

## PRELIMINARY DETERMINATION RESOLUTION 2017-17

WHEREAS, School City of Hobart (the "School Corporation") published a Notice of Preliminary Determination Hearing on May 25, 2017 in the Post-Tribune and in The Times and mailed such notice to the Lake County Clerk and any organizations requesting such notice as provided in Indiana Code 6-1.1-20-3.5 with respect to the 2018 Safety, Efficiency, Technology, Renovation and Construction Project which consists of restoration, repair and renovation of Hobart High School, Hobart Middle School, Liberty Elementary School, The Early Learning Center at George Earle Elementary, Ridge View Elementary School and Joan Martin Elementary School and the construction of a new elementary school and a pool at Hobart High School (collectively, the "Project"); and

WHEREAS, the School Corporation has made the following information available to the public at this public hearing: (a) the result of the Schools Corporation's current and projected annual debt service payments divided by the net assessed value of taxable property within the School Corporation; (b) the result of (i) the sum of the School Corporation's outstanding long term debt plus the outstanding long term debt of other taxing units that include any of the territory of the School Corporation; divided by (ii) the net assessed value of taxable property within the School Corporation; and

WHEREAS, a preliminary determination hearing has been held in accordance with said notice and the law of the State of Indiana; now, therefore,


BE IT RESOLVED that the Board of School Trustees (the "Board") of the School Corporation preliminarily determines to issue bonds and enter into a lease agreement for the Project.

BE IT FURTHER RESOLVED that the lease agreement will be for a maximum term of 22 years with a maximum annual lease rental of \$6,500,000. The maximum annual lease rental has been estimated based upon an estimated principal amount of bonds of \$41,210,000, estimated interest rates ranging from 2.25% to 5.00%, and total interest costs of \$33,000,000. The School Corporation's current debt service levy is \$7,457,108 and the current debt service rate is \$1.0584. After the School Corporation enters into the proposed lease agreement and the bonds are issued, the debt service levy will increase by a maximum of \$6,500,000 and the debt service rate will increase by a maximum of \$0.80. However, as existing obligations mature, the anticipated net increase to the Debt Service Fund tax rate is expected to be \$0.00. The purpose of the lease agreement is to provide for the completion of the Project. The Project involves the opening of new school facility space and the School Corporation expects to annually incur an increase of approximately \$84,000 to operate such new facility space.

BE IT FURTHER RESOLVED that the Secretary of the Board is hereby authorized and directed to publish the notice of adoption of this preliminary determination in accordance with Indiana law.

BE IT FURTHER RESOLVED that if a valid petition pursuant to I.C. 6-1.1.-20-3.5 is received by the School Corporation, the Secretary of the Board of School Trustees is hereby authorized to submit the notice pursuant to I.C. 6-1.1-20-3.5(b)(2) and any other required information to the Lake County Clerk.

*Passed and adopted this 5<sup>th</sup> day of June, 2017.*

  
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President, Board of School Trustees

  
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Secretary