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November 14, 2022

Fountain County Board of Commissioners
Fountain County Council
301 Fourth Street
Covington, IN 47932

Re: Proposed Crossroads Solar Farm Project

Dear Commissioners and Council Members:

Per your request, we have prepared this preliminary property tax abatement analysis to assist you in the discussion and consideration of the proposed Crossroads Solar Farm Project located in Fountain County, Indiana. 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

FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (1)

Taxes Payable Year	Assumes No Property Tax Abatements				Total
	Utility Property	Real Property			
		Improvements	Increase in Land		
(2)	(3)	(4)	(5)		
2025	\$50,400,000	\$8,750,000	\$19,550,000		\$78,700,000
2026	75,600,000	8,750,000	19,550,000		103,900,000
2027	47,250,000	8,750,000	19,550,000		75,550,000
2028	47,250,000	8,750,000	19,550,000		75,550,000
2029	47,250,000	8,750,000	19,550,000		75,550,000
2030	47,250,000	8,750,000	19,550,000		75,550,000
2031	47,250,000	8,750,000	19,550,000		75,550,000
2032	47,250,000	8,750,000	19,550,000		75,550,000
2033	47,250,000	8,750,000	19,550,000		75,550,000
2034	47,250,000	8,750,000	19,550,000		75,550,000
2035-2044	47,250,000	8,750,000	19,550,000		75,550,000

Taxes Payable Year	Assumes 10-Year Declining Property Tax Abatement (6)				Total
	Utility Property	Real Property			
		Improvements	Increase in Land		
(2)	(3)	(4)	(5)		
2025	\$0	\$0	\$19,550,000		\$19,550,000
2026	7,560,000	875,000	19,550,000		27,985,000
2027	9,450,000	1,750,000	19,550,000		30,750,000
2028	14,175,000	2,625,000	19,550,000		36,350,000
2029	18,900,000	3,500,000	19,550,000		41,950,000
2030	23,625,000	4,375,000	19,550,000		47,550,000
2031	28,350,000	5,250,000	19,550,000		53,150,000
2032	33,075,000	6,125,000	19,550,000		58,750,000
2033	37,800,000	7,000,000	19,550,000		64,350,000
2034	42,525,000	7,875,000	19,550,000		69,950,000
2035-2044	47,250,000	8,750,000	19,550,000		75,550,000

Taxes Payable Year	Assumes 10-Year 100% Property Tax Abatement (7)				Total
	Utility Property	Real Property			
		Improvements	Increase in Land		
(2)	(3)	(4)	(5)		
2025	\$0	\$0	\$19,550,000		\$19,550,000
2026	0	0	19,550,000		19,550,000
2027	0	0	19,550,000		19,550,000
2028	0	0	19,550,000		19,550,000
2029	0	0	19,550,000		19,550,000
2030	0	0	19,550,000		19,550,000
2031	0	0	19,550,000		19,550,000
2032	0	0	19,550,000		19,550,000
2033	0	0	19,550,000		19,550,000
2034	0	0	19,550,000		19,550,000
2035-2044	47,250,000	8,750,000	19,550,000		75,550,000

Note: Please reference the footnotes on page 11.

(Subject to the attached letter dated November 14, 2022)
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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

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

Assumes No Property Tax Abatements			
Taxes Payable Year	Troy Township (8)	Van Buren Township (9)	Total
2025	\$53,516,000	\$25,184,000	\$78,700,000
2026	70,652,000	33,248,000	103,900,000
2027	51,374,000	24,176,000	75,550,000
2028	51,374,000	24,176,000	75,550,000
2029	51,374,000	24,176,000	75,550,000
2030	51,374,000	24,176,000	75,550,000
2031	51,374,000	24,176,000	75,550,000
2032	51,374,000	24,176,000	75,550,000
2033	51,374,000	24,176,000	75,550,000
2034	51,374,000	24,176,000	75,550,000
2035-2044	51,374,000	24,176,000	75,550,000

Assumes 10-Year Declining Property Tax Abatement (6)			
Taxes Payable Year	Troy Township (8)	Van Buren Township (9)	Total
2025	\$13,294,000	\$6,256,000	\$19,550,000
2026	19,029,800	8,955,200	27,985,000
2027	20,910,000	9,840,000	30,750,000
2028	24,718,000	11,632,000	36,350,000
2029	28,526,000	13,424,000	41,950,000
2030	32,334,000	15,216,000	47,550,000
2031	36,142,000	17,008,000	53,150,000
2032	39,950,000	18,800,000	58,750,000
2033	43,758,000	20,592,000	64,350,000
2034	47,566,000	22,384,000	69,950,000
2035-2044	51,374,000	24,176,000	75,550,000

Assumes 10-Year 100% Property Tax Abatement (7)			
Taxes Payable Year	Troy Township (8)	Van Buren Township (9)	Total
2025	\$13,294,000	\$6,256,000	\$19,550,000
2026	13,294,000	6,256,000	19,550,000
2027	13,294,000	6,256,000	19,550,000
2028	13,294,000	6,256,000	19,550,000
2029	13,294,000	6,256,000	19,550,000
2030	13,294,000	6,256,000	19,550,000
2031	13,294,000	6,256,000	19,550,000
2032	13,294,000	6,256,000	19,550,000
2033	13,294,000	6,256,000	19,550,000
2034	13,294,000	6,256,000	19,550,000
2035-2044	51,374,000	24,176,000	75,550,000

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(Subject to the attached letter dated November 14, 2022)
(Preliminary - Subject to Change)

FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES

Taxes Payable Year	Estimated Tax Rate (10)				
	Troy Township (8)		Van Buren Township (9)		
	Without Abatement	With Abatement (7)	Without Abatement	With Abatement (7)	
2022	(11)	\$1.6339	\$1.6339	\$1.6787	\$1.6787
2025		1.3868	1.5626	1.5308	1.6380
2026		1.3256	1.5626	1.4910	1.6380
2027-2034		1.3950	1.5626	1.5362	1.6380
2035-2044		1.3950	1.3950	1.5362	1.5362

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES BY OVERLAPPING TAXING UNITS - TROY TOWNSHIP (8)(11)

<u>Overlapping Taxing Unit</u>	<u>Pay 2022 Tax Rate</u>	<u>Estimated Tax Rate Following Property Abatement</u>	<u>Difference</u>
Fountain County	\$0.5732	\$0.5294	(\$0.0438)
Troy Township	0.0756	0.0615	(0.0141)
Covington Community School Corporation	0.8518	0.6976	(0.1542)
Covington-Veedersburg Public Library	0.1096	0.0847	(0.0249)
Fountain County Solid Waste Management	0.0237	0.0218	(0.0019)
Total	<u>\$1.6339</u>	<u>\$1.3950</u>	<u>(\$0.2389)</u>

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES BY OVERLAPPING TAXING UNITS - VAN BUREN TOWNSHIP (9)(11)

<u>Overlapping Taxing Unit</u>	<u>Pay 2022 Tax Rate</u>	<u>Estimated Tax Rate Following Property Abatement</u>	<u>Difference</u>
Fountain County	\$0.5732	\$0.5294	(\$0.0438)
Van Buren Township	0.0991	0.0792	(0.0199)
Southeast Fountain School Corporation	0.8731	0.8211	(0.0520)
Covington-Veedersburg Public Library	0.1096	0.0847	(0.0249)
Fountain County Solid Waste Management	0.0237	0.0218	(0.0019)
Total	<u>\$1.6787</u>	<u>\$1.5362</u>	<u>(\$0.1425)</u>

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT AFTER THE ABATEMENT

	Estimated Property Tax Rate	Estimated Property Tax Liability After the Property Tax Abatements				
		\$75,000 Home Value (12)	\$107,600 Home Value (12)(13)	\$150,000 Home Value (12)	1 Acre Ag. Land (14)	\$100,000 Business (15)
Troy Township						
Current Tax Rate	\$1.6339	\$254.51	\$581.37	\$1,006.48	\$24.23	\$1,615.40
Est. 2035 Tax Rate	1.3950	217.29	496.34	859.28	20.69	1,379.20
Difference	<u>(\$0.2389)</u>	<u>(\$37.22)</u>	<u>(\$85.03)</u>	<u>(\$147.20)</u>	<u>(\$3.54)</u>	<u>(\$236.20)</u>
Van Buren Township						
Current Tax Rate	\$1.6787	\$261.49	\$597.31	\$1,034.08	\$24.90	\$1,659.70
Est. 2035 Tax Rate	1.5362	239.28	546.58	946.26	22.78	1,518.80
Difference	<u>(\$0.1425)</u>	<u>(\$22.21)</u>	<u>(\$50.73)</u>	<u>(\$87.82)</u>	<u>(\$2.12)</u>	<u>(\$140.90)</u>

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

SUMMARY OF ESTIMATED CUMULATIVE FUND REVENUES (10)

Taxes Payable Year	Fountain County Cumulative Capital Development Fund	Troy Township Cumulative Fire Fund	Van Buren Township Cumulative Fire Fund
Current	\$284,706	\$25,339	\$6,424
2025-2034	291,216	29,766	7,131
2035-2044	309,864	42,447	9,156
Est. Cum. Change In Annual Revs Current - 2044	\$316,680	\$215,350	\$34,390
Est. Net Change In Annual Revs Beginning - 2044	\$25,158	\$17,108	\$2,732

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

SUMMARY OF ESTIMATED PROPERTY TAXES FROM THE PROPOSED INVESTMENT

Assumes 3% Annual Tax Rate Increase

Taxes Payable Year	Estimated Net Property Taxes (1)(8)(9)(10)(11)(16)					Difference in Abatement Savings
	Without Abatement	With 10-Year Declining Abatement (6)	Estimated Abatement Savings	With 10-Year 100% Abatement (7)	Estimated Abatement Savings	
2025	\$1,401,350	\$348,110	\$1,053,240	\$348,110	\$1,053,240	\$0
2026	1,905,590	513,260	1,392,330	358,560	1,547,030	154,700
2027	1,427,230	580,900	846,330	369,330	1,057,900	211,570
2028	1,470,070	707,310	762,760	380,410	1,089,660	326,900
2029	1,514,130	840,740	673,390	391,810	1,122,320	448,930
2030	1,559,550	981,550	578,000	403,570	1,155,980	577,980
2031	1,606,320	1,130,050	476,270	415,670	1,190,650	714,380
2032	1,654,550	1,286,630	367,920	428,140	1,226,410	858,490
2033	1,704,170	1,451,530	252,640	440,990	1,263,180	1,010,540
2034	1,755,350	1,625,240	130,110	454,230	1,301,120	1,171,010
2035	1,808,020	1,808,020	0	1,808,020	0	0
2036	1,862,290	1,862,290	0	1,862,290	0	0
2037	1,918,100	1,918,100	0	1,918,100	0	0
2038	1,975,650	1,975,650	0	1,975,650	0	0
2039	2,034,990	2,034,990	0	2,034,990	0	0
2040	2,095,980	2,095,980	0	2,095,980	0	0
2041	2,158,890	2,158,890	0	2,158,890	0	0
2042	2,223,670	2,223,670	0	2,223,670	0	0
2043	2,266,500	2,266,500	0	2,266,500	0	0
2044	2,266,500	2,266,500	0	2,266,500	0	0
20-Year Totals	<u>\$36,608,900</u>	<u>\$30,075,910</u>	<u>\$6,532,990</u>	<u>\$24,601,410</u>	<u>\$12,007,490</u>	<u>\$5,474,500</u>
30-Year Totals	<u>\$59,273,900</u>	<u>\$52,740,910</u>	<u>\$6,532,990</u>	<u>\$47,266,410</u>	<u>\$12,007,490</u>	<u>\$5,474,500</u>
35-Year Totals	<u>\$70,606,400</u>	<u>\$64,073,410</u>	<u>\$6,532,990</u>	<u>\$58,598,910</u>	<u>\$12,007,490</u>	<u>\$5,474,500</u>
40-Year Totals	<u>\$81,938,900</u>	<u>\$75,405,910</u>	<u>\$6,532,990</u>	<u>\$69,931,410</u>	<u>\$12,007,490</u>	<u>\$5,474,500</u>

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

PROPOSED ECONOMIC DEVELOPMENT PAYMENTS

<u>Unit</u>	<u>Total Economic Development Payment</u>
Payment 1	\$600,000
Payment 2	1,000,000
Payment 3	1,500,000
Payment 4	2,000,000
Payment 5	2,700,000
	<hr/>
Total	<u><u>\$7,800,000</u></u>

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FOUNTAIN COUNTY, INDIANA

Proposed Crossroads Solar Farm Project

FOOTNOTES

- (1) Assumes the estimated taxable investment in Fountain County is \$175,000,000 per the Company. Assumes \$157,500,000 of the investment is taxable utility distributable property. Assumes a 200 megawatt project, per the Company.
- (2) Assumes the taxable utility distributable property is depreciated using the MACRS 5-year double declining balance half-year convention depreciation table.
- (3) Assumes the real property improvements will be assessed at 50% of the estimated cost. The actual assessed value will be determined by the Fountain County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (4) Assumes the estimated 1,700 acres the proposed Crossroads Solar Farm Project will encumber, assumed within the fence, will be increased to \$13,000 per acre based upon House Enrolled Act No.1348-2021. The current land is assumed to be farmland with an estimated assessed value of \$1,500 per acre, based upon the Department of Local Government Finance pay 2023 agricultural land base rate. The actual assessed value will be determined by the Fountain 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 a 10-year declining property tax abatement for the proposed utility property investment and real property improvements with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.
- (7) Assumes a 10-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (8) Assumes an estimated 68% of the investment and acreage will be located in the Troy Township taxing district based on information provided by the Company.
- (9) Assumes an estimated 32% of the investment and acreage will be located in the Van Buren Township taxing district, based on information provided by the Company.
- (10) The estimated tax rates and cumulative fund revenues are based on the pay 2022 Budget Order for Fountain 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 Crossroads 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.
- (11) Based on the certified pay 2022 tax rate for the respective taxing district.
- (12) 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 1.1348% pay 2022 LIT PTRC and the 4.4617% pay 2022 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.
- (13) \$107,600 represents the Median Home value for Fountain County, per the 2016-2020 American Community Survey 5-Year estimates of the U.S. Census Bureau.
- (14) One acre of agricultural land represents the 2022 pay 2023 assessment of \$1,500 and no deductions or exemptions. Includes the impact of the 1.1348% pay 2022 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.
- (15) Assumes no deductions or exemptions. Includes the impact of the 1.1348 pay 2022 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.
- (16) Includes the impact of the 1.1348% pay 2022 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 valued 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 Fountain County will not affect the depreciation and assessed value allocation of the utility property proposed to be installed within Fountain 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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