

## **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 March 13, 2023, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the 2023 Expansion, Efficiency, and Improvement Projects, including the renovation, improvements and construction of a new middle school and renovation, improvements and expansion of 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 25 years with a maximum annual Lease rental of \$25,139,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$150,000,000, estimated interest rate of 6.00%, and total estimated interest costs of \$142,055,550. The School Corporation may issue general obligation bonds to fund a portion of the Project. If the School Corporation issues general obligation bonds, the principal amount of the bonds associated with the lease, as described above, will be reduced by the principal amount of the general obligation bonds issued, such that the total principal amount of bonds issued to finance the Projects would not exceed the aggregate estimated principal amount of \$150,000,000.

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 1.03%; 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 12.91%.

The School Corporation's current debt service levy is \$38,954,794 and the current rate is \$0.9889. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$25,139,000 and the debt service rate will increase by a maximum of \$0.6126. However, as existing obligations mature, the anticipated 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>
2023	\$38,954,794	\$0.9889
2024	38,954,794	0.9889
2025	38,400,768	0.9748
2026	36,447,360	0.9252
2027	37,632,960	0.9553
2028	33,593,280	0.8528
2029	33,604,800	0.8531
2030	33,613,440	0.8533
2031	33,616,320	0.8534
2032	29,763,840	0.7556
2033	24,381,120	0.6189
2034	24,381,120	0.6189

The Projects involve the opening of new school facility space; however, the new school facility space will be efficient and therefore, the School Corporation expects to not annually incur a substantial 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 March 16, 2023.

*/s/ Board of School Trustees*  
\_\_\_\_\_ *Avon Community School Corporation*