

## 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 Community School Corporation of Southern Hancock County (the "School Corporation") did, on May 20, 2019, make a preliminary determination to issue bonds and enter into a lease agreement (the "Lease") for the 2020 Safety, Security and Construction Project, which includes the renovation of and improvements to New Palestine High School, the Transportation Center and the Buildings and Grounds Facility, site and paving improvements throughout the School Corporation and the purchase of technology and equipment (the "Project"). The Lease will be for a maximum term of 20 years with a maximum annual Lease rental of \$3,960,000. The maximum annual Lease rental has been estimated based upon an estimated principal amount of bonds of \$49,000,000, estimated interest rates ranging from 2.75% to 4.50%, and total estimated interest costs of \$26,566,875.

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 1.10%; 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 3.95%.

The School Corporation's current debt service levy is \$3,908,397 and the current rate is \$0.4755. After the School Corporation enters into the proposed Lease and the bonds are issued, the debt service levy will increase by a maximum of \$3,960,000 and the debt service rate will increase by a maximum of \$0.4336. However, as existing obligations mature, the anticipated increase to the Debt Service Fund tax rate is expected to be \$0.1620.

If it is financially beneficial, the School Corporation may fund a portion of the Project by the issuance of general obligation bonds.

If the School Corporation issues general obligation bonds, the principal amount of the bonds associated with the lease, 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 Project would not exceed the aggregate estimated principal amount of \$49,000,000.

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:

Year	Estimated Total Debt Service Levy	Estimated Total Debt Service Rate
2020	\$4,953,600	\$0.6025
2021	5,454,900	0.6635
2022	5,471,000	0.6656
2023	5,471,000	0.6656
2024	5,516,000	0.6711
2025	5,510,000	0.6704
2026	5,510,000	0.6704
2027	5,505,000	0.6698
2028	5,505,000	0.6698
2029	3,564,000	0.4336
2030	3,564,000	0.4336

The Project involves the opening of new school facility space for which the School Corporation expects to annually incur an increase of \$60,000 to operate such new facility space. The purpose of the Lease is to provide for the Project.

If a valid petition pursuant to Indiana Code § 6-1.1-20-3.5 is received by the School Corporation 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 23, 2019.

Dr. Craig Wagoner  
Secretary, Board of School Trustees  
Community School Corporation of Southern  
Hancock County