the "*St. Vrain School District*") entered into an Intergovernmental Agreement for Tax Increment Revenue Sharing By And Between the Economic Development Authority of Dacono and St. Vrain Valley School District (the "*St. Vrain School District IGA*"). The parties agreed that the Authority may retain the property tax increment revenues generated from the St. Vrain School District's mill levy (currently in the amount of 24.995 mills) established by the Colorado Public School Finance Act, Section 22-54-106, C.R.S. (the "*St. Vrain Total Program Mill Levy Increment*") and the Authority will remit to the St. Vrain School District all of the property tax increment revenues derived from the St. Vrain School District's other mill levies and any future mill levies. The parties agreed that the Authority may retain an annual administrative fee equal to 1% of property tax increment revenues received by the Authority to pay the administrative costs of the Authority.

**URBAN RENEWAL AUTHORITY OF DACONO  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Property Tax Increment Payment (Continued)**

*Weld RE-8 School District IGA.* On December 11, 2019, the Authority and Weld RE-8 School District (the “Weld School District”) entered into an Intergovernmental Agreement for Tax Increment Revenue Sharing By And Between the Economic Development Authority of Dacono and Weld RE-8 School District (the “*Weld School District IGA*”). The parties agreed that the Authority may retain the property tax increment revenues generated from the Weld School District’s mill levy (currently in the amount of 12.143 mills) established by the Colorado Public School Finance Act, Section 22-54-106, C.R.S. (the “Weld Total Program Mill Levy Increment”) and the Authority will remit to the Weld School District all of the property tax increment revenues derived from the Weld School District’s other mill levies and any future mill levies.

*Carbon Valley Parks and Recreation District IGA.* On November 19, 2019, the Authority and Carbon Valley Parks and Recreation District (the “Parks and Recreation District”) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Carbon Valley Parks and Recreation District) (Dacono II Urban Renewal Plan) (the “*Parks and Recreation District IGA*”). The parties agreed that the Authority may retain and expend in furtherance of the Urban Renewal Project 100% of the property tax increment revenues generated from the Parks and Recreation District’s mill levy (the “Parks and Recreation District Increment”). The parties agreed that the Authority may retain an annual administrative fee equal to 1% of the incremental property tax revenue received by the Authority to pay the administrative costs of the Authority.

*Mountain View Fire Rescue District IGA.* On December 9, 2019, the Authority and Mountain View Fire Rescue District (the “Fire District”) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Mountain View Fire Rescue District) (Dacono II Urban Renewal Plan) (the “*Fire District IGA*”). The parties agreed that the Authority may retain and expend in furtherance of the Urban Renewal Project 42% of the property tax increment revenues generated from the Fire District’s mill levy (the “Fire District Increment”), subject to a limit of \$16,000,000 (the “Fire District Increment Cap”). If the Authority collections hit the Fire District Increment Cap prior to expiration of the TIF Period, then the Authority will not be entitled to retain the Fire District Increment and will remit it to the Fire District. The parties agreed that the Authority may retain an annual administrative fee equal to 1% of the property tax increment revenues received by the Authority to pay the administrative costs of the Authority. The Authority agreed to use the Fire District Increment solely for transportation infrastructure projects identified in the Plan. Given the restrictions on the use of the Fire District Increment in the Fire District IGA, the Fire District Increment is not pledged to the payment of the Bonds.

*High Plains Library District IGA.* On December 16, 2019, the Authority entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (High Plains Library District) (Dacono II Urban Renewal Plan) with High Plains Library District (the “Library District”) (the “*Library District IGA*”). The parties agreed that the Authority will remit to the Library District all of the property tax increment revenues derived from the Library District’s mill levy allocated to the Special Fund, except that the Authority may retain an annual administrative fee equal to 1% of such property tax increment revenues to pay the administrative costs of the Authority.

**URBAN RENEWAL AUTHORITY OF DACONO  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Expenditures (Continued)**

**Property Tax Increment Payment (Continued)**

*St. Vrain Sanitation District IGA.* On November 20, 2019, the Authority and St. Vrain Sanitation District (as previously defined, the “Sanitation District”) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (St. Vrain Sanitation District) (Dacono II Urban Renewal Plan) (the “*Sanitation District IGA*”). The parties agreed that the Authority will remit to the Sanitation District all of the property tax increment revenues derived from the Sanitation District’s mill levy allocated to the Special Fund, except that the Authority may retain an annual administrative fee equal to 1% of property tax increment revenues received by the Authority to pay the administrative costs of the Authority.

*Aims Junior College District IGA.* On December 3, 2019, the Authority and Aims Junior College District (the “College District”) entered into an Intergovernmental Agreement for Property Tax Increment Revenue Sharing (Aims Junior College District) (Dacono II Urban Renewal Plan) (the “*College District IGA*”). The parties agreed that the Authority will remit to the College District all of the property tax increment revenues derived from the College District’s mill levy allocated to the Special Fund.

*Northern Colorado Water Conservancy District.* On November 25, 2019, the Authority sent a letter to the Northern Colorado Water Conservancy District (the “Water District”) to notify the Water District that the Authority would remit to the Water District all of the property tax increment revenues derived from the Water District’s mill levy. Accordingly, the Authority did not enter into an intergovernmental agreement with the Water District governing the sharing of incremental property tax revenues.

**Debt and Leases**

**City Loan**

Between 2016 and 2019, the City of Dacono General Fund loaned the Authority \$877,677 to implement plan objectives. These objectives include eliminating and preventing the spread of blight within the Plan Area and to stimulate growth and investment within the Area boundaries. The funds were used for property acquisition and public improvements in the Plan Area. Currently, the Authority is to retain all of the TIF funds collected. In future years, the Authority anticipates TIF revenues to increase and the loan will be repaid at that time.

**Tax Increment Revenue Bonds, Series 2020**

On October 28, 2020, the Authority issued \$16,043,000 in Tax Increment Revenue Bonds, Series 2020. Proceeds from the bonds will be used to: (i) acquire certain water rights known as the Windy Gap Units for use in the TIF Area and elsewhere within the City, (ii) finance a portion of the costs of the design, construction, acquisition, and equipping of certain water and sewer infrastructure within the TIF Area and elsewhere within the City, and (iii) pay costs of issuing the bonds.

The bonds bear interest rate of 6.250% per annum and are payable annually on December 1, beginning on December 1, 2020 from and to the extent of available pledged revenue. The bonds mature on December 1, 2039 and are subject to mandatory redemption on December 1 of each year to the extent

**URBAN RENEWAL AUTHORITY OF DACONO  
2022 BUDGET  
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

**Debt and Leases (Continued)**

**Tax Increment Revenue Bonds, Series 2020 (Continued)**

of available pledged revenue. The bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date.

Pledged revenue consists of pledged property tax revenues and any other legally available moneys, which the Authority determines, in its absolute discretion, to transfer to the Trustee for application as pledged revenue. Pledged property tax revenues are generally defined as that portion of the property tax increment revenues that is derived solely from property classified as oil and gas real property or oil and gas personal property as certified by the County Assessor in the TIF Area, net of any costs of collection of the City and/or County and any tax refunds or abatements authorized by or on behalf of the City and/or County. Property tax increment revenues generated from other taxable property in the TIF Area are not pledged to the payment of the bonds.

To the extent principal of any bonds is not paid when due, such principal shall remain outstanding until the termination date of December 2, 2044 and shall continue to bear interest at the rate then borne by the bonds. To the extent interest on any bonds is not paid when due, such interest shall compound annually on each interest payment date at the rate then borne by the bonds. The bonds will be deemed discharged on the termination date.

The District has no capital or operating leases.

**This information is an integral part of the accompanying budget.**