

NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

Notice is hereby given pursuant to Indiana Code § 6-1.1-20-3.1 that the Board of School Trustees (the "Board") of Avon Community School Corporation (the "School Corporation") did, on April 25, 2022, make a preliminary determination to issue bonds (the "2022 Bonds") and enter into a lease agreement (the "Lease") for the 2022 Expansion, Efficiency, and Improvement Projects, including the renovation, improvements and expansion of Pine Tree, and improvements to other school facilities within the school corporation, including site improvements and the purchase of buses, technology and equipment (the "2022 Projects").

The School Corporation previously approved and issued its General Obligation Bonds of 2021 in the principal amount of \$5,515,000 (the "2021 Bonds") for the purposes of the renovation of and improvements to school facilities throughout the School Corporation, and the reimbursement thereof, including site improvements and purchase of buses, equipment, and technology which included an addition to Pine Tree Elementary School (the "2021 Project"). The 2021 Bonds were issued in December 2021. There was \$5,574,553 of proceeds available for the 2021 Project, the total interest expense was \$92,398, the maximum annual debt service payment was \$5,607,398 with a maximum annual debt service tax rate of \$0.1572, however as other debt matured the net increase to the debt service tax rate was \$0. The cost of construction has significantly increased since the time that original estimates were provided for the 2021 Project, and in order to use taxpayers' dollars as efficiently as possible, the Board is combining the 2021 Project with these 2022 Projects (collectively, the "Projects") for construction contracting purposes.

The Lease will be for a maximum term of five (5) years with a maximum annual Lease rental of \$4,055,000. The maximum annual Lease rental has been estimated based upon an

estimated principal amount of 2022 Bonds of \$11,000,000, estimated interest rates of 5%, and total estimated interest costs of \$1,141,347.

As required by Indiana Code § 6-1.1-20-3.1(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 0.12%; 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 12.29%.

The School Corporation's current debt service levy is \$34,639,646 and the current rate is \$1.022. After the School Corporation enters into the proposed Lease and the bonds are issued, the gross debt service levy will increase by a maximum of \$4,055,000 and the debt service rate will increase by a maximum of \$0.1137. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.0 above the current rate. The total cost of the Pine Tree project is in the approximate amount of \$16,575,000 funded by the 2021 Bonds and these 2022 Bonds.

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, is as follows:

<u>Year</u>	<u>Estimated Total Debt Service Levy</u>	<u>Estimate Total Debt Service Rate</u>
2022	\$34,639,646	\$1.0220
2023	29,650,035	0.8748
2024	29,618,091	0.8738
2025	29,454,560	0.8690
2026	24,924,200	0.7354
2027	23,510,600	0.6937
2028	19,514,900	0.5758
2029	19,529,150	0.5762
2030	19,532,950	0.5763
2031	19,534,850	0.5764
2032	15,721,550	0.4638

The Project involves the opening of new school facility space; however, the new school facility space will be efficient. Therefore, the School Corporation expects to not annually incur a significant increase in costs to operate such new facility space. The purpose of the Lease and the bonds is to provide for the Project.

Any owners of real property within the School Corporation or registered voters residing within the School Corporation who want to initiate a petition and remonstrance process against the proposed Lease payments, or the issuance of the bonds must file a petition that complies with Indiana Code § 6-1.1-20-3.1 subdivisions (4) and (5) not later than 30 days after the first publication of this notice.

Dated April 28, 2022.

/s/ Board of School Trustees
Avon Community School Corporation

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