

Township of Nessel, Minnesota
Estimated Tax Impact

March 25, 2020

\$1,500,000 General Obligation Tax Abatement Bonds, Series 2020

BOND ISSUANCE INFORMATION	
Bond Issue Amount	\$1,500,000
Number of Years	15
Average Interest Rate	2.23%
Estimated Bond Rating	S&P A
PROPERTY TAX INFORMATION	
Actual Net Tax Capacity - Payable 2019	\$2,620,770
Debt Levy @ 105% - Average	124,748
Estimated Tax Capacity Rate:	
Payable - 2019 Without Proposed Bonds	17.030%
Payable - 2019 With Proposed Bonds	21.790%
Estimated Tax Rate Increase	4.760%

An estimated bond amount of \$1,500,000.00 was used to create this estimated tax impact table. The bond amount will be set prior to closing to cover the Townships portion of the project plus bonding service fees and legal fees incurred in the bonding process.

TAX IMPACT ANALYSIS								Tax Increase is for Debt Service Only*		
Type of Property	Estimated Market Value	Market Value Exclusion	Taxable Market Value	Net Tax Capacity	Current Township Tax	Proposed Tax Increase*	Proposed Township Tax	Annual	Monthly	Daily
Residential Homestead	\$ 125,000	\$ 25,990	\$ 99,010	\$ 990	\$ 168.61	\$ 47.13	\$ 215.74	\$47.13	\$3.93	\$0.13
	150,000	23,740	126,260	1,263	215.02	60.10	275.12	60.10	5.01	0.16
	175,000	21,490	153,510	1,535	261.43	73.07	334.50	73.07	6.09	0.20
	200,000	19,240	180,760	1,808	307.83	86.04	393.88	86.04	7.17	0.24
	225,000	16,990	208,010	2,080	354.24	99.01	453.25	99.01	8.25	0.27
	250,000	14,740	235,260	2,353	400.65	111.98	512.63	111.98	9.33	0.31
	300,000	10,240	289,760	2,898	493.46	137.92	631.39	137.92	11.49	0.38
	350,000	5,740	344,260	3,443	586.27	163.87	750.14	163.87	13.66	0.45
	400,000	1,240	398,760	3,988	679.09	189.81	868.90	189.81	15.82	0.52
	450,000	-	450,000	4,500	766.35	214.20	980.55	214.20	17.85	0.59
500,000	-	500,000	5,000	851.50	238.00	1,089.50	238.00	19.83	0.65	
550,000	-	550,000	5,625	957.94	267.75	1,225.69	267.75	22.31	0.73	
600,000	-	600,000	6,250	1,064.38	297.50	1,361.87	297.50	24.79	0.82	
Commercial/Industrial	\$ 100,000	\$ -	\$ 100,000	\$ 1,500	\$ 255.45	\$ 71.40	\$ 326.85	\$71.40	\$5.95	\$0.20
	200,000	-	200,000	3,250	553.48	154.70	708.17	\$154.70	\$12.89	\$0.42
	300,000	-	300,000	5,250	894.08	249.90	1,143.97	\$249.90	\$20.82	\$0.68
	400,000	-	400,000	7,250	1,234.68	345.10	1,579.77	\$345.10	\$28.76	\$0.95
	500,000	-	500,000	9,250	1,575.28	440.30	2,015.57	440.30	36.69	1.21
1,000,000	-	1,000,000	19,250	3,278.28	916.29	4,194.57	916.29	76.36	2.51	
Apartments (4 or more units)	\$ 200,000	\$ -	\$ 200,000	\$ 2,500	\$ 425.75	\$ 119.00	\$ 544.75	\$119.00	\$9.92	\$0.33
	300,000	-	300,000	3,750	638.63	178.50	817.12	178.50	14.87	0.49
	500,000	-	500,000	6,250	1,064.38	297.50	1,361.87	297.50	24.79	0.82
Agricultural Homestead **	\$ 150,000	\$ 23,740	\$ 126,260	\$ 1,263	\$ 215.02	\$ 60.10	\$ 275.12	\$60.10	\$5.01	\$0.16
	400,000	23,740	376,260	2,513	427.90	119.60	547.49	119.60	9.97	0.33
	500,000	23,740	476,260	3,013	513.05	143.40	656.44	143.40	11.95	0.39
	600,000	23,740	576,260	3,513	598.20	167.20	765.39	167.20	13.93	0.46
	800,000	23,740	776,260	4,513	768.50	214.80	983.29	214.80	17.90	0.59
1,000,000	23,740	976,260	5,513	938.80	262.40	1,201.19	262.40	21.87	0.72	
Agricultural Non-Homestead (dollars per acre)	\$ 1,500	\$ -	\$ 1,500	\$ 15	\$ 2.55	\$ 0.71	\$ 3.27	\$0.71	\$0.06	\$0.00
	2,000	-	2,000	20	3.41	0.95	4.36	0.95	0.08	0.00
	2,500	-	2,500	25	4.26	1.19	5.45	1.19	0.10	0.00
Seasonal/Recreation Residential	\$ 100,000	\$ -	\$ 100,000	\$ 1,000	\$ 170.30	\$ 47.60	\$ 217.90	\$47.60	\$3.97	\$0.13
	200,000	-	200,000	2,000	340.60	95.20	435.80	95.20	7.93	0.26
	300,000	-	300,000	3,000	510.90	142.80	653.70	142.80	11.90	0.39
	400,000	-	400,000	4,000	681.20	190.40	871.60	190.40	15.87	0.52

* The figures in the table are based on taxes for new bonded debt only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Many owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net tax effect of the bond issue for many property owners.

** For agricultural homestead property, a value of \$150,000 was assumed for the house, garage and one acre.

Nessel Township, Minnesota

\$1,500,000 General Obligation Tax Abatement Bonds, Series 2020

15 Year Term

Assumes Current Market BQ "A" Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
05/01/2020	-	-	-	-	-	-	-
02/01/2021	-	-	23,212.50	23,212.50	(23,212.50)	-	-
08/01/2021	-	-	15,475.00	15,475.00	-	15,475.00	-
02/01/2022	90,000.00	1.500%	15,475.00	105,475.00	-	105,475.00	120,950.00
08/01/2022	-	-	14,800.00	14,800.00	-	14,800.00	-
02/01/2023	90,000.00	1.550%	14,800.00	104,800.00	-	104,800.00	119,600.00
08/01/2023	-	-	14,102.50	14,102.50	-	14,102.50	-
02/01/2024	90,000.00	1.600%	14,102.50	104,102.50	-	104,102.50	118,205.00
08/01/2024	-	-	13,382.50	13,382.50	-	13,382.50	-
02/01/2025	90,000.00	1.700%	13,382.50	103,382.50	-	103,382.50	116,765.00
08/01/2025	-	-	12,617.50	12,617.50	-	12,617.50	-
02/01/2026	95,000.00	1.750%	12,617.50	107,617.50	-	107,617.50	120,235.00
08/01/2026	-	-	11,786.25	11,786.25	-	11,786.25	-
02/01/2027	95,000.00	1.850%	11,786.25	106,786.25	-	106,786.25	118,572.50
08/01/2027	-	-	10,907.50	10,907.50	-	10,907.50	-
02/01/2028	95,000.00	1.950%	10,907.50	105,907.50	-	105,907.50	116,815.00
08/01/2028	-	-	9,981.25	9,981.25	-	9,981.25	-
02/01/2029	100,000.00	2.050%	9,981.25	109,981.25	-	109,981.25	119,962.50
08/01/2029	-	-	8,956.25	8,956.25	-	8,956.25	-
02/01/2030	100,000.00	2.100%	8,956.25	108,956.25	-	108,956.25	117,912.50
08/01/2030	-	-	7,906.25	7,906.25	-	7,906.25	-
02/01/2031	105,000.00	2.150%	7,906.25	112,906.25	-	112,906.25	120,812.50
08/01/2031	-	-	6,777.50	6,777.50	-	6,777.50	-
02/01/2032	105,000.00	2.300%	6,777.50	111,777.50	-	111,777.50	118,555.00
08/01/2032	-	-	5,570.00	5,570.00	-	5,570.00	-
02/01/2033	105,000.00	2.350%	5,570.00	110,570.00	-	110,570.00	116,140.00
08/01/2033	-	-	4,336.25	4,336.25	-	4,336.25	-
02/01/2034	110,000.00	2.500%	4,336.25	114,336.25	-	114,336.25	118,672.50
08/01/2034	-	-	2,961.25	2,961.25	-	2,961.25	-
02/01/2035	115,000.00	2.550%	2,961.25	117,961.25	-	117,961.25	120,922.50
08/01/2035	-	-	1,495.00	1,495.00	-	1,495.00	-
02/01/2036	115,000.00	2.600%	1,495.00	116,495.00	-	116,495.00	117,990.00
Total	\$1,500,000.00	-	\$305,322.50	\$1,805,322.50	(23,212.50)	\$1,782,110.00	-

Significant Dates

Dated	5/01/2020
First Coupon Date	2/01/2021

Yield Statistics

Bond Year Dollars	\$13,665.00
Average Life	9.110 Years
Average Coupon	2.2343396%
Net Interest Cost (NIC)	2.2343396%
True Interest Cost (TIC)	2.2214378%
Bond Yield for Arbitrage Purposes	2.2214378%
All Inclusive Cost (AIC)	2.2214378%

IRS Form 8038

Net Interest Cost	2.2343396%
Weighted Average Maturity	9.110 Years

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Nessel Township, Minnesota

\$1,500,000 General Obligation Tax Abatement Bonds, Series 2020

15 Year Term

Assumes Current Market BQ "A" Rates plus 25bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	105% of Total
02/01/2021	-	-	23,212.50	23,212.50	(23,212.50)	-	-
02/01/2022	90,000.00	1.500%	30,950.00	120,950.00	-	120,950.00	126,997.50
02/01/2023	90,000.00	1.550%	29,600.00	119,600.00	-	119,600.00	125,580.00
02/01/2024	90,000.00	1.600%	28,205.00	118,205.00	-	118,205.00	124,115.25
02/01/2025	90,000.00	1.700%	26,765.00	116,765.00	-	116,765.00	122,603.25
02/01/2026	95,000.00	1.750%	25,235.00	120,235.00	-	120,235.00	126,246.75
02/01/2027	95,000.00	1.850%	23,572.50	118,572.50	-	118,572.50	124,501.13
02/01/2028	95,000.00	1.950%	21,815.00	116,815.00	-	116,815.00	122,655.75
02/01/2029	100,000.00	2.050%	19,962.50	119,962.50	-	119,962.50	125,960.63
02/01/2030	100,000.00	2.100%	17,912.50	117,912.50	-	117,912.50	123,808.13
02/01/2031	105,000.00	2.150%	15,812.50	120,812.50	-	120,812.50	126,853.13
02/01/2032	105,000.00	2.300%	13,555.00	118,555.00	-	118,555.00	124,482.75
02/01/2033	105,000.00	2.350%	11,140.00	116,140.00	-	116,140.00	121,947.00
02/01/2034	110,000.00	2.500%	8,672.50	118,672.50	-	118,672.50	124,606.13
02/01/2035	115,000.00	2.550%	5,922.50	120,922.50	-	120,922.50	126,968.63
02/01/2036	115,000.00	2.600%	2,990.00	117,990.00	-	117,990.00	123,889.50
Total	\$1,500,000.00	-	\$305,322.50	\$1,805,322.50	(23,212.50)	\$1,782,110.00	\$1,871,215.50

Significant Dates

Dated	5/01/2020
First Coupon Date	2/01/2021

Yield Statistics

Bond Year Dollars	\$13,665.00
Average Life	9.110 Years
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