

December 30, 2021

Pulaski County, Indiana  
Nathan P. Origer, Executive Director  
Pulaski County Community Development Commission  
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Re: Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement

Dear Mr. Origer:

Per your request, we have prepared this preliminary property tax abatement analysis to assist you in the discussion and consideration of the proposed Moss Creek Solar Project located in Pulaski County. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.


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In the preparation of these schedules, assumptions were made regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions, nor have we audited or reviewed the historical data. Consequently, we express no opinion or provide any other form of assurance thereon, nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

Very truly yours,

BAKER TILLY MUNICIPAL ADVISORS, LLC



Jason G. Semler, Partner

**PULASKI COUNTY, INDIANA**

***Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement***

**ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (1)**

Taxes Payable Year	Assumes No Property Tax Abatements				Assumes Property Tax Abatements (2)			
	Utility Property (3)	Real Property		Total	Utility Property (3)	Real Property		Total
		Improvements (4)	Increase in Land (5)			Improvements (4)	Increase in Land (5)	
2025	\$68,400,000 (6)	\$5,625,000	\$11,823,180	\$85,848,180	\$0 (6)	\$0	\$11,823,180	\$11,823,180
2026	102,600,000	5,625,000	11,823,180	120,048,180	0	0	11,823,180	11,823,180
2027	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2028	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2029	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2030	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2031	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2032	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2033	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2034	64,125,000	5,625,000	11,823,180	81,573,180	0	0	11,823,180	11,823,180
2035-2044	64,125,000	5,625,000	11,823,180	81,573,180	64,125,000	5,625,000	11,823,180	81,573,180

Note: Please reference the footnotes on page 8.

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(Preliminary - Subject to Change)  
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**PULASKI COUNTY, INDIANA**

***Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement***

**SUMMARY OF ESTIMATED PROPERTY TAX RATES**

Taxes Payable Year	Estimated Tax Rate (7)	
	Beaver Township I (8)	
	Without Abatement	With Abatement (2)
2022	(9) \$1.1890	\$1.1890
2025	0.9918	1.1551
2026	0.9344	1.1551
2027	0.9997	1.1551
2028	0.9997	1.1551
2029	0.9997	1.1551
2030	0.9997	1.1551
2031	0.9997	1.1551
2032	0.9997	1.1551
2033	0.9997	1.1551
2034	0.9997	1.1551
2035-2044	0.9997	0.9997

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***Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement***

**SUMMARY OF ESTIMATED PROPERTY TAX RATES BY OVERLAPPING TAXING UNITS (7)**

<u>Overlapping Taxing Unit</u>	<u>Pay 2022 Tax Rate</u>	<u>Estimated Tax Rate Following Property Abatement</u>	<u>Difference</u>
Pulaski County	\$0.4919	\$0.4533	(\$0.0386)
Beaver Township	0.0296	0.0139	(0.0157)
West Central School Corporation	0.6675	0.5325	(0.1350)
Total	<u>\$1.1890</u>	<u>\$0.9997</u>	<u>(\$0.1893)</u>

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**ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT AFTER THE ABATEMENT**

	Estimated Property Tax Rate	Estimated Property Tax Liability After the 10-Year Property Tax Abatement				
		\$85,000 Home Value (10)	\$102,700 Home Value (10)(11)	\$125,000 Home Value (10)	1 Acre Ag. Land (12)	\$100,000 Business (13)
<b>Beaver Township I</b>						
Current Tax Rate	\$1.1890	\$229.03	\$343.60	\$487.94	\$14.58	\$1,130.30
Est. 2035 Tax Rate	0.9997	192.58	288.91	410.28	12.26	950.30
Difference	<u>(\$0.1893)</u>	<u>(\$36.45)</u>	<u>(\$54.69)</u>	<u>(\$77.66)</u>	<u>(\$2.32)</u>	<u>(\$180.00)</u>

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**PULASKI COUNTY, INDIANA**

***Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement***

**SUMMARY OF ESTIMATED CUMULATIVE FUND REVENUES**

Taxes Payable Year	Pulaski County Cumulative Capital Development Fund (7)
<hr/>	<hr/>
Current	\$146,896
2025	148,776
2026	148,776
2027	148,776
2028	148,776
2029	148,776
2030	148,776
2031	148,776
2032	148,776
2033	148,776
2034	148,776
2035-2044	159,866

Est. Cum. Change In Annual Revs Current - 2034	\$18,800
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Est. Net Change In Annual Revs Beginning- 2035	\$12,970
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**PULASKI COUNTY, INDIANA**

***Proposed Moss Creek Solar Project - Assumes 10-Year 100% Abatement***

**SUMMARY OF ESTIMATED PROPERTY TAXES FROM THE PROPOSED INVESTMENT**

***Assumes 3% Annual Tax Rate Increase***

Taxes Payable Year	Estimated Net Property Taxes (1)(14)		Estimated Abatement Savings
	Without Proposed Abatement	With Proposed Abatement	
		(2)	
2025	\$1,060,310	\$146,030	\$914,280
2026	1,527,130	150,400	1,376,730
2027	1,068,850	154,920	913,930
2028	1,100,830	159,550	941,280
2029	1,133,870	164,340	969,530
2030	1,167,880	169,270	998,610
2031	1,202,960	174,360	1,028,600
2032	1,239,020	179,580	1,059,440
2033	1,276,130	184,960	1,091,170
2034	1,314,470	190,520	1,123,950
2035	1,353,950	1,353,950	0
2036	1,394,580	1,394,580	0
2037	1,436,420	1,436,420	0
2038	1,479,570	1,479,570	0
2039	1,523,950	1,523,950	0
2040	1,569,710	1,569,710	0
2041	1,616,780	1,616,780	0
2042	1,665,230	1,665,230	0
2043	1,715,160	1,715,160	0
2044	1,766,630	1,766,630	0
Totals	<u>\$27,613,430</u>	<u>\$17,195,910</u>	<u>\$10,417,520</u>

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**FOOTNOTES**

- (1) Assumes the estimated taxable investment in Pulaski County is \$225,000,000, per the Company. Assumes 95% of the investment is taxable utility distributable property.
- (2) Assumes a 10-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (3) Per the Company, taxable utility distributable property is depreciated using the MACRS 5-year double declining balance half-year convention depreciation table.
- (4) Assumes the real property improvements will be assessed at 50% of the estimated cost. The actual assessed value will be determined by the Pulaski County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (5) Assumes the estimated 1,021 acres the proposed Moss Creek Solar Project will encumber, within the fence, will be increased to an estimated \$12,870 per acre based upon House Enrolled Act No.1348-2021. The current land is assumed to be farmland with an estimated assessed value of \$1,290 per acre, based upon the Department of Local Government Finance pay 2022 agricultural land base rate. The actual assessed value will be determined by the Pulaski County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (6) Includes the State Credit for Gross Additions of 60%, which is applied in the first year to all utility distributable property.
- (7) The estimated tax rates and cumulative fund revenues are based on the pay 2022 Budget Order for Pulaski County. Following 2022 the tax rates and cumulative fund revenues are estimated based on the adjustments for the estimated assessed value impact from the proposed Moss Creek Solar Project. The estimated tax rates and cumulative fund revenues assume no additional assessed value changes beyond the proposed solar farm investment and there is no assumption for future changes in property tax levies for levy-controlled funds or property tax rates for rate-controlled funds.
- (8) Assumes 100% of the investment will be located in the Beaver Township I taxing district based on information provided by the Company.
- (9) Based on the certified pay 2022 tax rate for the Beaver Township I taxing district.
- (10) The residential taxpayer impact includes standard deduction at the lesser of \$45,000 or 60% of home value, the 35% supplemental homestead deduction and the \$3,000 mortgage deduction. Includes the impact of the 4.9372% pay 2021 LIT PTRC and the 11.3080% pay 2021 Homestead PTRC. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
- (11) \$102,700 represents the Median Home value for Pulaski County, per the 2015-2019 American Community Survey 5-Year estimates of the U.S. Census Bureau.
- (12) One acre of agricultural land represents the 2021 pay 2022 assessment of \$1,290 and no deductions or exemptions. Includes the impact of the 4.9372% pay 2021 LIT PTRC. Assumes the Circuit breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for an agricultural parcel, is applied.
- (13) Assumes no deductions or exemptions. Includes the impact of the 4.9372% pay 2021 LIT PTRC. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial parcel, is applied
- (14) Based on the certified pay 2022 tax rate for the Beaver Township I taxing district. Includes the impact of the 4.9372% pay 2021 LIT PTRC. Assumes a 3% annual increase in tax rates. The analysis assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for utility property, is applied.

Note: The Company is expected to annually file a U.D. Form 45 Annual Report with the State. This Form reports cost, depreciation, and allocation of assessed value of all utility property owned by the Company in the entire State of Indiana. Therefore, the actual assessed values may vary materially from the values assumed in this analysis, due to potential changes in the investment as it is implemented and the cost, investment timing, and depreciation status of all other utility property owned by the Company in the State. This analysis assumes the cost, investment timing and depreciation status of the utility property owned by the Company outside of Pulaski County will not affect the depreciation and assessed value allocation of the utility property proposed to be installed within Pulaski County. Any deviation from this assumption may materially change the estimated true tax value of the proposed investment and the resulting property tax rate estimates.

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