

December 13, 2021

Pulaski County, Indiana
c/o Mr. Nathan P. Origer, Executive Director Community
Development Commission
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P.O. Box 315
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Re: Proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project

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 Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm 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 Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (1)

Taxes Payable Year	Assumes No Property Tax Abatements			Assumes Property Tax Abatements (2)		
	Utility Property (3)	Increase in Land (4)	Total	Utility Property (3)	Increase in Land (4)	Total
Year 1	\$161,622,720 (5)	\$21,318,780	\$182,941,500	\$0 (5)	\$21,318,780	\$21,318,780
Year 2	242,434,080	21,318,780	263,752,860	0	21,318,780	21,318,780
Year 3 - 20	151,521,300	21,318,780	172,840,080	0	21,318,780	21,318,780
Year 21	151,521,300	21,318,780	172,840,080	151,521,300	21,318,780	172,840,080

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Proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (CONT'D) (1)

Taxes Payable Year	Assumes No Property Tax Abatements						Assumes Property Tax Abatements (2)					
	Rich Grove Township (6)	Franklin Township (7)	Monroe Township (8)	Jefferson Township (9)	Beaver Township (10)	Total	Rich Grove Township (6)	Franklin Township (7)	Monroe Township (8)	Jefferson Township (9)	Beaver Township I (10)	Total
Year 1	\$50,983,620	\$23,142,900	\$20,248,080	\$70,648,080	\$17,918,820	\$182,941,500	\$5,361,540	\$3,184,500	\$2,269,680	\$8,383,920	\$2,119,140	\$21,318,780
Year 2	73,794,660	33,122,100	29,237,280	101,780,160	25,818,660	263,752,860	5,361,540	3,184,500	2,269,680	8,383,920	2,119,140	21,318,780
Year 3 - 20	48,132,240	21,895,500	19,124,430	66,756,570	16,931,340	172,840,080	5,361,540	3,184,500	2,269,680	8,383,920	2,119,140	21,318,780
Year 21	48,132,240	21,895,500	19,124,430	66,756,570	16,931,340	172,840,080	48,132,240	21,895,500	19,124,430	66,756,570	16,931,340	172,840,080

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PULASKI COUNTY, INDIANA

Proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES

Taxes Payable Year	Estimated Tax Rate (11)									
	Rich Grove Township (6)		Franklin Township (7)		Monroe Township (8)		Jefferson Township (9)		Beaver Township I (10)	
	Without Abatement	With Abatement (2)	Without Abatement	With Abatement (2)	Without Abatement	With Abatement (2)	Without Abatement	With Abatement (2)	Without Abatement	With Abatement (2)
2021	(12) \$1.6966	\$1.6966	\$1.2820	\$1.2820	\$1.3042	\$1.3042	\$1.1952	\$1.1952	\$1.1109	\$1.1109
Year 1	1.0687	1.5878	1.1230	1.2599	1.1461	1.2826	0.9456	1.1571	0.8928	1.0796
Year 2	0.9309	1.5878	1.0668	1.2599	1.0897	1.2826	0.8690	1.1571	0.8224	1.0796
Year 3 - 20	1.0894	1.5878	1.1306	1.2599	1.1538	1.2826	0.9563	1.1571	0.9026	1.0796
Year 21	1.0894	1.0894	1.1306	1.1306	1.1538	1.1538	0.9563	0.9563	0.9026	0.9026

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SUMMARY OF ESTIMATED PROPERTY TAX RATES BY OVERLAPPING TAXING UNITS

<u>Overlapping Taxing Unit</u>	<u>Pay 2021 Tax Rate</u>	<u>Estimated Tax Rate During Abatement</u>	<u>Difference to Pay 2021</u>	<u>Estimated Tax Rate Following Abatement</u>	<u>Difference to Pay 2021</u>
Pulaski County	\$0.4530	\$0.4429	(\$0.0101)	\$0.3827	(\$0.0703)
Rich Grove Township	0.0528	0.0478	(0.0050)	0.0271	(0.0257)
Franklin Township	0.0144	0.0134	(0.0010)	0.0096	(0.0048)
Monroe Township	0.0366	0.0361	(0.0005)	0.0328	(0.0038)
Jefferson Township	0.0361	0.0307	(0.0054)	0.0151	(0.0210)
Beaver Township	0.0279	0.0271	(0.0008)	0.0227	(0.0052)
North Judson-San Pierre School Corp.	1.1147	1.0232	(0.0915)	0.6183	(0.4964)
Eastern Pulaski School Corp.	0.7385	0.7297	(0.0088)	0.6770	(0.0615)
West Central School Corp.	0.6300	0.6096	(0.0204)	0.4972	(0.1328)
Pulaski County Public Library	0.0761	0.0739	(0.0022)	0.0613	(0.0148)

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ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT DURING THE ABATEMENT

	Estimated Property Tax Rate	Estimated Property Tax Liability During the 20-Year Property Tax Abatement				
		\$75,000 Home Value	\$102,700 Home Value	\$125,000 Home Value	1 Acre Ag. Land	\$100,000 Business
		(13)	(13)(14)	(13)	(15)	(16)
Rich Grove Township						
Current Tax Rate	\$1.6966	\$234.47	\$490.32	\$696.29	\$20.81	\$1,612.80
Est. Tax Rate During the Abatement	1.5878	219.43	458.88	651.65	19.47	1,509.40
Difference	<u>(\$0.1088)</u>	<u>(\$15.04)</u>	<u>(\$31.44)</u>	<u>(\$44.64)</u>	<u>(\$1.34)</u>	<u>(\$103.40)</u>
Franklin Township						
Current Tax Rate	\$1.2820	\$177.16	\$370.48	\$526.11	\$15.72	\$1,218.70
Est. Tax Rate During the Abatement	1.2599	174.11	364.10	517.05	15.45	1,197.70
Difference	<u>(\$0.0221)</u>	<u>(\$3.05)</u>	<u>(\$6.38)</u>	<u>(\$9.06)</u>	<u>(\$0.27)</u>	<u>(\$21.00)</u>
Monroe Township						
Current Tax Rate	\$1.3042	\$180.23	\$376.90	\$535.23	\$15.99	\$1,239.80
Est. Tax Rate During the Abatement	1.2826	177.24	370.65	526.36	15.73	1,219.30
Difference	<u>(\$0.0216)</u>	<u>(\$2.99)</u>	<u>(\$6.25)</u>	<u>(\$8.87)</u>	<u>(\$0.26)</u>	<u>(\$20.50)</u>
Jefferson Township						
Current Tax Rate	\$1.1952	\$165.17	\$345.40	\$490.49	\$14.66	\$1,136.20
Est. Tax Rate During the Abatement	1.1571	159.90	334.39	474.86	14.19	1,100.00
Difference	<u>(\$0.0381)</u>	<u>(\$5.27)</u>	<u>(\$11.01)</u>	<u>(\$15.63)</u>	<u>(\$0.47)</u>	<u>(\$36.20)</u>
Beaver Township I						
Current Tax Rate	\$1.1109	\$153.52	\$321.03	\$455.90	\$13.62	\$1,056.10
Est. Tax Rate During the Abatement	1.0796	149.19	311.99	443.06	13.24	1,026.30
Difference	<u>(\$0.0313)</u>	<u>(\$4.33)</u>	<u>(\$9.04)</u>	<u>(\$12.84)</u>	<u>(\$0.38)</u>	<u>(\$29.80)</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 20-Year Property Tax Abatement				
		\$75,000 Home Value (13)	\$102,700 Home Value (13)(14)	\$125,000 Home Value (13)	1 Acre Ag. Land (15)	\$100,000 Business (16)
Rich Grove Township						
Current Tax Rate	\$1.6966	\$234.47	\$490.32	\$696.29	\$20.81	\$1,612.80
Est. Year 21 Tax Rate	1.0894	150.55	314.82	447.08	13.36	1,035.60
Difference	<u>(\$0.6072)</u>	<u>(\$83.92)</u>	<u>(\$175.50)</u>	<u>(\$249.21)</u>	<u>(\$7.45)</u>	<u>(\$577.20)</u>
Franklin Township						
Current Tax Rate	\$1.2820	\$177.16	\$370.48	\$526.11	\$15.72	\$1,218.70
Est. Year 21 Tax Rate	1.1306	156.24	326.73	463.98	13.86	1,074.80
Difference	<u>(\$0.1514)</u>	<u>(\$20.92)</u>	<u>(\$43.75)</u>	<u>(\$62.13)</u>	<u>(\$1.86)</u>	<u>(\$143.90)</u>
Monroe Township						
Current Tax Rate	\$1.3042	\$180.23	\$376.90	\$535.23	\$15.99	\$1,239.80
Est. Year 21 Tax Rate	1.1538	159.46	333.46	473.54	14.15	1,096.80
Difference	<u>(\$0.1504)</u>	<u>(\$20.77)</u>	<u>(\$43.44)</u>	<u>(\$61.69)</u>	<u>(\$1.84)</u>	<u>(\$143.00)</u>
Jefferson Township						
Current Tax Rate	\$1.1952	\$165.17	\$345.40	\$490.49	\$14.66	\$1,136.20
Est. Year 21 Tax Rate	0.9563	132.15	276.35	392.44	11.73	909.10
Difference	<u>(\$0.2389)</u>	<u>(\$33.02)</u>	<u>(\$69.05)</u>	<u>(\$98.05)</u>	<u>(\$2.93)</u>	<u>(\$227.10)</u>
Beaver Township I						
Current Tax Rate	\$1.1109	\$153.52	\$321.03	\$455.90	\$13.62	\$1,056.10
Est. Year 21 Tax Rate	0.9026	124.74	260.86	370.44	11.07	858.00
Difference	<u>(\$0.2083)</u>	<u>(\$28.78)</u>	<u>(\$60.17)</u>	<u>(\$85.46)</u>	<u>(\$2.55)</u>	<u>(\$198.10)</u>

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Proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project

SUMMARY OF ESTIMATED CUMULATIVE FUND REVENUES

Taxes Payable Year	Pulaski County Cumulative Capital Development Fund (11)		
<hr/>	<hr/>		
Current	\$146,838		
Year 1 - 20	150,313		
Year 21	175,011		
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Est. Net. Change In Annual Revs Beginning - Year 1</td> <td style="text-align: right; vertical-align: bottom;">\$3,475</td> </tr> </table>		Est. Net. Change In Annual Revs Beginning - Year 1	\$3,475
Est. Net. Change In Annual Revs Beginning - Year 1	\$3,475		
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Est. Net Change In Annual Revs Beginning - Year 21</td> <td style="text-align: right; vertical-align: bottom;">\$28,173</td> </tr> </table>		Est. Net Change In Annual Revs Beginning - Year 21	\$28,173
Est. Net Change In Annual Revs Beginning - Year 21	\$28,173		

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SUMMARY OF ESTIMATED ANNUAL PROPERTY TAXES FROM THE PROPOSED INVESTMENT

Taxes Payable Year	Estimated Net Property Taxes (1)(17)(18)												Estimated Abatement Savings
	Rich Grove Township		Franklin Township		Monroe Township		Jefferson Township		Beaver Township		Total		
	Without Proposed Abatement	With Proposed Abatement	Without Proposed Abatement	With Proposed Abatement	Without Proposed Abatement	With Proposed Abatement	Without Proposed Abatement	With Proposed Abatement	Without Proposed Abatement	With Proposed Abatement	Without Proposed Abatement	With Proposed Abatement	
		(2)		(2)		(2)		(2)		(2)		(2)	
Year 1	\$822,260	\$86,470	\$282,040	\$38,810	\$251,040	\$28,140	\$802,700	\$95,260	\$189,240	\$22,380	\$2,347,280	\$271,060	\$2,076,220
Year 2	1,190,160	86,470	403,660	38,810	362,480	28,140	1,156,430	95,260	272,670	22,380	3,385,400	271,060	3,114,340
Year 3 - 20	776,280	86,470	266,840	38,810	237,100	28,140	758,490	95,260	178,810	22,380	2,217,520	271,060	1,946,460
Totals through Year 20	\$15,985,460	\$1,729,400	\$5,488,820	\$776,200	\$4,881,320	\$562,800	\$15,611,950	\$1,905,200	\$3,680,490	\$447,600	\$45,648,040	\$5,421,200	\$40,226,840

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PROPOSED ECONOMIC DEVELOPMENT PAYMENTS (19)

<u>Payable Year</u>	<u>Minimum Total Payment</u>	<u>Expected Maximum Additional Payment</u>	<u>Expected Maximum Payment</u>
2023	\$350,000.00		\$350,000.00
2024	350,000.00		350,000.00
2025	1,675,000.00		1,675,000.00
2026	1,675,000.00	\$500,000.00	2,175,000.00
2027	1,500,000.00	500,000.00	2,000,000.00
2028	1,400,000.00	500,000.00	1,900,000.00
2029	1,400,000.00	525,000.00	1,925,000.00
2030	1,400,000.00	525,000.00	1,925,000.00
2031	1,478,750.00	525,000.00	2,003,750.00
2032	1,303,750.00	551,250.00	1,855,000.00
2033	1,653,750.00	551,250.00	2,205,000.00
2034	1,736,437.50	551,250.00	2,287,687.50
2035	1,736,437.50	578,812.50	2,315,250.00
2036	1,736,437.50	578,812.50	2,315,250.00
2037	1,823,259.38	578,812.50	2,402,071.88
2038	1,823,259.38	607,753.13	2,431,012.51
2039	1,823,259.38	607,753.13	2,431,012.51
2040	1,914,422.34	607,753.13	2,522,175.47
2041	1,914,422.34	638,140.78	2,552,563.12
2042	1,914,422.34	638,140.78	2,552,563.12
2043	2,010,143.46	638,140.78	2,648,284.24
2044	2,010,143.46	670,047.82	2,680,191.28
2045		670,047.82	670,047.82
Total	<u>\$34,628,894.58</u>	<u>\$11,542,964.87</u>	<u>\$46,171,859.45</u>

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FOOTNOTES

- (1) Assumes the estimated taxable investment in Pulaski County is \$505,071,000, per the Company. Assumes 100% of the investment is taxable utility distributable property.
- (2) Assumes a 20-year 100% property tax abatement for the proposed utility property investment.
- (3) Assumes the taxable utility distributable property is depreciated using the MACRS 5-year double declining balance half-year convention depreciation table.
- (4) Assumes 1,841 acres of the estimated 9,205 acres of land the proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm Project will encumber will be increased to \$12,870 per acre, per the House Enrolled Act No. 1348-2021. Per the Company, 20% of the real property will be assessed at the new land rate. The current land is assumed to be assessed as agricultural land with no deductions or exemptions at the 2021 pay 2022 assessed value of \$1,290 per acre, per the Department of Local Government Finance. The actual use classifications and 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) Includes the State Credit for Gross Additions of 60%, which is applied in the first year to all utility distributable property.
- (6) Assumes an estimated \$142,569,000 and 463 acres of the investment will be located in the Rich Grove Township taxing district based on information provided by the Company.
- (7) Assumes an estimated \$62,370,000 and 275 acres of the investment will be located in the Franklin Township taxing district based on information provided by the Company.
- (8) Assumes an estimated \$56,182,500 and 196 acres of the investment will be located in the Monroe Township taxing district based on information provided by the Company.
- (9) Assumes an estimated \$194,575,500 and 724 acres of the investment will be located in the Jefferson Township taxing district based on information provided by the Company.
- (10) Assumes an estimated \$49,374,000 and 183 acres of the investment will be located in the Beaver Township taxing district based on information provided by the Company.
- (11) The estimated tax rates and cumulative fund revenues are based on the pay 2021 Budget Order for Pulaski County. Following 2021 the tax rates and cumulative fund revenues are estimated based on the adjustments for the estimated assessed value impact from the proposed Pulaski County/Starke Solar LLC (Mammoth Solar) Solar Farm 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.
- (12) Represents the certified pay 2021 tax rate for the respective taxing district.
- (13) 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 Residential PTRC. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied.
- (14) \$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.
- (15) 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.
- (16) 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.
- (17) Accounts for the certified pay 2021 tax rate for the respective taxing district. Accounts for the application of the 4.9372% pay 2021 LIT PTRC.
- (18) The analysis assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for utility property, is applied.
- (19) Per the Company.

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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