

NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.5 that the Board of School Trustees (the "Board") of Avon Community School Corporation (the "School Corporation") did, on April 26, 2021, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the 2021 Expansion, Efficiency, and Improvement Projects, including the renovation, improvements and expansion of Avon High School, Avon Intermediate School East, Avon Intermediate School West, and other school facilities within the school corporation, including site improvements and the purchase of technology and equipment (the "Projects"). The Lease will be for a maximum term of 22 years with a maximum annual Lease rental of \$12,707,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$89,000,000, estimated interest rate of 5.00%, and total estimated interest costs of \$56,244,889.

As required by Indiana Code § 6-1.1-20-3.5(b)(1), the following information was available to the public at the public hearings on the preliminary determination: (i) the School Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation, which is 0.93%; and (ii) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any other territory of the School Corporation divided by the net assessed value of taxable property within the School Corporation, which is 8.90%.

The School Corporation's current debt service levy is \$30,406,393 and the current rate is \$0.9991. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$12,707,000 and the debt service rate will increase by a maximum of \$0.3938. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00.

The estimated amount of the School Corporation's debt service levy and rate that will result during the following 10 years if the School Corporation enters into the lease and issues the bonds, after considering any changes that will occur to the debt service levy and rate during that period on account of any outstanding bonds or lease obligations that will mature or terminate during that period:

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimated Total Debt Service Rate</u>
2022	\$23,622,268	\$0.7762
2023	22,425,179	0.7369
2024	26,934,043	0.8850
2025	26,610,049	0.8744
2026	24,116,003	0.7924
2027	24,116,100	0.7924
2028	20,752,434	0.6819
2029	20,746,237	0.6817
2030	20,748,460	0.6818
2031	19,412,305	0.6379

The Projects involve the opening of some new school facility space; however, the cost of such new space will be offset by the renovation and improvement of existing space to make it more efficient. Therefore, the School Corporation does not expect to annually incur a significant increase in cost to operate such new facility space. The purpose of the Lease is to provide for the Projects.

If a valid petition pursuant to Indiana Code § 6-1.1-20-3.5 is received within 30 days from the first publication of this notice, the proposed debt service or Lease payments must be approved in an election on a local public question held under Indiana Code § 6-1.1-20-3.6.

Dated April 29, 2021.

/s/ Board of School Trustees
Avon Community School Corporation

(Note 1: In addition to publishing, mail to the Hendricks County Clerk and any organization which has requested a notice of preliminary determination.)

(Note 2: Publish once each week, for two weeks in legally required newspapers; also post in three public places in the School Corporation.)