

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 Northwest Allen County Schools (the "School Corporation") did, on May 22, 2023, make a preliminary determination to issue one or more series of bonds and enter into one or more lease agreements (the "Leases") for the (i) construction of a new middle school of approximately 185,000 square feet and intended for grades 6-8; (ii) renovation of and improvements to Carroll High School, including renovation of the media center and construction of an addition thereon; and (iii) construction of a new administration office and related renovation of and improvements to Perry Hill Elementary School, including conversion to classrooms; and further renovation of and improvements to facilities in the School Corporation, including maintenance improvements and site improvements, and the purchase of equipment, technology, real estate and buses (collectively, the "Projects"). The Leases will be for an aggregate maximum term of 25 years with an aggregate maximum annual lease rental of \$16,500,000. The maximum annual lease rental has been estimated based upon an aggregate estimated principal amount of bonds of \$178,000,000, with an estimated interest rate of 5.50%, and total estimated interest costs of \$125,000,000. The School Corporation may issue general obligation bonds to fund a portion of the Projects, and if such bonds are issued the principal amount of the bonds associated with the Leases, as described above, would 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 \$178,000,000.

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 0.69%; 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 8.67%.

The School Corporation's current debt service levy is \$14,901,355 and the current rate is \$0.4416. After the School Corporation enters into the proposed Leases and the bonds are issued, the gross debt service levy will increase by a maximum of \$16,500,000 and the gross debt service rate will increase by a maximum of \$0.4645. However, as existing obligations mature and assuming 5.00% growth in net assessed value, the anticipated increase to the Debt Service Fund tax rate is expected to be \$0.00; as existing obligations mature and assuming 0% growth in net assessed value, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.06.

The estimated amount of the School Corporation's debt service levy and rate that will result during the following ten years if the School Corporation enters into the Leases 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>Payment Year</u>	<u>Estimated Total Non-Exempt Debt Service Levy</u>	<u>Estimated Non-Exempt Debt Service Tax Rate (1)</u>
2023	\$14,901,355 (2)	\$0.4416 (2)
2024	15,646,423	0.4416
2025	16,428,744	0.4416
2026	17,250,181	0.4416
2027	18,112,690	0.4416
2028	17,629,949	0.4094
2029	16,433,883	0.3634
2030	16,738,593	0.3525
2031	17,172,200	0.3444
2032	17,176,950	0.3281
2033	17,169,350	0.3124

- (1) Based on the certified net assessed value of \$3,374,401,079 in 2023 for the School Corporation with 5% annual growth thereafter.
- (2) Per the School Corporation's 2023 Budget Order.

The Projects involve the opening of new school facility space. The School Corporation expects to annually incur an increase of \$420,000 to operate such new facility space. The purpose of the Leases 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 May 24, 2023.

Kristi Schlatter
Secretary, Board of School Trustees
Northwest Allen County Schools