

PRELIMINARY ESTIMATES - FOR REVIEW AND COMMENT

Virginia School District No. 706, and Eveleth-Gilbert School District No. 2154

Analysis of Tax Impact for Potential Bond Issue

February 25, 2019

May 14, 2019 Election

	Total	Virginia	Eveleth-Gilbert
Bond Issue Amount	\$178,475,000	\$147,535,000	\$30,940,000
Available for Project	\$176,688,984	\$146,099,492	\$30,589,493
Number of Years	20	20	
Interest Rate	4.10%	4.10%	
Annual IRRRB Payment	\$4,900,000	\$4,038,100	\$861,900

Type of Property	Estimated Market Value	Estimated Pay 2020 Tax Impact of New Debt Levy *	
Residential Homestead	\$50,000	\$77	\$77
	75,000	115	115
	100,000	183	183
	125,000	252	252
	150,000	322	322
	175,000	391	391
	200,000	461	461
	250,000	600	600
	300,000	739	739
	400,000	1,017	1,017
	500,000	1,275	1,275
Commercial/ Industrial +	\$50,000	\$191	\$191
	100,000	383	383
	250,000	1,084	1,084
	500,000	2,359	2,359
Agricultural Homestead** (average value per acre of land & buildings)	\$4,000	\$3.06	\$3.06
	5,000	3.83	3.83
	6,000	4.59	4.59
	7,000	5.36	5.36
	8,000	6.12	6.12
Agricultural Non-Homestead** (average value per acre of land & buildings)	\$4,000	\$6.12	\$6.12
	5,000	7.65	7.65
	6,000	9.18	9.18
	7,000	10.71	10.71
	8,000	12.24	12.24
Seasonal Recreational Residential	\$50,000	\$128	\$128
	75,000	191	191
	100,000	255	255
	150,000	383	383
	200,000	510	510

* Estimated tax impact includes principal and interest payments on the new bonds. The figures in the table are based on school district taxes for bonded debt levies only, and do not include tax levies for other purposes. Tax increases shown above are gross increases, not including the impact of the homeowner's Homestead Credit 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 effect of the proposed bond issue for many property owners.

+ For commercial-industrial property, the tax impact estimates may be less than shown above, due to the impact of the Iron Range Fiscal Disparities program.

** For agricultural property, estimated tax impact includes 40% reduction due to the School Building Bond Agricultural Credit. Average value per acre is the total estimated market value of all land & buildings divided by total acres. Homestead examples exclude the house, garage, and one acre, which has the same tax impact as a residential homestead.