



MUNICIPAL ADVISORS

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October 25, 2023

Allen County Board of Commissioners  
Allen County Council  
200 East Berry Street  
Fort Wayne, Indiana 46802

Re: Proposed Jail Project – Assumes 0.11% Correctional LIT Adoption

Dear Members of the Board of Commissioners and County Council:

Per your request, we have prepared the attached schedules to assist in the discussion and planning of the proposed jail project and the illustrative 0.11% Correctional LIT rate prior to November 1, 2023. 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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2 Illustrative Project Costs and Funding

Scenario 1 – Assumes current interest rates plus 0.25%

3 Illustrative Amortization of \$235,915,000\* Principal Amount of  
Local Income Tax Lease Rental Revenue Bonds

4 Comparison of Estimated Annual Local Income Tax and Illustrative Annual Lease Rentals

Scenario 2 – Assumes current interest rates plus 1.00%

5 Illustrative Amortization of \$235,915,000\* Principal Amount of  
Local Income Tax Lease Rental Revenue Bonds

6 Comparison of Estimated Annual Local Income Tax and Illustrative Annual Lease Rentals

\*Preliminary, subject to change.

In the preparation of these schedules, certain assumptions were made as noted 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 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

Emma R. Adlam, Director

ALLEN COUNTY, INDIANA

*Proposed Jail Project*

**ILLUSTRATIVE PROJECT COSTS AND FUNDING**

*Assumes a Correctional LIT Rate of 0.11%*

*Assumes Annual Economic Development LIT Pledge of \$5,925,000*

<u>Illustrative Project Costs:</u>	<u>Scenario 1 - Current Rates plus 0.25%</u>	<u>Scenario 2 - Current Rates plus 1.00%</u>
Net proceeds available for the project	\$316,000,000	\$314,985,000
Capitalized interest (1)	0	0
Allowance for underwriter's discount (0.50%)	1,179,575	1,204,300
Allowance for Bond issuance costs and contingencies	804,425	804,700
Total Illustrative Project Costs	<u>\$317,984,000</u>	<u>\$316,994,000</u>
<u>Illustrative Project Funding:</u>		
Illustrative Local Income Tax Lease Rental Revenue Bonds (2)	\$235,915,000	\$240,860,000
Estimated Correctional and Rehabilitation LIT funds on hand (3)	37,069,000	31,134,000
Estimated Cash on hand of the County (4)	45,000,000	45,000,000
Total Illustrative Project Funding	<u>\$317,984,000</u>	<u>\$316,994,000</u>

- (1) Assumes the County utilizes the existing jail facility as part of the leased premises during construction of the new facility in order to make interest-only payments during the term of construction.
- (2) Assumes the bonds are payable from Correctional and Rehabilitation LIT ("Correctional LIT") revenues, a limited \$5,925,000 annual pledge of the Expenditure Rate - Economic Development Component ("Economic Development LIT"), with a property tax backup.
- (3) See page 4. Assumes the County adopts the Correctional LIT in 2023 to start collections in 2024. Assumes the County applies the estimated Correctional LIT accumulated from 2024 through 2026 to the project and interest-only lease rental payments.
- (4) Assumes the County contributes \$45 million of cash on hand towards the project, with \$15 million from ARPA and \$30 million from the General Fund.

(Subject to the attached letter dated October 25, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

Proposed Jail Project

**ILLUSTRATIVE AMORTIZATION OF \$235,915,000\* PRINCIPAL AMOUNT OF LOCAL INCOME TAX LEASE RENTAL REVENUE BONDS**

Assumes Bonds dated February 15, 2024

Illustrative True Interest Cost 4.23%

Payment Date	Principal Outstanding*	Principal*	Illustrative Interest Rates (1)	Illustrative Interest	Illustrative Total Debt Service	Illustrative Fiscal Year Debt Service	Illustrative Lease Rentals (2)
07/15/24	\$235,915,000			\$4,010,613	\$4,010,613		
01/15/25	235,915,000			4,812,735	4,812,735	\$8,823,348	\$8,829,000
07/15/25	235,915,000			4,812,735	4,812,735		
01/15/26	235,915,000			4,812,735	4,812,735	9,625,470	9,631,000
07/15/26	235,915,000			4,812,735	4,812,735		
01/15/27	235,915,000			4,812,735	4,812,735	9,625,470	9,631,000
07/15/27	235,915,000	\$4,980,000	3.70%	4,812,735	9,792,735		
01/15/28	230,935,000	5,070,000	3.65%	4,720,605	9,790,605	19,583,340	19,589,000
07/15/28	225,865,000	5,165,000	3.65%	4,628,078	9,793,078		
01/15/29	220,700,000	5,255,000	3.60%	4,533,816	9,788,816	19,581,894	19,587,000
07/15/29	215,445,000	5,350,000	3.60%	4,439,226	9,789,226		
01/15/30	210,095,000	5,445,000	3.60%	4,342,926	9,787,926	19,577,153	19,583,000
07/15/30	204,650,000	5,545,000	3.60%	4,244,916	9,789,916		
01/15/31	199,105,000	5,645,000	3.65%	4,145,106	9,790,106	19,580,023	19,586,000
07/15/31	193,460,000	5,750,000	3.65%	4,042,085	9,792,085		
01/15/32	187,710,000	5,850,000	3.70%	3,937,148	9,787,148	19,579,233	19,585,000
07/15/32	181,860,000	5,960,000	3.70%	3,828,923	9,788,923		
01/15/33	175,900,000	6,070,000	3.80%	3,718,663	9,788,663	19,577,585	19,583,000
07/15/33	169,830,000	6,190,000	3.80%	3,603,333	9,793,333		
01/15/34	163,640,000	6,310,000	3.95%	3,485,723	9,795,723	19,589,055	19,595,000
07/15/34	157,330,000	6,430,000	3.95%	3,361,100	9,791,100		
01/15/35	150,900,000	6,560,000	4.00%	3,234,108	9,794,108	19,585,208	19,591,000
07/15/35	144,340,000	6,690,000	4.00%	3,102,908	9,792,908		
01/15/36	137,650,000	6,820,000	4.05%	2,969,108	9,789,108	19,582,015	19,588,000
07/15/36	130,830,000	6,960,000	4.05%	2,831,003	9,791,003		
01/15/37	123,870,000	7,100,000	4.10%	2,690,063	9,790,063	19,581,065	19,587,000
07/15/37	116,770,000	7,245,000	4.10%	2,544,513	9,789,513		
01/15/38	109,525,000	7,395,000	4.15%	2,395,990	9,790,990	19,580,503	19,586,000
07/15/38	102,130,000	7,550,000	4.15%	2,242,544	9,792,544		
01/15/39	94,580,000	7,705,000	4.25%	2,085,881	9,790,881	19,583,425	19,589,000
07/15/39	86,875,000	7,870,000	4.25%	1,922,150	9,792,150		
01/15/40	79,005,000	8,035,000	4.35%	1,754,913	9,789,913	19,582,063	19,588,000
07/15/40	70,970,000	8,210,000	4.35%	1,580,151	9,790,151		
01/15/41	62,760,000	8,390,000	4.40%	1,401,584	9,791,584	19,581,735	19,587,000
07/15/41	54,370,000	8,570,000	4.40%	1,217,004	9,787,004		
01/15/42	45,800,000	8,760,000	4.45%	1,028,464	9,788,464	19,575,468	19,581,000
07/15/42	37,040,000	8,955,000	4.45%	833,554	9,788,554		
01/15/43	28,085,000	9,155,000	4.50%	634,305	9,789,305	19,577,859	19,583,000
07/15/43	18,930,000	9,360,000	4.50%	428,318	9,788,318		
01/15/44	9,570,000	9,570,000	4.55%	217,718	9,787,718	19,576,035	19,582,000
Totals		<u>\$235,915,000</u>		<u>\$125,032,943</u>	<u>\$360,947,943</u>	<u>\$360,947,943</u>	<u>\$361,061,000</u>

(1) We have prepared the interest rate assumptions using our evaluation of the underlying credit pledge to this financing and current market conditions. These factors are subject to change. Changes may result in the actual interest rates varying from the interest rates assumed for this analysis and that variance may be material. The interest rate assumption used in this analysis includes 25 basis points of cushion from current rates.  
 (2) Represents the annual debt service rounded up to the nearest \$1,000 plus \$5,000 for trustee and administrative fees.

\*Preliminary, subject to change.

(Subject to the attached letter dated October 25, 2023)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

Proposed Jail Project

**COMPARISON OF ESTIMATED ANNUAL LOCAL  
INCOME TAX AND ILLUSTRATIVE ANNUAL LEASE RENTALS**

**Assumes a Correctional LIT Rate of 0.11% and annual Economic Development LIT Pledge of \$5,925,000  
Assumes current interest rates plus 0.25%**

Taxes Payable Year	Estimated Correctional LIT (1)	Economic Development LIT Contribution (2)	Illustrative Project Contribution (3)	Illustrative Lease Rentals (4)	Illustrative Correctional LIT Remaining	Illustrative Coverage
2024	\$16,295,000	\$5,925,000	(\$12,891,000)	(\$8,829,000)	\$500,000	252%
2025	16,295,000	5,925,000	(12,089,000)	(9,631,000)	500,000	231%
2026	16,295,000	5,925,000	(12,089,000)	(9,631,000)	500,000	231%
2027	16,295,000	5,925,000		(19,589,000)	2,631,000	113%
2028	16,295,000	5,925,000		(19,587,000)	2,633,000	113%
2029	16,295,000	5,925,000		(19,583,000)	2,637,000	113%
2030	16,295,000	5,925,000		(19,586,000)	2,634,000	113%
2031	16,295,000	5,925,000		(19,585,000)	2,635,000	113%
2032	16,295,000	5,925,000		(19,583,000)	2,637,000	113%
2033	16,295,000	5,925,000		(19,595,000)	2,625,000	113%
2034	16,295,000	5,925,000		(19,591,000)	2,629,000	113%
2035	16,295,000	5,925,000		(19,588,000)	2,632,000	113%
2036	16,295,000	5,925,000		(19,587,000)	2,633,000	113%
2037	16,295,000	5,925,000		(19,586,000)	2,634,000	113%
2038	16,295,000	5,925,000		(19,589,000)	2,631,000	113%
2039	16,295,000	5,925,000		(19,588,000)	2,632,000	113%
2040	16,295,000	5,925,000		(19,587,000)	2,633,000	113%
2041	16,295,000	5,925,000		(19,581,000)	2,639,000	113%
2042	16,295,000	5,925,000		(19,583,000)	2,637,000	113%
2043	16,295,000	5,925,000		(19,582,000)	2,638,000	113%
Totals	<u>\$325,900,000</u>	<u>\$118,500,000</u>	<u>(\$37,069,000)</u>	<u>(\$361,061,000)</u>	<u>\$46,270,000</u>	

- (1) Assumes a Correctional LIT Rate of 0.11% is adopted in 2023 and revenues are collected starting in 2024. Estimate is based on the estimated 2024 Public Safety LIT revenues of \$14,813,484 with a 0.10% tax rate.
- (2) Assumes the County pledges an annual \$5,925,000 of Economic Development LIT towards the repayment of the Bonds, which represents the estimate of 0.04% that would have been generated from the Correctional LIT.
- (3) Assumes the County applies \$37,069,000 of estimated Correctional LIT accumulated from 2024 through 2026 to the project.
- (4) See page 3.

(Subject to the attached letter dated October 25, 2023)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

Proposed Jail Project

**ILLUSTRATIVE AMORTIZATION OF \$240,860,000\* PRINCIPAL AMOUNT OF LOCAL INCOME TAX LEASE RENTAL REVENUE BONDS**

Assumes Bonds dated February 15, 2024

Illustrative True Interest Cost 4.99%

Payment Date	Principal Outstanding*	Principal*	Illustrative Interest Rates (1)	Illustrative Interest	Illustrative Total Debt Service	Illustrative Fiscal Year Debt Service	Illustrative Lease Rentals (2)
07/15/24	\$240,860,000			\$4,858,577	\$4,858,577		
01/15/25	240,860,000			5,830,293	5,830,293	\$10,688,870	\$10,694,000
07/15/25	240,860,000			5,830,293	5,830,293		
01/15/26	240,860,000			5,830,293	5,830,293	11,660,585	11,666,000
07/15/26	240,860,000			5,830,293	5,830,293		
01/15/27	240,860,000			5,830,293	5,830,293	11,660,585	11,666,000
07/15/27	240,860,000	\$4,745,000	4.45%	5,830,293	10,575,293		
01/15/28	236,115,000	4,855,000	4.40%	5,724,716	10,579,716	21,155,009	21,161,000
07/15/28	231,260,000	4,960,000	4.40%	5,617,906	10,577,906		
01/15/29	226,300,000	5,070,000	4.35%	5,508,786	10,578,786	21,156,693	21,162,000
07/15/29	221,230,000	5,180,000	4.35%	5,398,514	10,578,514		
01/15/30	216,050,000	5,290,000	4.35%	5,285,849	10,575,849	21,154,363	21,160,000
07/15/30	210,760,000	5,405,000	4.35%	5,170,791	10,575,791		
01/15/31	205,355,000	5,525,000	4.40%	5,053,233	10,578,233	21,154,024	21,160,000
07/15/31	199,830,000	5,645,000	4.40%	4,931,683	10,576,683		
01/15/32	194,185,000	5,770,000	4.45%	4,807,493	10,577,493	21,154,175	21,160,000
07/15/32	188,415,000	5,895,000	4.45%	4,679,110	10,574,110		
01/15/33	182,520,000	6,030,000	4.55%	4,547,946	10,577,946	21,152,056	21,158,000
07/15/33	176,490,000	6,165,000	4.55%	4,410,764	10,575,764		
01/15/34	170,325,000	6,310,000	4.70%	4,270,510	10,580,510	21,156,274	21,162,000
07/15/34	164,015,000	6,455,000	4.70%	4,122,225	10,577,225		
01/15/35	157,560,000	6,605,000	4.75%	3,970,533	10,575,533	21,152,758	21,158,000
07/15/35	150,955,000	6,765,000	4.75%	3,813,664	10,578,664		
01/15/36	144,190,000	6,925,000	4.80%	3,652,995	10,577,995	21,156,659	21,162,000
07/15/36	137,265,000	7,090,000	4.80%	3,486,795	10,576,795		
01/15/37	130,175,000	7,260,000	4.85%	3,316,635	10,576,635	21,153,430	21,159,000
07/15/37	122,915,000	7,435,000	4.85%	3,140,580	10,575,580		
01/15/38	115,480,000	7,620,000	4.90%	2,960,281	10,580,281	21,155,861	21,161,000
07/15/38	107,860,000	7,805,000	4.90%	2,773,591	10,578,591		
01/15/39	100,055,000	7,995,000	5.00%	2,582,369	10,577,369	21,155,960	21,161,000
07/15/39	92,060,000	8,195,000	5.00%	2,382,494	10,577,494		
01/15/40	83,865,000	8,400,000	5.10%	2,177,619	10,577,619	21,155,113	21,161,000
07/15/40	75,465,000	8,615,000	5.10%	1,963,419	10,578,419		
01/15/41	66,850,000	8,830,000	5.15%	1,743,736	10,573,736	21,152,155	21,158,000
07/15/41	58,020,000	9,060,000	5.15%	1,516,364	10,576,364		
01/15/42	48,960,000	9,295,000	5.20%	1,283,069	10,578,069	21,154,433	21,160,000
07/15/42	39,665,000	9,535,000	5.20%	1,041,399	10,576,399		
01/15/43	30,130,000	9,785,000	5.25%	793,489	10,578,489	21,154,888	21,160,000
07/15/43	20,345,000	10,040,000	5.25%	536,633	10,576,633		
01/15/44	10,305,000	10,305,000	5.30%	273,083	10,578,083	21,154,715	21,160,000
Totals		<u>\$240,860,000</u>		<u>\$152,778,602</u>	<u>\$393,638,602</u>	<u>\$393,638,602</u>	<u>\$393,749,000</u>

(1) We have prepared the interest rate assumptions using our evaluation of the underlying credit pledge to this financing and current market conditions. These factors are subject to change. Changes may result in the actual interest rates varying from the interest rates assumed for this analysis and that variance may be material. The interest rate assumption used in this analysis includes 100 basis points of cushion from current rates.  
 (2) Represents the annual debt service rounded up to the nearest \$1,000 plus \$5,000 for trustee and administrative fees.

\*Preliminary, subject to change.

(Subject to the attached letter dated October 25, 2023)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

Proposed Jail Project

**COMPARISON OF ESTIMATED ANNUAL LOCAL  
INCOME TAX AND ILLUSTRATIVE ANNUAL LEASE RENTALS**

*Assumes a Correctional LIT Rate of 0.11% and annual Economic Development LIT Pledge of \$5,925,000  
Assumes current interest rates plus 1.00%*

Taxes Payable Year	Estimated Correctional LIT (1)	Economic Development LIT Contribution (2)	Illustrative Project Contribution (3)	Illustrative Lease Rentals (4)	Illustrative Correctional LIT Remaining	Illustrative Coverage
2024	\$16,295,000	\$5,925,000	(\$11,026,000)	(\$10,694,000)	\$500,000	208%
2025	16,295,000	5,925,000	(10,054,000)	(11,666,000)	500,000	190%
2026	16,295,000	5,925,000	(10,054,000)	(11,666,000)	500,000	190%
2027	16,295,000	5,925,000		(21,161,000)	1,059,000	105%
2028	16,295,000	5,925,000		(21,162,000)	1,058,000	105%
2029	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
2030	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
2031	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
2032	16,295,000	5,925,000		(21,158,000)	1,062,000	105%
2033	16,295,000	5,925,000		(21,162,000)	1,058,000	105%
2034	16,295,000	5,925,000		(21,158,000)	1,062,000	105%
2035	16,295,000	5,925,000		(21,162,000)	1,058,000	105%
2036	16,295,000	5,925,000		(21,159,000)	1,061,000	105%
2037	16,295,000	5,925,000		(21,161,000)	1,059,000	105%
2038	16,295,000	5,925,000		(21,161,000)	1,059,000	105%
2039	16,295,000	5,925,000		(21,161,000)	1,059,000	105%
2040	16,295,000	5,925,000		(21,158,000)	1,062,000	105%
2041	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
2042	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
2043	16,295,000	5,925,000		(21,160,000)	1,060,000	105%
Totals	<u>\$325,900,000</u>	<u>\$118,500,000</u>	<u>(\$31,134,000)</u>	<u>(\$393,749,000)</u>	<u>\$19,517,000</u>	

- (1) Assumes a Correctional LIT Rate of 0.11% is adopted in 2023 and revenues are collected starting in 2024. Estimate is based on the estimated 2024 Public Safety LIT revenues of \$14,813,484 with a 0.10% tax rate.
- (2) Assumes the County pledges an annual \$5,925,000 of Economic Development LIT towards the repayment of the Bonds, which represents the estimate of 0.04% that would have been generated from the Correctional LIT.
- (3) Assumes the County applies \$31,134,000 of estimated Correctional LIT accumulated from 2024 through 2026 to the project.
- (4) See page 5.

(Subject to the attached letter dated October 25, 2023)  
(Preliminary - Subject to Change)  
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