

NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION
Administration Facility Project

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 June 26, 2023, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the construction of a new administration facility and renovation of school facilities, including site improvements and the purchase of technology and equipment (the "Administration Facility Project"). The Lease will be for a maximum term of twenty-five (25) years with a maximum annual Lease rental of \$3,755,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$23,530,000, estimated interest rate of 6.00%, and total estimated interest costs of \$17,389,300.

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 1.09%; 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 13.63%.

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 \$3,755,000 and the debt service rate will increase by a maximum of \$0.0915.

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	40,488,892	1.0177
2025	39,757,968	0.9894
2026	37,805,040	0.9315
2027	41,128,560	1.0033
2028	37,083,216	0.8957
2029	35,741,472	0.8547
2030	35,748,624	0.8464
2031	35,751,504	0.8381
2032	31,905,024	0.7406
2033	26,519,616	0.6095
2034	26,517,840	0.6034

The purpose of the lease agreement is to provide for the completion of the Administration Facility Project. The Administration Facility Project involves the opening of new school facility space; however, the new school facility space will be more efficient than the school facility space which is being replaced. Therefore, the School Corporation does not expect to annually incur a significant increase in cost to operate such new facility space.

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 June 29, 2023.

/s/ Board of School Trustees
Avon Community School Corporation