

Political Subdivision: School City of Hammond
County: Lake County
Date of Submission: October 6, 2023
Date of Referendum: November 7, 2023

Pursuant to Indiana Code Section 6-1.1-20-3.6(I), the following information is provided:

1. The cost per square foot of any buildings being constructed as part of the controlled project.

<u>Building Being Constructed/Renovated</u>	<u>Cost per Square Foot*</u>
Hammond Morton High School:	
• Morton HS Building Addition	\$325
• Baseball/Softball Field	\$450 - \$500
Hammond Central High School:	
• Baseball/Softball Field	\$450 - \$500

*Preliminary estimate as of September 27, 2023, per Schmidt Associates. Subject to change.

2. The effect that approval of the controlled project would have on the political subdivision's property tax rate.

As a result of financing the project, the School Corporation's existing exempt debt service tax rate used to fund payments on voter-approved bonds is estimated to increase by a maximum of \$0.1959, to \$0.4370 from \$0.2398, beginning in 2026.

3. The maximum term of the bonds or lease.

The maximum term of any series of bonds is 20 years and the maximum term of the proposed lease is 22 years.

4. The maximum principal amount of the bonds or the maximum lease rental for the lease.

The maximum principal amount of the bonds is \$84,220,000. The proposed lease includes a maximum annual lease rental payment of \$15,100,000.

5. The estimated interest rate that will be paid and the total interest costs associated with the bonds or lease.

The bonds have been structured with an estimated interest rate of 5.50%, which results in an estimated total interest cost of \$75,807,841 over the 20-year life of the bond issue.

6. The purpose of the bonds or lease.

The Bonds are being issued for purpose of paying the costs of the proposed renovation, improvement, construction of additions equipping and general improvements at academic buildings of the school corporation, including but not limited to renovations and additions at Hammond Central High School and Morton High School.

7. In the case of a controlled project proposed by a school corporation:

(a) The current and proposed square footage of the school building space per student;

<u>Building Being Constructed/Renovated</u>	<u>Existing Sqft.</u>	<u>Existing Sqft. per Student*</u>	<u>Proposed Sqft.**</u>	<u>Proposed Sqft. per Student*</u>
Hammond Morton High School:				
• Morton HS Building Addition	251,800	155	287,800	177
• Baseball/Softball Field	Not applicable – outdoor athletic facilities			
Hammond Central High School:				
• Baseball/Softball Field	Not applicable – outdoor athletic facilities			

*Based upon 2023-24 student enrollment per School Corporation officials.

**Preliminary, subject to change.

(b) Enrollment patterns within the school corporation; and

<u>Academic Year</u>	<u>Actual Enrollment</u>	<u>Academic Year</u>	<u>Projected Enrollment</u>
2018-19	13,239	2023-24	10,759*
2019-20	12,854	2024-25	11,051
2020-21	12,304	2025-26	10,780
2021-22	11,407	2026-27	10,364
2022-23	10,937	2027-28	9,948

*Preliminary enrollment count, per School Corporation officials.

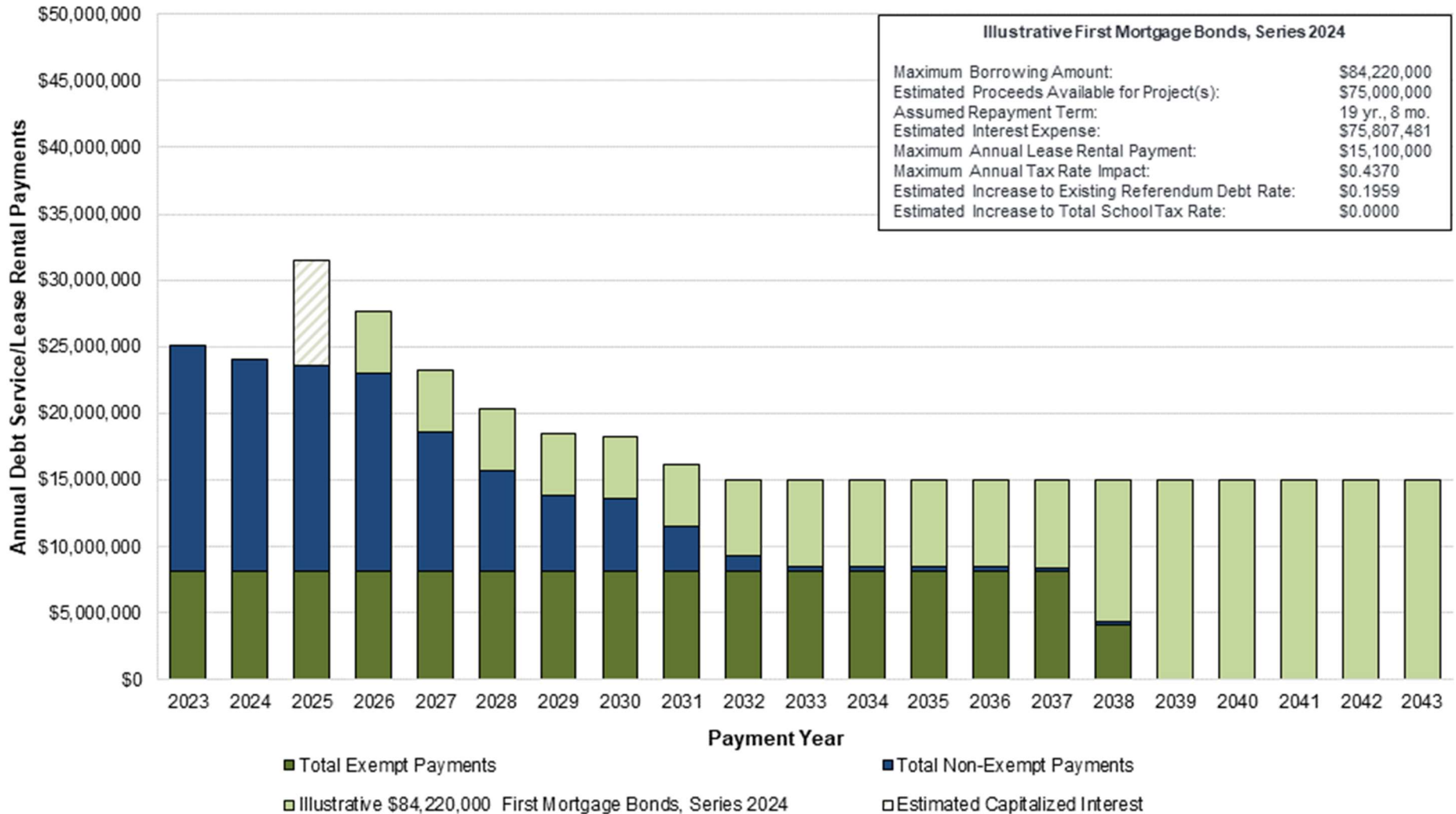
(c) The age and condition of the current school facilities.

<u>Building Being Constructed/Renovated</u>	<u>Year Constructed</u>	<u>Additions/ Renovations</u>	<u>Condition</u>
Hammond Morton High School	1967	N/A	Poor
Hammond Central High School	2021	N/A	New

Appendix A: Projected Exempt & Non-Exempt Debt Service Payments

SCHOOL CITY OF HAMMOND

ILLUSTRATIVE \$84,220,000 FIRST MORTGAGE BONDS, SERIES 2024



Note: The proposed financing is illustrated as a single bond issue dated May 9, 2024, and assumes capitalized interest for tax rate management purposes. As timing and scope of projects become more defined, options to reduce capitalized interest, if any, will be explored. Refer to the footnotes on slide 2 for a summary of important assumptions and notes.



Appendix B: Illustrative Amortization Schedule

Payment Date	Principal Outstanding (----- in \$1,000's -----)	Principal	Interest Rates (%)	Interest	Total Debt Service	Capitalized Interest	Net Debt Service	Net Annual Debt Service	Annual Lease Rental
7/15/2025	\$84,220			\$5,481,318.33	\$5,481,318.33	(\$5,481,318.33)	\$0.00		
1/15/2026	84,220			2,316,050.00	2,316,050.00	(2,316,050.00)	0.00	\$0.00	\$0.00
7/15/2026	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2027	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2027	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2028	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2028	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2029	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2029	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2030	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2030	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2031	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2031	84,220			2,316,050.00	2,316,050.00		2,316,050.00		
1/15/2032	84,220			2,316,050.00	2,316,050.00		2,316,050.00	4,632,100.00	4,638,000.00
7/15/2032	84,220	\$540	5.500	2,316,050.00	2,856,050.00		2,856,050.00		
1/15/2033	83,680	555	5.500	2,301,200.00	2,856,200.00		2,856,200.00	5,712,250.00	5,718,000.00
7/15/2033	83,125	995	5.500	2,285,937.50	3,280,937.50		3,280,937.50		
1/15/2034	82,130	1,020	5.500	2,258,575.00	3,278,575.00		3,278,575.00	6,559,512.50	6,565,000.00
7/15/2034	81,110	1,055	5.500	2,230,525.00	3,285,525.00		3,285,525.00		
1/15/2035	80,055	1,085	5.500	2,201,512.50	3,286,512.50		3,286,512.50	6,572,037.50	6,578,000.00
7/15/2035	78,970	1,115	5.500	2,171,675.00	3,286,675.00		3,286,675.00		
1/15/2036	77,855	1,150	5.500	2,141,012.50	3,291,012.50		3,291,012.50	6,577,687.50	6,583,000.00
7/15/2036	76,705	1,185	5.500	2,109,387.50	3,294,387.50		3,294,387.50		
1/15/2037	75,520	1,215	5.500	2,076,800.00	3,291,800.00		3,291,800.00	6,586,187.50	6,592,000.00
7/15/2037	74,305	1,255	5.500	2,043,387.50	3,298,387.50		3,298,387.50		
1/15/2038	73,050	1,290	5.500	2,008,875.00	3,298,875.00		3,298,875.00	6,597,262.50	6,603,000.00
7/15/2038	71,760	3,375	5.500	1,973,400.00	5,348,400.00		5,348,400.00		
1/15/2039	68,385	3,465	5.500	1,880,587.50	5,345,587.50		5,345,587.50	10,693,987.50	10,699,000.00
7/15/2039	64,920	5,730	5.500	1,785,300.00	7,515,300.00		7,515,300.00		
1/15/2040	59,190	5,885	5.500	1,627,725.00	7,512,725.00		7,512,725.00	15,028,025.00	15,034,000.00
7/15/2040	53,305	6,045	5.500	1,465,887.50	7,510,887.50		7,510,887.50		
1/15/2041	47,260	6,215	5.500	1,299,650.00	7,514,650.00		7,514,650.00	15,025,537.50	15,031,000.00
7/15/2041	41,045	6,385	5.500	1,128,737.50	7,513,737.50		7,513,737.50		
1/15/2042	34,660	6,560	5.500	953,150.00	7,513,150.00		7,513,150.00	15,026,887.50	15,032,000.00
7/15/2042	28,100	6,740	5.500	772,750.00	7,512,750.00		7,512,750.00		
1/15/2043	21,360	6,930	5.500	587,400.00	7,517,400.00		7,517,400.00	15,030,150.00	15,036,000.00
7/15/2043	14,430	7,115	5.500	396,825.00	7,511,825.00		7,511,825.00		
1/15/2044	7,315	7,315	5.500	201,162.50	7,516,162.50		7,516,162.50	15,027,987.50	15,033,000.00
Totals		<u>\$84,220</u>		<u>\$75,807,480.83</u>	<u>\$160,027,480.83</u>	<u>(\$7,797,368.33)</u>	<u>\$152,230,112.50</u>	<u>\$152,230,112.50</u>	<u>\$152,332,000.00</u>

Note: Preliminary, subject to change. Based upon assumed interest rates of 5.50%, which may vary materially from the rates received on the day of sale.

Appendix C: Maximum Taxpayer Impact of Project and Estimated Increase to Property Tax Bill

ILLUSTRATIVE FIRST MORTGAGE BONDS, SERIES 2024					
Maximum Borrowing Amount:		\$84,220,000			
Estimated Proceeds Available for Project(s) (1):		\$75,000,000			
Maximum / Estimated Increase to Referendum Debt Tax Rate:		\$0.4370 (2)		\$0.1959 (3)	
Assessed Valuations		Maximum Taxpayer Impacts		Estimated Taxpayer Impacts	
Market Value of Home (Gross Assessed Value)	Net Assessed Value (4)	Monthly	Annually	Monthly	Annually
\$75,000	\$19,500	\$7.10	\$85.22	\$3.18	\$38.20
100,000	33,800	12.31	147.71	5.52	66.21
131,539 (5)	54,300	19.77	237.29	8.86	106.37
150,000	66,300	24.14	289.73	10.82	129.88
175,000	82,550	30.06	360.74	13.48	161.72
200,000	98,800	35.98	431.76	16.13	193.55
250,000	131,300	47.82	573.78	21.44	257.22
100,000 Commercial / Rental Property		36.42	437.00	16.33	195.90

Note: Visit the School City of Hammond’s [referendum calculator](#) to estimate the impact of the proposed referenda on your property tax bill.

- (1) Preliminary estimate, subject to change. Net of estimated capitalized interest expense and allowances for underwriter’s discount and estimated costs of issuance.
- (2) Represents the tax rate associated with the estimated maximum annual payment. Tax rate per \$100 of net assessed valuation based upon the 2023 certified net assessed valuation (including TIF AV), with no assumed growth in 2024 or thereafter. Assumes license excise/financial institutions tax factor of 3.46%, based upon 2023 certifications.
- (3) Represents the estimated increase to the 2023 certified referendum debt tax rate in the amount of \$0.2398, per the DLGF, based upon the 2023 certified net assessed valuation (including TIF AV) and assuming a 3.46% miscellaneous revenues factor, based upon 2023 certifications.
- (4) Tax impact based upon the net assessed valuation of home, which includes the standard deduction and supplemental homestead deduction. Pursuant to HEA 1260, for taxes payable in 2024 and thereafter, the homestead deduction will increase to a maximum of \$48,000 and the standard mortgage deduction will no longer be available. Additionally, the supplemental homestead deduction is expected to increase in 2024 and 2025; however, no increases to the supplemental deduction have been assumed in the above calculations as the increases are anticipated to be temporary.
- (5) Reflects the average value of a homestead in the School Corporation’s district for taxes payable in 2023, per Policy Analytics, LLC.