## Owatonna School District ISD #761

**Analysis of Tax Impact for Potential Bond Issue** **August 6, 2019**
**November 5, 2019 Election**

| Ballot Question | 1 | Both 1 & 2 |
|---|---|---|
| Bond Issue Amount | $104,000,000 | $112,000,000 |
| Average Interest Rate | 4.00% | 4.00% |
| Number of Years | 25 | 25 |
| Bond Structure | Wrap Around | Wrap Around |
| Ag Credit Percent in First Tax Year | 50% | 50% |

| Type of Property | Estimated Market Value | Estimated Annual Debt Service Tax Change from Taxes Payable in 2019 to Taxes Payable 2020 | |
|---|---|---|---|
| Residential Homestead | $75,000 | $57 | $62 |
| | 100,000 | 91 | 99 |
| | 125,000 | 125 | 136 |
| | 150,000 | 160 | 174 |
| | 175,000 | 194 | 211 |
| | 200,000 | 229 | 249 |
| | 250,000 | 298 | 324 |
| | 300,000 | 367 | 399 |
| | 350,000 | 436 | 474 |
| | 400,000 | 505 | 549 |
| | 500,000 | 634 | 689 |
| Commercial/ Industrial | $250,000 | $538 | $585 |
| | 500,000 | 1,172 | 1,274 |
| | 1,000,000 | 2,439 | 2,651 |
| | 2,000,000 | 4,973 | 5,405 |
| Agricultural Homestead** (average value per acre of land & buildings) | 3,000 | $0.67 | $0.75 |
| | 4,000 | 0.89 | 1.00 |
| | 5,000 | 1.11 | 1.25 |
| | 6,000 | 1.33 | 1.50 |
| Agricultural Non-Homestead** (average value per acre of land & buildings) | 3,000 | $1.33 | $1.50 |
| | 4,000 | 1.78 | 2.00 |
| | 5,000 | 2.22 | 2.50 |
| | 6,000 | 2.67 | 3.00 |

* Estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for many property owners.

** For agricultural property, estimated tax impact includes 50% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total assessed value of all land & buildings divided by total acres. Homestead examples exclude the house, garage, and one acre, which has the same tax impact as a residential homestead.

# Owatonna School District No. 761

## Analysis of Possible Structure for Capital and Debt Levies

## Question 1 on Ballot

**$104,000,000 Bond Issue**
**November 5, 2019 Election**
**25 Year Bond Term**
**New Debt Wrapped Around Existing**

**August 6, 2019**

| | |
|---|---|
| Principal Amount: | $104,000,000 |
| Dated Date: | February 1, 2020 |
| Avg. Interest Rate: | 4.00% |

| Levy Pay. Year | Fiscal Year | Tax Capacity Value [1] ($000s) | | Existing Commitments: Building Bonds [2] | Est. Debt Excess [3] | State Debt Aid | Net Levy | Tax Rate | Proposed New Debt: Principal | Interest | Est. Debt Excess [3] | Adjusted Debt Levy | Combined Totals: Adjusted Debt Levy | State Aid | Net Levy | Tax Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019 | 2020 | 30,361 | 5.4% | 6,037,815 | (308,383) | - | 5,729,432 | 18.87 | - | - | | - | 5,729,432 | - | 5,729,432 | 18.87 |
| 2020 | 2021 | 31,272 | 3.0% | 5,337,885 | (370,426) | - | 4,967,459 | 15.88 | 325,000 | 4,160,000 | 185,000 | 4,894,250 | 9,861,709 | - | 9,861,709 | 31.54 |
| 2021 | 2022 | 31,585 | 1.0% | 5,338,095 | (213,515) | - | 5,124,580 | 16.22 | 1,105,000 | 4,147,000 | - | 5,514,600 | 10,639,180 | (680,195) | 9,958,984 | 31.53 |
| 2022 | 2023 | 31,585 | 0.0% | 5,340,720 | (213,524) | - | 5,127,196 | 16.23 | 1,145,000 | 4,102,800 | - | 5,510,190 | 10,637,386 | (677,614) | 9,959,772 | 31.53 |
| 2023 | 2024 | 31,585 | 0.0% | 5,340,353 | (213,629) | - | 5,126,724 | 16.23 | 1,400,000 | 4,057,000 | (220,408) | 5,509,442 | 10,636,167 | (677,198) | 9,958,968 | 31.53 |
| 2024 | 2025 | 31,585 | 0.0% | 5,336,993 | (213,614) | - | 5,123,379 | 16.22 | 1,460,000 | 4,001,000 | (220,378) | 5,513,672 | 10,637,051 | (677,500) | 9,959,551 | 31.53 |
| 2025 | 2026 | 31,585 | 0.0% | 5,339,355 | (213,480) | - | 5,125,875 | 16.23 | 1,515,000 | 3,942,600 | (220,547) | 5,509,933 | 10,635,808 | (677,076) | 9,958,732 | 31.53 |
| 2026 | 2027 | 31,585 | 0.0% | 5,338,043 | (213,574) | - | 5,124,469 | 16.22 | 1,575,000 | 3,882,000 | (220,397) | 5,509,453 | 10,633,921 | (676,433) | 9,957,489 | 31.53 |
| 2027 | 2028 | 31,585 | 0.0% | 5,339,723 | (213,522) | - | 5,126,201 | 16.23 | 1,640,000 | 3,819,000 | (220,378) | 5,511,572 | 10,637,773 | (677,746) | 9,960,027 | 31.53 |
| 2028 | 2029 | 31,585 | 0.0% | 5,337,780 | (213,589) | - | 5,124,191 | 16.22 | 1,705,000 | 3,753,400 | (220,463) | 5,510,857 | 10,635,048 | (676,817) | 9,958,231 | 31.53 |
| 2029 | 2030 | 31,585 | 0.0% | 5,337,465 | (213,511) | - | 5,123,954 | 16.22 | 1,775,000 | 3,685,200 | (220,434) | 5,512,776 | 10,636,730 | (677,390) | 9,959,339 | 31.53 |
| 2030 | 2031 | 31,585 | 0.0% | 5,338,620 | (213,499) | - | 5,125,121 | 16.23 | 1,845,000 | 3,614,200 | (220,511) | 5,511,649 | 10,636,770 | (677,404) | 9,959,366 | 31.53 |
| 2031 | 2032 | 31,585 | 0.0% | 5,341,088 | (213,545) | - | 5,127,543 | 16.23 | 1,915,000 | 3,540,400 | (220,466) | 5,507,704 | 10,635,247 | (676,885) | 9,958,363 | 31.53 |
| 2032 | 2033 | 31,585 | 0.0% | 5,339,460 | (213,644) | - | 5,125,816 | 16.23 | 1,995,000 | 3,463,800 | (220,308) | 5,511,432 | 10,637,248 | (677,567) | 9,959,681 | 31.53 |
| 2033 | 2034 | 31,585 | 0.0% | 5,338,988 | (213,578) | - | 5,125,410 | 16.23 | 2,075,000 | 3,384,000 | (220,457) | 5,511,493 | 10,636,902 | (677,449) | 9,959,453 | 31.53 |
| 2034 | 2035 | 31,585 | 0.0% | 5,339,513 | (213,560) | - | 5,125,953 | 16.23 | 2,155,000 | 3,301,000 | (220,460) | 5,508,340 | 10,634,294 | (676,559) | 9,957,734 | 31.53 |
| 2035 | 2036 | 31,585 | 0.0% | 5,339,828 | (213,581) | - | 5,126,247 | 16.23 | 2,240,000 | 3,214,800 | (220,334) | 5,507,206 | 10,633,454 | (676,273) | 9,957,181 | 31.53 |
| 2036 | 2037 | 31,585 | 0.0% | - | - | - | - | - | 7,215,000 | 3,125,200 | (220,288) | 10,636,922 | 10,636,922 | (677,456) | 9,959,466 | 31.53 |
| 2037 | 2038 | 31,585 | 0.0% | - | - | - | - | - | 7,700,000 | 2,836,600 | (425,477) | 10,637,953 | 10,637,953 | (677,808) | 9,960,146 | 31.53 |
| 2038 | 2039 | 31,585 | 0.0% | - | - | - | - | - | 8,005,000 | 2,528,600 | (425,518) | 10,634,762 | 10,634,762 | (676,719) | 9,958,043 | 31.53 |
| 2039 | 2040 | 31,585 | 0.0% | - | - | - | - | - | 8,325,000 | 2,208,400 | (425,390) | 10,634,680 | 10,634,680 | (676,691) | 9,957,988 | 31.53 |
| 2040 | 2041 | 31,585 | 0.0% | - | - | - | - | - | 8,660,000 | 1,875,400 | (425,387) | 10,636,783 | 10,636,783 | (677,408) | 9,959,374 | 31.53 |
| 2041 | 2042 | 31,585 | 0.0% | - | - | - | - | - | 9,005,000 | 1,529,000 | (425,471) | 10,635,229 | 10,635,229 | (676,878) | 9,958,350 | 31.53 |
| 2042 | 2043 | 31,585 | 0.0% | - | | - | - | - | 9,365,000 | 1,168,800 | (425,409) | 10,635,081 | 10,635,081 | (676,828) | 9,958,253 | 31.53 |
| 2043 | 2044 | 31,585 | 0.0% | - | - | - | - | - | 9,740,000 | 794,200 | (425,403) | 10,635,507 | 10,635,507 | (676,973) | 9,958,534 | 31.53 |
| 2044 | 2045 | 31,585 | 0.0% | - | - | - | - | - | 10,115,000 | 404,600 | (425,420) | 10,620,160 | 10,620,160 | (671,739) | 9,948,421 | 31.50 |
| 2045 | 2046 | 31,585 | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | | | | 91,461,724 | (3,882,172) | - | 87,579,552 | | 104,000,000 | 76,539,000 | (6,304,305) | 183,261,645 | 270,841,196 | (16,248,608) | 254,592,588 | |

1 Tax capacity value for taxes payable in 2019 is the actual final value. Estimates for future years are based on the percentage changes as shown above.

2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.

3 The debt excess adjustment for taxes payable in 2019 is the actual amount, and the estimate for 2020 is based on the actual fund balance. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy. If the proposed bond issue is approved by voters, that will cause a reduction in the debt excess adjustment for taxes payable in 2020, as shown above.

# Owatonna School District No. 761

## Analysis of Possible Structure for Capital and Debt Levies

## Both Question 1 & 2 on Ballot

**$112,000,000 Bond Issue**
**November 5, 2019 Election**
**25 Year Bond Term**
**New Debt Wrapped Around Existing**

**August 6, 2019**

| | |
|---|---|
| Principal Amount: | $112,000,000 |
| Dated Date: | February 1, 2020 |
| Avg. Interest Rate: | 4.00% |

| Levy Pay. Year | Fiscal Year | Tax Capacity Value [1] ($000s) | | Existing Commitments: Building Bonds [2] | Est. Debt Excess [3] | State Debt Aid | Net Levy | Tax Rate | Proposed New Debt: Principal | Interest | Est. Debt Excess [3] | Adjusted Debt Levy | Combined Totals: Adjusted Debt Levy | State Aid | Net Levy | Tax Rate |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2019 | 2020 | 30,361 | 5.4% | 6,037,815 | (308,383) | - | 5,729,432 | 18.87 | - | - | | - | 5,729,432 | - | 5,729,432 | 18.87 |
| 2020 | 2021 | 31,272 | 3.0% | 5,337,885 | (370,426) | - | 4,967,459 | 15.88 | 320,000 | 4,480,000 | 200,000 | 5,240,000 | 10,207,459 | - | 10,207,459 | 32.64 |
| 2021 | 2022 | 31,585 | 1.0% | 5,338,095 | (213,515) | - | 5,124,580 | 16.22 | 1,290,000 | 4,467,200 | - | 6,045,060 | 11,169,640 | (861,647) | 10,307,993 | 32.64 |
| 2022 | 2023 | 31,585 | 0.0% | 5,340,720 | (213,524) | - | 5,127,196 | 16.23 | 1,335,000 | 4,415,600 | - | 6,038,130 | 11,165,326 | (857,681) | 10,307,646 | 32.63 |
| 2023 | 2024 | 31,585 | 0.0% | 5,340,353 | (213,629) | - | 5,126,724 | 16.23 | 1,620,000 | 4,362,200 | (241,525) | 6,039,785 | 11,166,509 | (858,084) | 10,308,425 | 32.64 |
| 2024 | 2025 | 31,585 | 0.0% | 5,336,993 | (213,614) | - | 5,123,379 | 16.22 | 1,685,000 | 4,297,400 | (241,591) | 6,039,929 | 11,163,307 | (856,992) | 10,306,315 | 32.63 |
| 2025 | 2026 | 31,585 | 0.0% | 5,339,355 | (213,480) | - | 5,125,875 | 16.23 | 1,750,000 | 4,230,000 | (241,597) | 6,037,403 | 11,163,278 | (856,982) | 10,306,296 | 32.63 |
| 2026 | 2027 | 31,585 | 0.0% | 5,338,043 | (213,574) | - | 5,124,469 | 16.22 | 1,825,000 | 4,160,000 | (241,496) | 6,042,754 | 11,167,223 | (858,327) | 10,308,895 | 32.64 |
| 2027 | 2028 | 31,585 | 0.0% | 5,339,723 | (213,522) | - | 5,126,201 | 16.23 | 1,895,000 | 4,087,000 | (241,710) | 6,039,390 | 11,165,591 | (857,771) | 10,307,820 | 32.64 |
| 2028 | 2029 | 31,585 | 0.0% | 5,337,780 | (213,589) | - | 5,124,191 | 16.22 | 1,975,000 | 4,011,200 | (241,576) | 6,043,934 | 11,168,125 | (858,635) | 10,309,490 | 32.64 |
| 2029 | 2030 | 31,585 | 0.0% | 5,337,465 | (213,511) | - | 5,123,954 | 16.22 | 2,055,000 | 3,932,200 | (241,757) | 6,044,803 | 11,168,756 | (858,850) | 10,309,906 | 32.64 |
| 2030 | 2031 | 31,585 | 0.0% | 5,338,620 | (213,499) | - | 5,125,121 | 16.23 | 2,140,000 | 3,850,000 | (241,792) | 6,047,708 | 11,172,829 | (860,240) | 10,312,590 | 32.65 |
| 2031 | 2032 | 31,585 | 0.0% | 5,341,088 | (213,545) | - | 5,127,543 | 16.23 | 2,220,000 | 3,764,400 | (241,908) | 6,041,712 | 11,169,255 | (859,021) | 10,310,234 | 32.64 |
| 2032 | 2033 | 31,585 | 0.0% | 5,339,460 | (213,644) | - | 5,125,816 | 16.23 | 2,310,000 | 3,675,600 | (241,668) | 6,043,212 | 11,169,028 | (858,943) | 10,310,085 | 32.64 |
| 2033 | 2034 | 31,585 | 0.0% | 5,338,988 | (213,578) | - | 5,125,410 | 16.23 | 2,405,000 | 3,583,200 | (241,728) | 6,045,882 | 11,171,291 | (859,715) | 10,311,576 | 32.65 |
| 2034 | 2035 | 31,585 | 0.0% | 5,339,513 | (213,560) | - | 5,125,953 | 16.23 | 2,500,000 | 3,487,000 | (241,835) | 6,044,515 | 11,170,468 | (859,434) | 10,311,034 | 32.65 |
| 2035 | 2036 | 31,585 | 0.0% | 5,339,828 | (213,581) | - | 5,126,247 | 16.23 | 2,600,000 | 3,387,000 | (241,781) | 6,044,569 | 11,170,817 | (859,553) | 10,311,264 | 32.65 |
| 2036 | 2037 | 31,585 | 0.0% | - | - | - | - | - | 7,585,000 | 3,283,000 | (241,783) | 11,169,617 | 11,169,617 | (859,144) | 10,310,473 | 32.64 |
| 2037 | 2038 | 31,585 | 0.0% | - | - | - | - | - | 8,085,000 | 2,979,600 | (446,785) | 11,171,045 | 11,171,045 | (859,631) | 10,311,414 | 32.65 |
| 2038 | 2039 | 31,585 | 0.0% | - | - | - | - | - | 8,410,000 | 2,656,200 | (446,842) | 11,172,668 | 11,172,668 | (860,185) | 10,312,483 | 32.65 |
| 2039 | 2040 | 31,585 | 0.0% | - | - | - | - | - | 8,745,000 | 2,319,800 | (446,907) | 11,171,133 | 11,171,133 | (859,661) | 10,311,472 | 32.65 |
| 2040 | 2041 | 31,585 | 0.0% | - | - | - | - | - | 9,095,000 | 1,970,000 | (446,845) | 11,171,405 | 11,171,405 | (859,754) | 10,311,651 | 32.65 |
| 2041 | 2042 | 31,585 | 0.0% | - | - | - | - | - | 9,460,000 | 1,606,200 | (446,856) | 11,172,654 | 11,172,654 | (860,180) | 10,312,474 | 32.65 |
| 2042 | 2043 | 31,585 | 0.0% | - | | - | - | - | 9,835,000 | 1,227,800 | (446,906) | 11,169,034 | 11,169,034 | (858,945) | 10,310,089 | 32.64 |
| 2043 | 2044 | 31,585 | 0.0% | - | - | - | - | - | 10,230,000 | 834,400 | (446,761) | 11,170,859 | 11,170,859 | (859,568) | 10,311,291 | 32.65 |
| 2044 | 2045 | 31,585 | 0.0% | - | - | - | - | - | 10,630,000 | 425,200 | (446,834) | 11,161,126 | 11,161,126 | (856,248) | 10,304,878 | 32.63 |
| 2045 | 2046 | 31,585 | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Totals | | | | 91,461,724 | (3,882,172) | - | 87,579,552 | | 112,000,000 | 81,492,200 | (6,758,486) | 196,408,324 | 283,987,876 | (20,615,190) | 263,372,686 | |

1 Tax capacity value for taxes payable in 2019 is the actual final value. Estimates for future years are based on the percentage changes as shown above.

2 Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.

3 The debt excess adjustment for taxes payable in 2019 is the actual amount, and the estimate for 2020 is based on the actual fund balance. Debt excess for future years is estimated at 4% of the prior year's initial debt service levy. If the proposed bond issue is approved by voters, that will cause a reduction in the debt excess adjustment for taxes payable in 2020, as shown above.