

April 24, 2024

Fountain County Board of Commissioners
Fountain County Council
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Covington, Indiana 47932

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Re: Proposed Dolphin Solar Project – Phase 2

Dear County Commissioners and Members of the Council:

Per your request, we have prepared this preliminary property tax abatement analysis to assist you in the discussion and consideration of the proposed project located in Fountain 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. These schedules should not be used as estimates for income tax calculations or property tax filings.

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 Dolphin Solar Project

SUMMARY OF ESTIMATED IMPACT FROM THE PROPOSED INVESTMENT

	<u>Assumes No Property Tax Abatement</u>	<u>Assumes 10-Year 100% Property Tax Abatement</u>	
Proposed Total Investment Amount		\$337,500,000	
Proposed Total Megawatts		250	
Estimated Assessed Value Following Property Tax Abatement		\$122,506,500	
Estimated Property Taxes from the Proposed Investment (2029-2039)	\$22,094,470		\$4,715,950
Estimated Abatement Savings	\$0		\$17,378,520
Illustrative Economic Development Payment	\$0		\$11,209,060 (1)

Estimated Tax Rate During Property Tax Abatement

Logan Township (Pay 2024 Tax Rate \$1.7098)	\$1.6448
Shawnee Township (Pay 2024 Tax Rate \$1.5700)	1.5061

Estimated Annual Taxpayer Impact for Median Home Value (\$123,400) During Property Tax Abatement

Logan Township Taxing District	(\$30.11)
Shawnee Township Taxing District	(29.60)

Estimated Annual Taxpayer Impact for 1 Acre of Agricultural (\$2,280) Land During Property Tax Abatement

Logan Township Taxing District	(\$1.47)
Shawnee Township Taxing District	(1.44)

Estimated Tax Rate Following Property Tax Abatement

Logan Township (Pay 2024 Tax Rate \$1.7098)	\$1.3629
Shawnee Township (Pay 2024 Tax Rate \$1.5700)	1.2304

Estimated Annual Taxpayer Impact for Median Home Value (\$123,400) Following Property Tax Abatement

Logan Township Taxing District	(\$160.69)
Shawnee Township Taxing District	(157.30)

Estimated Annual Taxpayer Impact for 1 Acre of Agricultural (\$2,280) Land Following Property Tax Abatement

Logan Township Taxing District	(\$7.82)
Shawnee Township Taxing District	(7.65)

(1) Represents the total illustrative payment over 10 payments. The Company has proposed a \$3,255,000 total payment over 7 payments.

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

ESTIMATED ASSESSED VALUE FROM THE PROPOSED INVESTMENT (1)

Taxes Payable Year	Assumes No Property Tax Abatements				Assumes 10-Year 100% Property Tax Abatements (2)			
	Real Property				Real Property			
	Utility Property (3)	Improvements (4)	Increase in Land (5)	Total	Utility Property (3)	Improvements (4)	Increase in Land (5)	Total
2031	\$102,600,000 (6)	\$8,437,500	\$17,881,500	\$128,919,000	\$0 (6)	\$0	\$17,881,500	\$17,881,500
2032	153,900,000	8,437,500	17,881,500	180,219,000	0	0	17,881,500	17,881,500
2033	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2034	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2035	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2036	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2037	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2038	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2039	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2040	96,187,500	8,437,500	17,881,500	122,506,500	0	0	17,881,500	17,881,500
2041	96,187,500	8,437,500	17,881,500	122,506,500	96,187,500	8,437,500	17,881,500	122,506,500

Note: Please reference the footnotes on page 12.

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

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

Assumes No Property Tax Abatement

Taxes Payable Year	Taxing District		Total
	Logan Township (7)	Shawnee Township (8)	
2031	\$12,891,900	\$116,027,100	\$128,919,000
2032	18,021,900	162,197,100	180,219,000
2033	12,250,650	110,255,850	122,506,500
2034	12,250,650	110,255,850	122,506,500
2035	12,250,650	110,255,850	122,506,500
2036	12,250,650	110,255,850	122,506,500
2037	12,250,650	110,255,850	122,506,500
2038	12,250,650	110,255,850	122,506,500
2039	12,250,650	110,255,850	122,506,500
2040	12,250,650	110,255,850	122,506,500
2041	12,250,650	110,255,850	122,506,500

Assumes 10-Year 100% Property Tax Abatement (2)

Taxes Payable Year	Taxing District		Total
	Logan Township (7)	Shawnee Township (8)	
2031	\$1,788,150	\$16,093,350	\$17,881,500
2032	1,788,150	16,093,350	17,881,500
2033	1,788,150	16,093,350	17,881,500
2034	1,788,150	16,093,350	17,881,500
2035	1,788,150	16,093,350	17,881,500
2036	1,788,150	16,093,350	17,881,500
2037	1,788,150	16,093,350	17,881,500
2038	1,788,150	16,093,350	17,881,500
2039	1,788,150	16,093,350	17,881,500
2040	1,788,150	16,093,350	17,881,500
2041	12,250,650	110,255,850	122,506,500

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

SUMMARY OF ESTIMATED PROPERTY TAX RATES

Taxes Payable Year	Estimated Tax Rate (9)			
	Logan Township Taxing District		Shawnee Township Taxing District	
	Without Abatement	With Abatement (2)	Without Abatement	With Abatement (2)
2024 (10)	\$1.7098	\$1.7098	\$1.5700	\$1.5700
2031	1.3496	1.6448	1.2175	1.5061
2032	1.2537	1.6448	1.1244	1.5061
2033	1.3629	1.6448	1.2304	1.5061
2034	1.3629	1.6448	1.2304	1.5061
2035	1.3629	1.6448	1.2304	1.5061
2036	1.3629	1.6448	1.2304	1.5061
2037	1.3629	1.6448	1.2304	1.5061
2038	1.3629	1.6448	1.2304	1.5061
2039	1.3629	1.6448	1.2304	1.5061
2040	1.3629	1.6448	1.2304	1.5061
2041	1.3629	1.3629	1.2304	1.2304

Note: Tax Rates are per \$100 of net assessed value. Please reference the footnotes on page 12.

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT DURING THE ABATEMENT

	Estimated Property Tax Rate	Estimated Property Tax Liability During the 10-Year Property Tax Abatement				
		\$100,000 Home Value (11)	\$123,400 Home Value (11)(12)	\$200,000 Home Value (11)	1 Acre Ag. Land (13)	\$100,000 Business (14)
Logan Township Taxing District						
Current Tax Rate	\$1.7098	\$546.20	\$791.99	\$1,596.58	\$38.52	\$1,689.42
Est. 2035 Tax Rate	1.6448	525.43	761.88	1,535.88	37.05	1,625.20
Difference	<u>(\$0.0650)</u>	<u>(\$20.77)</u>	<u>(\$30.11)</u>	<u>(\$60.70)</u>	<u>(\$1.47)</u>	<u>(\$64.22)</u>
Shawnee Township Taxing District						
Current Tax Rate	\$1.5700	\$501.54	\$727.23	\$1,466.04	\$35.37	\$1,551.29
Est. 2035 Tax Rate	1.5061	481.13	697.63	1,406.37	33.93	1,488.15
Difference	<u>(\$0.0639)</u>	<u>(\$20.41)</u>	<u>(\$29.60)</u>	<u>(\$59.67)</u>	<u>(\$1.44)</u>	<u>(\$63.14)</u>

Note: Tax Rates are per \$100 of net assessed value. Please reference the footnotes on page 12.

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

ESTIMATED TAXPAYER IMPACT FROM THE PROPOSED DEVELOPMENT FOLLOWING THE ABATEMENT

	Estimated Property Tax Rate	Estimated Property Tax Liability Following the 10-Year Property Tax Abatement				
		\$100,000 Home Value	\$123,400 Home Value	\$200,000 Home Value	1 Acre Ag. Land	\$100,000 Business
		(11)	(11)(12)	(11)	(13)	(14)
Logan Township Taxing District						
Current Tax Rate	\$1.7098	\$546.20	\$791.99	\$1,596.58	\$38.52	\$1,689.42
Est. 2041 Tax Rate	1.3629	435.38	631.30	1,272.65	30.70	1,346.66
Difference	<u>(\$0.3469)</u>	<u>(\$110.82)</u>	<u>(\$160.69)</u>	<u>(\$323.93)</u>	<u>(\$7.82)</u>	<u>(\$342.76)</u>
Shawnee Township Taxing District						
Current Tax Rate	\$1.5700	\$501.54	\$727.23	\$1,466.04	\$35.37	\$1,551.29
Est. 2041 Tax Rate	1.2304	393.05	569.93	1,148.92	27.72	1,215.74
Difference	<u>(\$0.3396)</u>	<u>(\$108.49)</u>	<u>(\$157.30)</u>	<u>(\$317.12)</u>	<u>(\$7.65)</u>	<u>(\$335.55)</u>

Note: Tax Rates are per \$100 of net assessed value. Please reference the footnotes on page 12.

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

SUMMARY OF ESTIMATED PROPERTY TAX ALLOCATION TO OVERLAPPING TAXING UNITS (9)

<u>Overlapping Taxing Unit</u>	<u>Pay 2024 Tax Rate</u>	<u>Estimated Tax Rate Following Property Abatement</u>	<u>Difference</u>
Fountain County	\$0.4640	\$0.4233	(\$0.0407)
Logan Township	0.0298	0.0279	(0.0019)
Attica Consolidated School Corporation	0.9629	0.6911	(0.2718)
Attica Public Library	0.1100	0.1046	(0.0054)
Attica City Fire Territory	0.1243	0.0990	(0.0253)
Fountain County Solid Waste Management	0.0188	0.0170	(0.0018)

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

SUMMARY OF ESTIMATED CUMULATIVE FUND REVENUES

<u>Taxes Payable Year</u>	<u>Fountain County Cumulative Capital Development Fund (9)</u>	<u>Attica City Fire Territory Equipment Replace (9)</u>
Current	\$390,923	\$106,090
2031	396,877	112,045
2032	396,877	112,045
2033	396,877	112,045
2034	396,877	112,045
2035	396,877	112,045
2036	396,877	112,045
2037	396,877	112,045
2038	396,877	112,045
2039	396,877	112,045
2040	396,877	112,045
2041	431,718	146,885
Est. Net Change In Annual Revs Beginning - 2041	\$40,795	\$40,795

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Proposed Dolphin Solar Project

SUMMARY OF ESTIMATED PROPERTY TAXES FROM THE PROPOSED INVESTMENT

Taxes Payable Year	Estimated Net Property Taxes (1)(15)(16)						Difference in Estimated Abatement Savings
	10-Year 100% Abatement			10-Year Declining Abatement			
	Without Proposed Abatement	With Proposed Abatement	Estimated Abatement Savings	Without Proposed Abatement	With Proposed Abatement	Estimated Abatement Savings	
		(2)			(17)		
2031	\$2,017,710	\$279,860	\$1,737,850	\$2,017,710	\$279,860	\$1,737,850	\$0
2032	2,820,610	279,860	2,540,750	2,820,610	533,940	2,286,670	254,080
2033	1,917,350	279,860	1,637,490	1,917,350	607,360	1,309,990	327,500
2034	1,917,350	279,860	1,637,490	1,917,350	771,110	1,146,240	491,250
2035	1,917,350	279,860	1,637,490	1,917,350	934,860	982,490	655,000
2036	1,917,350	279,860	1,637,490	1,917,350	1,098,610	818,740	818,750
2037	1,917,350	279,860	1,637,490	1,917,350	1,262,360	654,990	982,500
2038	1,917,350	279,860	1,637,490	1,917,350	1,426,110	491,240	1,146,250
2039	1,917,350	279,860	1,637,490	1,917,350	1,589,850	327,500	1,309,990
2040	1,917,350	279,860	1,637,490	1,917,350	1,753,600	163,750	1,473,740
2041	1,917,350	1,917,350	0	1,917,350	1,917,350	0	0
Totals Through 2041	<u>\$22,094,470</u>	<u>\$4,715,950</u>	<u>\$17,378,520</u>	<u>\$22,094,470</u>	<u>\$12,175,010</u>	<u>\$9,919,460</u>	<u>\$7,459,060</u>

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FOUNTAIN COUNTY, INDIANA

Proposed Dolphin Solar Project

PROPOSED ECONOMIC DEVELOPMENT PAYMENTS

Taxes Payable Year	Assumes 10-Year 100% Abatement		Company Proposed
	Option 1 (18)	Option 2 (19)	
Payment 1	\$750,000	\$1,025,000	\$465,000
Payment 2	1,004,080	1,525,000	465,000
Payment 3	1,077,500	2,025,000	465,000
Payment 4	1,241,250	2,550,000	465,000
Payment 5	1,405,000	3,050,000	465,000
Payment 6	818,750		465,000
Payment 7	982,500		465,000
Payment 8	1,146,250		
Payment 9	1,309,990		
Payment 10	1,473,740		
Total	\$11,209,060	\$10,175,000	\$3,255,000
Net Present Value	\$9,130,036	\$9,130,852	\$2,863,411

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Proposed Dolphin Solar Project

FOOTNOTES

- (1) Assumes the estimated taxable investment is \$337,500,000, per the Company. Assumes \$320,625,000 of the investment is taxable utility distributable property. Assumes the project will consist of 250 megawatts and will be completed in 2029, per the Company.
- (2) Assumes a 10-year 100% property tax abatement for the proposed utility property investment and real property improvements.
- (3) Assumes the 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 Fountain County Assessor upon completion, and the actual value may vary materially from the value assumed in this illustration.
- (5) Represents the estimated change in land assessed value. Assumes a 1,500 acre project site within the fenced area currently assessed as agricultural land with no deductions or exemptions at the 2023 pay 2024 assessed value of \$2,280 per acre. Assumes the project site within the fenced area will be assessed at an average of \$14,201 per acre based on HEA 1348-2022. The actual use classifications and 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.
- (6) Includes the State Credit for Gross Additions of 60%, which is applied in the first year to all utility distributable property.
- (7) Assumes 10% of the investment is located in the Logan Township Taxing District, per the Company.
- (8) Assumes 90% of the investment is located in the Shawnee Township Taxing District, per the Company.
- (9) The estimated tax rates and cumulative fund revenues are based on the pay 2024 Budget Order for Fountain County. Following 2024 the tax rates and cumulative fund revenues are estimated based on the adjustments for the estimated assessed value impact from the proposed Fountain Dolphin 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.
- (10) Represents the certified pay 2024 tax rate for the Shawnee and Logan Township Taxing District Taxing District.
- (11) The residential taxpayer impact includes standard deduction at the lesser of \$48,000 or 60% of home value and the 35% supplemental homestead deduction. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 1% of gross assessed value for a residential parcel, is applied. Accounts for the 1.1918% pay 2023 LIT PTRC and the pay 2023 4.2960% Homestead PTRC.
- (12) \$123,400 represents the Median Home value for Fountain County, per the 2018-2022 American Community Survey 5-Year estimates of the U.S. Census Bureau.
- (13) One acre of agricultural land represents the 2023 pay 2024 assessment of \$2,280 and no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 2% of gross assessed value for an agricultural parcel, is applied. Accounts for the 1.1918% pay 2023 LIT PTRC.
- (14) Assumes no deductions or exemptions. Assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for a commercial parcel, is applied. Accounts for the 1.1918% pay 2023 LIT PTRC.
- (15) Based on the certified pay 2024 rates for Shawnee and Logan Township Taxing Districts. Accounts for the 1.1918% pay 2023 LIT PTRC.
- (16) The analysis assumes the Circuit Breaker Tax Credit, which limits property tax liability to 3% of gross assessed value for utility property, is applied.
- (17) Assumes a 10-year traditional property tax abatement for the proposed taxable utility distributable property investment and real property improvements with the following deduction percentages: 100%, 90%, 80%, 70%, 60%, 50%, 40%, 30%, 20%, and 10%.
- (18) Represents payments totaling \$15,000 per MW and the difference between the estimated abatement savings from the 10-year 100% abatement and the 10-year declining abatement. Assumes a 250 MW project.
- (19) Represents payments totaling \$15,000 per MW and the difference between the estimated abatement savings from the 10-year 100% abatement and the 10-year declining abatement. Assumes a 250 MW project and a discount rate of 4.5%.
- (20) Proposed payments 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 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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