

June 9, 2022



Members of the McCordsville Redevelopment Commission
6280 W 800 N
McCordsville, Indiana 46055

Baker Tilly Municipal Advisors, LLC
8365 Keystone Crossing, Ste 300
Indianapolis, IN 46240
United States of America

T: +1 (317) 465 1500
F: +1 (317) 465 1550
bakertilly.com

Re: McCord Square Apartment Project

Dear Members of the Redevelopment Commission:

Per your request, we have prepared the attached financing feasibility in connection with McCord Square Apartment Project (the "Project"). This preliminary analysis has been prepared to assist Town officials in the discussion and consideration of the proposed Project and incentives. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose as the information is subject to future revision.

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2	Estimated Annual Tax Increment – Proposed McCord Square Apartments
3	Project Costs and Funding
4	Amortization of \$5,334,000 Principal Amount of Taxable Economic Development Revenue Bonds, Series 2022 (Rebar Project)
5	Comparison of Estimated Revenues to Debt Service

The schedules and underlying assumptions are based upon information currently available from the Hancock County Auditor's and Assessor's offices. 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

A handwritten signature in black ink, appearing to read "Emma Adlam", written in a cursive style.

Emma R. Adlam, Director

MCCORDSVILLE (INDIANA) REDEVELOPMENT COMMISSION

McCord Square Apartments

ESTIMATED ANNUAL TAX INCREMENT - PROPOSED MCCORD SQUARE APARTMENTS

Proposed Development	January 1 Completion Date	Estimated Sq. Ft./Acre	Estimated Assessed Value per Sq. Ft./Acre	Estimated Assessed Value Year Payable 2025
	(1)	(2)	(3)	
Apartments	2024	228,800	\$70	\$16,016,000
Commercial	2024	8,147	110	896,170
Land		6.56	174,000	1,141,440
Estimated Net Assessed Value				18,053,610
Less: Estimated Base Assessed Value (4)				(9,030)
Estimated Incremental Assessed Value				18,044,580
Times: Net Tax Rate (5)				3.0319
Estimated Tax Increment				547,090
Less: Estimated Circuit Breaker Credit (6)				(176,640)
Total Estimated Net Tax Increment				\$370,450
Minimum Taxpayer Payment (7)				\$492,235

(1) Assumes construction is completed in the year prior to the January 1 assessment date.

(2) Per information provided by the Developer.

(3) Estimated assessed values are based upon comparable properties located within the State. Actual assessed values will be determined by the Hancock County Assessor upon completion, and the actual assessed values may be materially different from the values used in this analysis.

(4) Represents a portion of the pay 2022 net assessed value of parcel no. 30-01-25-200-010.000-018, assuming that the proposed project site is 6.56 acres of the parcel's total 35.75 acres. Assumes that the area comprising the project site broken into a separate parcel and that the Redevelopment Commission captures this newly created parcel as a new allocation area.

(5) Represents the certified pay 2022 tax rate for the Town of McCordsville taxing district of \$3.0319.

(6) Accounts for the application of the Circuit Breaker Tax Credit, which limits property tax liability to 2.0% of gross assessed value for rental residential property and 3.0% of gross assessed value for commercial property.

(7) Per information provided by the Developer, assumes the Developer agrees to a \$492,235 minimum Tax Increment payment.

(Subject to the attached letter dated June 9, 2022)
(Preliminary - Subject to Change)
(For Internal Use Only)

MCCORDSVILLE (INDIANA) REDEVELOPMENT COMMISSION

McCord Square Apartments

PROJECT COSTS AND FUNDING

Project Costs:

Net available proceeds for incentive (1)	\$4,500,000
Capitalized interest (2)	589,000
Allowance for issuance costs and contingencies	<u>245,000</u>
Total Project Costs	<u><u>\$5,334,000</u></u>

Project Funding:

Taxable Economic Development Revenue Bonds, Series 2022 (Rebar Project) (3)	<u><u>\$5,334,000</u></u>
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- (1) Represents Bond proceeds that will be available to fund the incentive.
- (2) Interest will be fully capitalized through and including February 1, 2024 and partially capitalized through and including February 1, 2025.
- (3) Assumes the Bonds are payable solely from Project TIF with a minimum Tax Increment payment.

Note: Assumes the Bonds are issued in Summer 2022; however, the principal will be drawn in full on December 30, 2022.

(Subject to the attached letter dated June 9, 2022)
(Preliminary - Subject to Change)
(For Internal Use Only)

MCCORDSVILLE (INDIANA) REDEVELOPMENT COMMISSION

McCord Square Apartments

**AMORTIZATION OF \$5,334,000 PRINCIPAL AMOUNT OF
TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS, SERIES 2022 (REBAR PROJECT)
Bonds dated June 28, 2022**

<u>Draw/Payment Date</u>	<u>Draw Amounts</u>	<u>Principal Outstanding</u>	<u>Principal</u>	<u>Interest Rate (1)</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Capitalized Interest</u>	<u>Net Debt Service</u>	<u>Annual Debt Service</u>
12/30/22	\$5,334,000	\$5,334,000							
02/01/23		5,334,000			\$33,070.80	\$33,070.80	(\$33,070.80)	\$0.00	\$0.00
08/01/23		5,334,000			192,024.00	192,024.00	(192,024.00)	0.00	
02/01/24		5,334,000			192,024.00	192,024.00	(192,024.00)	0.00	0.00
08/01/24		5,334,000			192,024.00	192,024.00	(85,940.60)	106,083.40	
02/01/25		5,334,000			192,024.00	192,024.00	(85,940.60)	106,083.40	212,166.80
08/01/25		5,334,000	\$52,000	7.20%	192,024.00	244,024.00		244,024.00	
02/01/26		5,282,000	53,000	7.20%	190,152.00	243,152.00		243,152.00	487,176.00
08/01/26		5,229,000	55,000	7.20%	188,244.00	243,244.00		243,244.00	
02/01/27		5,174,000	57,000	7.20%	186,264.00	243,264.00		243,264.00	486,508.00
08/01/27		5,117,000	59,000	7.20%	184,212.00	243,212.00		243,212.00	
02/01/28		5,058,000	61,000	7.20%	182,088.00	243,088.00		243,088.00	486,300.00
08/01/28		4,997,000	63,000	7.20%	179,892.00	242,892.00		242,892.00	
02/01/29		4,934,000	66,000	7.20%	177,624.00	243,624.00		243,624.00	486,516.00
08/01/29		4,868,000	68,000	7.20%	175,248.00	243,248.00		243,248.00	
02/01/30		4,800,000	71,000	7.20%	172,800.00	243,800.00		243,800.00	487,048.00
08/01/30		4,729,000	73,000	7.20%	170,244.00	243,244.00		243,244.00	
02/01/31		4,656,000	76,000	7.20%	167,616.00	243,616.00		243,616.00	486,860.00
08/01/31		4,580,000	79,000	7.20%	164,880.00	243,880.00		243,880.00	
02/01/32		4,501,000	81,000	7.20%	162,036.00	243,036.00		243,036.00	486,916.00
08/01/32		4,420,000	84,000	7.20%	159,120.00	243,120.00		243,120.00	
02/01/33		4,336,000	87,000	7.20%	156,096.00	243,096.00		243,096.00	486,216.00
08/01/33		4,249,000	90,000	7.20%	152,964.00	242,964.00		242,964.00	
02/01/34		4,159,000	94,000	7.20%	149,724.00	243,724.00		243,724.00	486,688.00
08/01/34		4,065,000	97,000	7.20%	146,340.00	243,340.00		243,340.00	
02/01/35		3,968,000	101,000	7.20%	142,848.00	243,848.00		243,848.00	487,188.00
08/01/35		3,867,000	104,000	7.20%	139,212.00	243,212.00		243,212.00	
02/01/36		3,763,000	108,000	7.20%	135,468.00	243,468.00		243,468.00	486,680.00
08/01/36		3,655,000	112,000	7.20%	131,580.00	243,580.00		243,580.00	
02/01/37		3,543,000	116,000	7.20%	127,548.00	243,548.00		243,548.00	487,128.00
08/01/37		3,427,000	120,000	7.20%	123,372.00	243,372.00		243,372.00	
02/01/38		3,307,000	124,000	7.20%	119,052.00	243,052.00		243,052.00	486,424.00
08/01/38		3,183,000	129,000	7.20%	114,588.00	243,588.00		243,588.00	
02/01/39		3,054,000	133,000	7.20%	109,944.00	242,944.00		242,944.00	486,532.00
08/01/39		2,921,000	138,000	7.20%	105,156.00	243,156.00		243,156.00	
02/01/40		2,783,000	143,000	7.20%	100,188.00	243,188.00		243,188.00	486,344.00
08/01/40		2,640,000	148,000	7.20%	95,040.00	243,040.00		243,040.00	
02/01/41		2,492,000	154,000	7.20%	89,712.00	243,712.00		243,712.00	486,752.00
08/01/41		2,338,000	159,000	7.20%	84,168.00	243,168.00		243,168.00	
02/01/42		2,179,000	165,000	7.20%	78,444.00	243,444.00		243,444.00	486,612.00
08/01/42		2,014,000	171,000	7.20%	72,504.00	243,504.00		243,504.00	
02/01/43		1,843,000	177,000	7.20%	66,348.00	243,348.00		243,348.00	486,852.00
08/01/43		1,666,000	183,000	7.20%	59,976.00	242,976.00		242,976.00	
02/01/44		1,483,000	190,000	7.20%	53,388.00	243,388.00		243,388.00	486,364.00
08/01/44		1,293,000	197,000	7.20%	46,548.00	243,548.00		243,548.00	
02/01/45		1,096,000	204,000	7.20%	39,456.00	243,456.00		243,456.00	487,004.00
08/01/45		892,000	211,000	7.20%	32,112.00	243,112.00		243,112.00	
02/01/46		681,000	219,000	7.20%	24,516.00	243,516.00		243,516.00	486,628.00
08/01/46		462,000	227,000	7.20%	16,632.00	243,632.00		243,632.00	
02/01/47		235,000	235,000	7.20%	8,460.00	243,460.00		243,460.00	487,092.00
Totals	<u>\$5,334,000</u>		<u>\$5,334,000</u>		<u>\$6,174,994.80</u>	<u>\$11,508,994.80</u>	<u>(\$589,000.00)</u>	<u>\$10,919,994.80</u>	<u>\$10,919,994.80</u>

(1) Per The Hageman Group as of June 6, 2022.

(Subject to the attached letter dated June 9, 2022)
(Preliminary - Subject to Change)
(For Internal Use Only)

MCCORDSVILLE (INDIANA) REDEVELOPMENT COMMISSION

McCord Square Apartments

COMPARISON OF ESTIMATED REVENUES TO DEBT SERVICE

Taxes Payable Year	Estimated Revenues				Estimated Revenues Available for Debt Service	Debt Service	Estimated Revenues Remaining
	Estimated Tax Increment	Developer Payments	Total Revenues	Less: Annual Fees			
	(1)	(2)		(3)		(4)	(5)
2024		\$212,167	\$212,167	(6)	\$212,167	(\$212,167)	\$0
2025	\$370,450	121,785	492,235	(\$5,000)	487,235	(487,176)	59
2026	370,450	121,785	492,235	(5,000)	487,235	(486,508)	727
2027	370,450	121,785	492,235	(5,000)	487,235	(486,300)	935
2028	370,450	121,785	492,235	(5,000)	487,235	(486,516)	719
2029	370,450	121,785	492,235	(5,000)	487,235	(487,048)	187
2030	370,450	121,785	492,235	(5,000)	487,235	(486,860)	375
2031	370,450	121,785	492,235	(5,000)	487,235	(486,916)	319
2032	370,450	121,785	492,235	(5,000)	487,235	(486,216)	1,019
2033	370,450	121,785	492,235	(5,000)	487,235	(486,688)	547
2034	370,450	121,785	492,235	(5,000)	487,235	(487,188)	47
2035	370,450	121,785	492,235	(5,000)	487,235	(486,680)	555
2036	370,450	121,785	492,235	(5,000)	487,235	(487,128)	107
2037	370,450	121,785	492,235	(5,000)	487,235	(486,424)	811
2038	370,450	121,785	492,235	(5,000)	487,235	(486,532)	703
2039	370,450	121,785	492,235	(5,000)	487,235	(486,344)	891
2040	370,450	121,785	492,235	(5,000)	487,235	(486,752)	483
2041	370,450	121,785	492,235	(5,000)	487,235	(486,612)	623
2042	370,450	121,785	492,235	(5,000)	487,235	(486,852)	383
2043	370,450	121,785	492,235	(5,000)	487,235	(486,364)	871
2044	370,450	121,785	492,235	(5,000)	487,235	(487,004)	231
2045	370,450	121,785	492,235	(5,000)	487,235	(486,628)	607
2046	370,450	121,785	492,235	(5,000)	487,235	(487,092)	143
Totals	<u>\$8,149,900</u>	<u>\$2,891,437</u>	<u>\$11,041,337</u>	<u>(\$110,000)</u>	<u>\$10,931,337</u>	<u>(\$10,919,995)</u>	<u>\$11,342</u>

(1) See page 2.

(2) Represents additional revenues needed to meet the Minimum Tax Increment payment.

(3) Includes annual fees and expenses incurred by the Issuer related to monitoring Tax Increment, filing required annual reports, post-issuance questions related to the Bonds, and annual Trustee fees.

(4) See page 4.

(5) To the extent that the bond purchaser requires debt service coverage, the par amount will be reduced accordingly.

(6) The Developer will pay an amount equal to the debt service due.

(Subject to the attached letter dated June 9, 2022)

(Preliminary - Subject to Change)

(For Internal Use Only)