

## NOTICE OF ADOPTION OF PRELIMINARY DETERMINATION

### *High School 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 July 10, 2023, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the 2024 Expansion, Efficiency, and Improvement Projects, including the renovation, improvements and construction at Avon High 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 twenty-five (25) years with a maximum annual Lease rental of \$31,165,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$195,680,000, estimated interest rate of 6.00%, and total estimated interest costs of \$176,515,400.

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 1.56%; 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 18.60%.

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 \$31,165,000 and the debt service rate will

increase by a maximum of \$0.7595. The School Corporation reasonably expects that such gross Debt Service tax rate impact will be mitigated by several factors, including but not limited to assessed valuation growth in years 2024 and beyond, and the issuance of multiple series of bonds over several calendar years in order to fund certain stand-alone components of the Projects.

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 Projects involve the opening of new school facility space; however, the new school facility space will be efficient and the School Corporation does not expect to significantly increase its annual operations cost to operate such new facility space. The purpose of the Lease and bonds 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 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 July 10, 2023.

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