

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 Penn-Harris-Madison School Corporation (the "School Corporation") did, on August 21, 2023, make a preliminary determination to issue general obligation bonds and/or enter into a Lease (the "Lease") for the construction of a new multi-purpose fieldhouse, and deferred maintenance and improvements at the Penn High School campus (the "Project"). The Lease will be for a maximum term of fifteen (15) years with a maximum annual Lease rental of \$8,900,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$18,315,000, estimated interest rates ranging from 3.00% to 6.00%, and total estimated interest costs of \$5,310,000.

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 3.05%; 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 3.04%.

The School Corporation's current debt service levy is \$18,233,018 and the current rate is \$0.4648. After the School Corporation enters into the proposed Lease and/or general obligation bonds are issued, the gross debt service levy will increase by a maximum of \$8,900,000 and the gross debt service rate will increase by a maximum of \$0.2203. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00 above the current rate.

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 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>Estimated Total Debt Service Rate</u>
2024	\$18,595,985	\$0.4602
2025	14,813,032	0.3559
2026	14,078,291	0.3284
2027	11,966,409	0.2792
2028	10,908,992	0.2545
2029	8,045,638	0.1877
2030	7,482,611	0.1746
2031	7,417,809	0.1730
2032	7,405,902	0.1728
2033	6,657,720	0.1553

The Project involves the opening of new school facility space. The School Corporation expects to annually incur an increase of \$188,982 to operate such new facility space. The purpose of the Lease 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 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 publication of this notice.

Dated August 24, 2023.

*Clare Roach, Secretary School Board of Trustees
Penn-Harris-Madison School Corporation*

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