

Tax Increment Financing Application for

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**The City of Charleston, West Virginia**

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**Charleston Convention and Civic Center Project No. 1**

**located in**

**The City of Charleston Development**

**District No. 1 – Charleston Convention and Civic Center Project**

December 22, 2011

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- Attachment 9: A memorandum of understanding (“MOU”) about how the competitive bidding process will be conducted.
- Attachment 10: A relocation plan for any displaced persons, businesses, or organizations.
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- Attachment 13: Board of Education and County Commission and State review of the proposed project and written correspondence.
- Attachment 14: Board of Education and County Commission and State requests for further information, guidance, or other formal requests. The City must include any such communications with this application.
- Attachment 15: Project Developer information, including Certificates from workers’ compensation commission, bureau of employment programs, state tax commissioner and county Sheriff.
- Attachment 16: Analysis showing the fiscal impact on each local levying body.
- Attachment 17: Letter from a bond counsel and/or financial underwriter stating that the proposed project could support tax increment financing bonds, or other obligations, and the terms and conditions of such offering.

**WEST VIRGINIA  
TAX INCREMENT FINANCING**

**SECTION I.**

**APPLICATION**

**A. APPLICANT INFORMATION**

1. County or Municipality: **The City of Charleston, West Virginia (the "City")**
2. Contact Person/Title: **David Molgaard, City Manager**
3. Address: **501 Virginia Street East, Room 101  
Charleston, WV 25301**
4. Telephone Number: **(304) 348-8014**  
Fax Number: **(304) 348-8157**  
E-Mail Address: **citymanager@cityofcharleston.org**
5. Name of Development Project: **Charleston Convention and Civic Center Project No. 1 (the "TIF Project")**

**B. AUTHORIZED REPRESENTATIVE OF APPLICANT**

*If project was originally proposed by an entity other than the City listed above, please provide a contact name and information for someone who can answer questions about the project proposal: Not applicable; see Attachment 15.*

1. Name/Title:
2. Company Name:
3. Address:
4. Telephone Number:  
Fax Number:  
Email Address:

**C. DEVELOPMENT DISTRICT**

- Name of Development District: **The City of Charleston Development District No. 1 – Charleston Convention and Civic Center Project (the "TIF District").**
- Description of Boundaries: **The TIF District consists of 89 parcels located within the Charleston Tax District of Kanawha County. The proposed district includes the properties between the Kanawha River and Washington Street, from the Elk River to Court Street, and the properties between the Kanawha River and Virginia Street, from Court Street to Capitol Street. Maps of the TIF District are provided in **Attachments 1 and 2.****
- Notice of Public Hearing: **A Resolution approved by the City Council on December 19, 2011, after the public hearing, approving submittal of the application and other matters in connection with the TIF District and TIF Project is provided in **Attachment 3.** Notice of the public hearing was published in The Charleston Gazette and Charleston Daily Mail on December 8 and December 15, 2011. The Affidavit of Publication of the Notice of Public Hearing and the results of the public hearing are provided in **Attachment 6.****
- Base Assessed Value: **\$210,936,965. The assessed value of the taxable property within the TIF District as of July 1, 2011, was certified by the Kanawha County Assessor (the "Base Assessed Value") and is provided in **Attachment 4.****

## SECTION II.

## PROJECT INFORMATION

### A. DETAILED DESCRIPTION OF PROJECT

*Include a description of how the project fits with the overall development plans for the TIF District or the overall development plans of the City, or region.*

#### Background

When the Charleston Civic Center first opened in 1959, its facilities included only a 6,000 seat Main Arena, the 750 seat Little Theater, three meeting rooms and a kitchen. At the time, the cost of the Civic Center was \$3 million, all of the funds for which came from the City of Charleston. In 1968, the Civic Center was expanded, at a cost of \$1.8 million, to include an additional 2,400 seats to the Arena, an ice rink and air conditioning. In the mid-1970s, City officials determined that in order for the Civic Center to be a regional entertainment and convention center, expanded public assembly facilities were needed. To realize this, in 1978 construction began on a new coliseum and a two-story lobby connecting the original facilities to the new coliseum. The City financed this expansion and renovation at a cost of \$19 million, by securing federal funding, and with a \$10 million general obligation bond issue approved by citizens of Charleston and hotel-motel tax revenues. Additionally, in 1983, the original Civic Center space was renovated, transforming the Arena into a convention center with meeting rooms, exhibit halls and banquet facilities at a cost of over \$5 million. Most recently, in 2000, the Grand Hall convention space was expanded by 10,000 square feet, at a cost of \$9 million.

Since 1959, the Charleston Civic Center and the land upon which it sits has been owned by the City of Charleston. The continual growth of the facilities has been paid for and financed by the City, and each time has brought a respectable return to the citizens of the City, and the region at-large. Each of the previous expansions has led to continued growth in events and conventions for the City, bringing along with them great economic benefit. As evidenced by the Civic Center's event calendar (available online at <http://www.charlestonwvciviccenter.com/ticketsandevents/events/events.html>), demand for the facilities remains strong. The passage of time has once again led to a demand for increased space, as the Civic Center competes with other regional convention centers for larger conventions and conferences. In order to maintain a strong line-up of events and conventions and to aid in economic growth of the region, the Civic Center must again expand its facilities, this time to include a grand ballroom and additional meeting space.

#### The TIF District

The TIF District is being established for the primary purpose of enabling the City of Charleston to accomplish greatly needed expansion and renovations to the Charleston Convention and Civic Center (the "Center"). At its bi-annual working retreat, which occurred September 13-15, 2011, Charleston's City Council determined that upgrading the Center was its number one priority. With the need for Charleston to improve the Center to allow for an increased number and larger regional conventions, the creation of the TIF District will provide the mechanism for that to occur. Several new business development plans have been recently announced for new and renovated downtown Charleston buildings, all of which will be mutually beneficial with proposed plans to expand and renovate the Center. These planned business developments involve the renovation of existing hotels (Charleston Marriott, Charleston House/Ramada and Holiday Inn Express) and upgrades to the Charleston Town Center. The construction of a new hotel (Marriott Courtyard) was announced in October 2011 with the anticipation that the City will make significant improvements to its Center. Additionally, there are plans for renovations to the Chase Tower and construction of new Class A office space adjacent to the Marriott Courtyard. Incorporating these proposed business developments into the TIF District results in the establishment of a development district that can accomplish a fourfold purpose: (i) expanding and renovating the Center; (ii) revitalizing Charleston's downtown commercial district; (iii) facilitating the investment in job-producing development that will expand the public tax base in the City; and (iv) creating sufficient facilities to allow for increased convention activity, which will in turn increase the number of visitors to Charleston and revenues generated by their presence.

The proposed TIF District includes the properties between the Kanawha River and Washington Street, from the Elk River to Court Street, and the properties between the Kanawha River and Virginia Street, from Court Street to Capitol Street. It

contains approximately 89 parcels, most of which are developed. All of the proposed TIF District is located within the city limits of Charleston.

### **The TIF Project**

The City of Charleston proposes the TIF District and TIF Project as the way to provide funding for what is referred to as the “Charleston Convention and Civic Center Project.” In its current condition and size, the Center is ill-equipped to handle regional conferences and events. This problem has been recognized by City officials and community leaders.

As an integral part of the project the City proposes an expansion to the Center. The addition will be constructed at a second-floor level, above the existing Center loading/parking site, adjacent to Lee Street and the Elk River, providing a modern, inviting, new view to visitors arriving via the Lee Street entrance. These proposed improvements include the addition of a 1,200 to 1,500 person (banquet seating) capacity ballroom (37,500 SF to 47,000 SF), up to three new meeting rooms, and concourse/breakout space. The project will also include kitchen, bathroom, and overall site improvements to accommodate the new capacities associated with the ballroom and meeting room additions. These connecting restrooms will also provide additional facilities to accommodate the Coliseum/Arena space. In order to accommodate the addition, the City will relocate the Center’s central heating/cooling plant, which will also result in operational and energy savings and the construction of a structure to place the new central heating/cooling plant. Additional improvements being considered are a connecting pedestrian bridge between the Center and the Charleston Town Center, and an update to the existing building shell. These improvements would allow for safer pedestrian traffic between the two facilities, greater use of the Town Center parking garages, and modernization of the existing public entrance, ticket, and lobby areas.

With ample lodging conveniently located within walking distance of the Center, the immediate result of improvements to the Center will increase the number and size of conventions and conferences in Charleston. Moreover, the updated facility and increased downtown activity will attract additional large-scale events, such as concerts, exhibitions, galas, and performances by nationally recognized performers and artists. Ultimately, increasing the number of Center events will result in greater revenue for local businesses, specifically in retail, restaurants, and hospitality services. This, in turn, will create additional jobs to provide for these services.

In addition to the improvements and construction described above, the City will also undertake construction of a walking trail connected to the Center, showcasing the underutilized river-side of the facility. This walking trail will run along the Elk River, from the Kanawha Boulevard to Spring Street, the centerpiece of which would be its connection to the Center. This walking trail would allow for convenient pedestrian access to Center facilities, as well as provide a scenic path for those who enjoy running, walking and biking through downtown Charleston. Events held in the planned additions to the Center would also enjoy a view of the improvements to the area along the Elk River. Additionally, this path will increase public safety, considering the number of streets that must currently be crossed to reach the Center from the Kanawha Boulevard. Lastly, additional pedestrian access to the Center would help alleviate vehicle traffic problems during events. The cost of constructing the trail is currently not included in the costs of construction; however, the City intends to use grants from the federal and state governments, private sources or foundations to pay for the costs of the trail or any additional increment available for “pay as you go” projects.

Two additional elements make the Project even more attractive. First, the Center and the land upon which it sits are both owned by the City, and all planned expansion is to remain on the Center’s current footprint. This virtually eliminates acquisition costs and the uncertainty that accompanies projects requiring such additional expenses. Second, by locating the planned additional space along Lee Street, the City gains an impressive gateway into downtown. The currently barren, unappealing loading zone and parking lot on the backside of the Center will be enhanced with an inviting, state-of-the-art ballroom facility. No value can be placed on this new, aesthetically pleasing Lee Street entrance to the City. The walking trail and the proposed private developments will also visually enhance the Kanawha Boulevard and Virginia Street gateways to the City’s downtown.

Because the Center has an active and established events schedule, the TIF Project will be phased to accommodate regularly scheduled events and pre-booked conferences and conventions. The City expects Phase 1 to include the relocation of the central plant (heating/cooling) and design of the new ballroom addition (approximately 12 months); Phase 2 to include the construction of the new ballroom, meeting rooms and concourse breakout space (approximately 20

months); Phase 3 to include remodeling existing meeting rooms and site improvements (approximately 6 months); and, when funding is available, Phase 4 envisions shell improvements, entrance/lobby improvements and the parking connector.

### **Tax Increment Financing Obligations**

To finance a portion of the TIF Project, the City proposes to issue tax increment revenue bonds or other obligations (the "TIF Obligations") in an amount not to exceed \$20,000,000 with final maturity of the TIF Obligations not to exceed 30 years from the creation of the TIF District. Such obligations may be issued from time to time in one or more series. Proceeds of the TIF Obligations are generally planned to be used to (i) finance a portion of the costs of the TIF Project, including architectural, engineering, legal and other professional fees and expenses; (ii) fund reserves for the TIF Obligations; (iii) fund capitalized interest on the TIF Obligations; and (iv) pay costs of issuance of the TIF Obligations and related costs. To the extent that surplus tax increment revenues are available, portions of the TIF Project may be financed on a "pay as you go" basis directly with such surplus. See **Section II.E** for more detailed financing information and **Section II.G** for additional information on the proposed TIF Obligations.

The City proposes the initial issuance of approximately \$7,930,000 in aggregate principal amount of TIF Obligations to finance a portion of the TIF Project, including estimated capitalized interest on obligations, a reserve fund for the obligations, financing costs of issuance and funds for construction. As additional development occurs within the TIF District due to improvements to the Center, the City plans to issue additional TIF Obligations not to exceed \$12,070,000 to the extent the additional increment will allow to pay for additional costs of the TIF Project.

The current projected cost of the first three phases of improvement to the Center is approximately \$30,956,338. A portion of the cost is planned to be funded over time from proceeds from the City's proposed issuance of (i) approximately \$7,930,000 of the initial TIF Obligations, (ii) approximately \$12,070,000 of the additional TIF Obligations, (iii) approximately \$12,664,188 from other sources including, but not limited to, lottery revenue bonds, revenue bonds paid for from hotel-motel tax revenues, grants and funds obtained and money obtained from naming rights (see Section D herein). The City intends to pay for the cost of replacing the HVAC plant equipment which is estimated to cost \$3,300,000 by entering into an energy performance contract or issuing energy bonds. The City intends to seek additional sources of the funding to pay for a portion of the phases of the TIF Project, including grants from foundations, private individuals, the State and the federal government and the selling of naming rights for various wings and rooms of the Center.

The City intends to seek grant funding for the construction of the Elk River walking trail. The costs of constructing the trail are not currently included in the costs of construction.

*Projected increase in value of the taxable property in the TIF District upon successful completion of the project plan:*

The projected taxable value of real property in the TIF District is shown in the table below, and is provided in greater detail in the Projection of Net Property Tax Increment attached in connection with **Section II.G – Tax Increment Obligations**. All figures are estimates and subject to change based on actual assessed values of improvements to existing real property and new construction. The estimates provided below are based on preliminary real taxable property values of the TIF District.

Tax Year	Class IV
<u>2012 (Base Year)</u>	198,331,597
2013	198,331,597
2014	216,331,597
2015	239,831,597
2016	265,229,913
2017	267,882,212
2018	270,561,034
2019	273,266,644
2020	275,999,311
2021	278,759,304
2022	281,546,897
2023	284,362,366
2024	287,205,989
2025	290,078,049
2026	292,978,830
2027	295,908,618
2028	298,867,704
2029	301,856,381
2030	304,874,945
2031	307,923,695
2032	311,002,932
2033	314,112,961
2034	317,254,090
2035	320,426,631
2036	323,630,898
2037	326,867,207
2038	330,135,879
2039	333,437,238
2040	336,771,610
2041	340,139,326

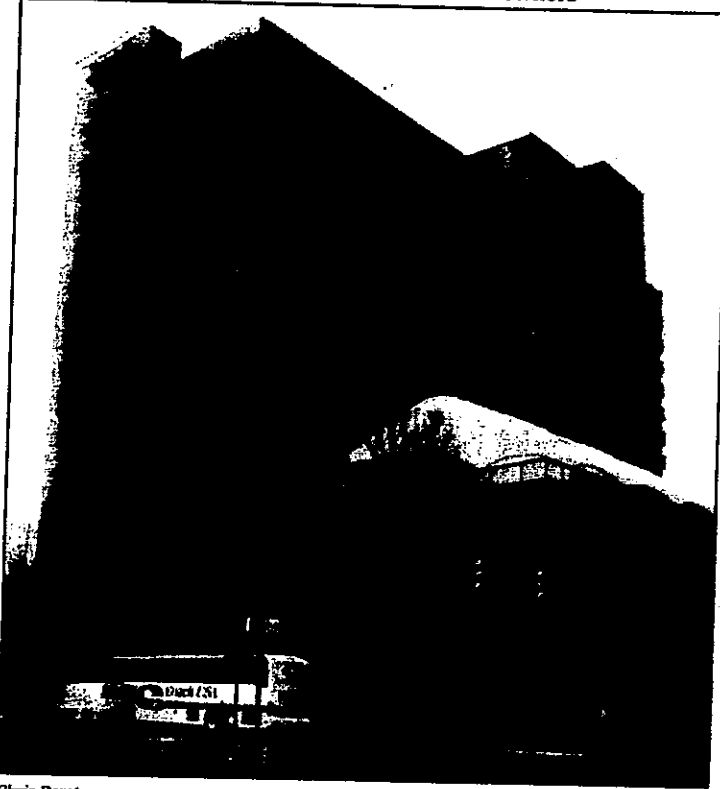
(1) Projected Development in the TIF District			
Tax Year	Description	Completion	Amount
2014	Chase Improvements	9/1/2012	\$2,000,000
2014	Marriott Improvements	4/1/2013	\$8,000,000
2014	Holiday Inn Express Improvements	6/1/2013	\$8,000,000
2015	Charleston Town Center Improvements	12/1/2013	\$10,000,000
2015	Marriott Courtyard Hotel	6/1/2014	\$13,500,000
2016	New Office Building	6/1/2015	\$3,000,000
2016	Charleston House Hotel	6/1/2015	\$20,000,000

(1) Annual Inflation Rate Assumption and Adjustments  
Class II and Class III Real

Class IV Real Inflation Rate beginning TY 2013: 0.00%  
Class IV Real Inflation Rate beginning TY 2016: 1.00%

February 28, 2011

## Marriott to get \$8 million 'refresh' from new owners



Chris Dorst

The Charleston Marriott's new owners are investing \$8 million to renovate the hotel.

By Eric Eyre

CHARLESTON, W.Va. -- The new owners of the Charleston Marriott Town Center plan to spend more than \$8 million to renovate the hotel's lobby and guest rooms during the next 18 months.

Oak Brook, Ill.-based Inland American Lodging Group recently purchased the Charleston Marriott for \$25.5 million from Forest City Enterprises, Inland American announced Monday.

An Inland American executive described the hotel renovation project as a "refresh."

"With our plans to renovate and upgrade the rooms and lobby over the first few years of our ownership, we believe this hotel will be well-positioned to produce solid cash flow returns for our stockholders," said Marcel Verbaas, president and CEO of Inland American Lodging Advisor.

Marriott will continue to manage the 352-room hotel under a long-term agreement with Inland American, which owns 56 hotels under various Marriott brands, including six full-service Marriott hotels, Verbaas said.

"Inland American is pleased to add another full-service hotel to our lodging portfolio," he said. "The Charleston Marriott Town Center is the premier transient and group meeting hotel in the region and has historically exhibited a very strong and stable yield performance."

The Charleston Marriott has about 17,500 square feet of meeting space. The hotel frequently hosts statewide conferences and legislative receptions.



Charleston Mayor Danny Jones said the Marriott's ownership change and pending renovations are a "positive."

"That hotel was probably due for some upkeep," Jones said. "It's a first-class property, and it can only get better. We're glad to have Inland American."

Cleveland-based Forest City Enterprises built both the Marriott and Charleston Town Center mall -- located across Lee Street East from the hotel -- in the early 1980s.

The Charleston Urban Renewal Authority owns the land. Each year, CURA receives \$50,000 plus 0.5 percent of gross revenues from the property's lease.

The revenue share topped out at about \$93,000 in 2008 and dropped to \$84,000 last year. The lease terms will remain in place with Inland American.

Forest City owned 95 percent of the hotel, while Sam Huff, the former West Virginia University and NFL great, held the other 5 percent. Huff sold his share as part of the deal.

The Inland American Lodging Group is the hotel-owning arm of Inland American Real Estate Trust Inc.

Reach Eric Eyre at [erice...@wvgazette.com](mailto:erice...@wvgazette.com) or 304-348-4869.

Marriott Downtown

**BUSINESS**

Tuesday March 1, 2011

**Marriott to get \$8 million makeover**

by Paul Fallon  
Daily Mail Staff

2 Recommend 2

2 Recommend 2

**CHARLESTON, W.Va.**—The Marriott Town Center in downtown Charleston will receive a multi-million dollar facelift in the coming months, thanks to a new owner.

Cleveland-based Forest City Enterprises Inc. sold the prominent Charleston hotel to Inland American Lodging Inc., an affiliate of Oak Brook, Ill.-based Inland American Real Estate Trust Inc. for \$25.5 million, according to a press release from the company.

Inland American Real Estate Trust Inc. owns hotel, industrial, retail and office properties in 47 states around the country, according to the company's website.

Company officials plan to invest more than \$8 million in renovations to the hotel, which was built about 28 years ago, said Philip Wade, senior vice president of investments for Inland American Lodging Advisor Inc., an affiliate of the company.

"We have exciting plans to renovate the building, including a complete room and lobby refresh that will be completed over the next 12 to 18 months," Wade said in a written release.

The company took immediate ownership of the building after the closing on Friday, Wade said.

"We are excited about the purchase and realize the hotel is an important asset to the city of Charleston and one of the finest urban hotels for business and social functions in the state of West Virginia," he said.

"We look forward to establishing a long-term relationship with the city and community leadership."

The Marriott will continue to manage the property under a long-term management agreement, and no staffing changes will occur, Wade said.

Charleston Mayor Danny Jones called the sale a "plus for the city." He said he was excited to hear about plans for renovations and believes the upgraded facility could help draw more people to the city.

"The hotel is about 28 years old so I think it's time," Jones said. "It can only help them."

Jones said he thought Forest City did a good job of operating the hotel, but Inland American has much more experience in the hospitality business.

"They're hotel people," he said.

Inland American owns 56 hotels affiliated with various Marriott brands, including six full-service Marriotts.

Pat Brown, director of the Charleston Urban Renewal Authority, agreed with Jones.

"Forest City did a very good job, but we think Inland American will do an even better job," Brown said.

"I think they'll promote it more and do a great job because that's what Inland American does," he added. "They run hotels."

Brown believes the Marriott Town Center will become a greater asset to the city, especially after the renovations are completed.

Forest City marketed the hotel for sale last fall, Wade said. Inland American participated in a competitive bidding process to obtain the property.

The urban renewal authority owns the property where the Marriott Town Center sits, Brown said. The agency receives about \$50,000 annually in rent as well as 0.5 percent of the gross revenue generated from the property, he said.

The lease agreement will not change, Brown said.

Brown was unsure if the agency would receive more revenue because of an increase in occupancy once the renovations are completed.

"We think we might, but it's really hard to predict something like that," he said.

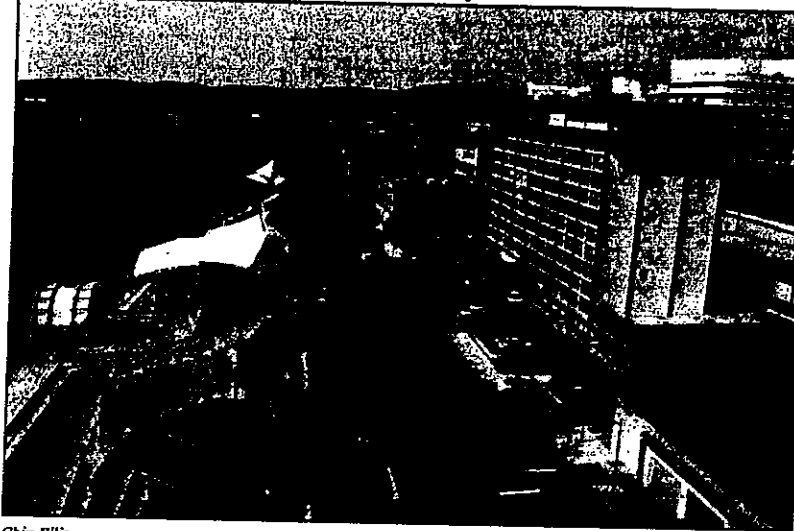
The hotel contains 352 guest rooms and 17,500 square feet of meeting and banquet space.

Contact writer Paul Fallon at [paul.fal...@dailymail.com](mailto:paul.fal...@dailymail.com) or 304-348-4817.

#### COMMENTS

September 14, 2011

## Charleston House hotel sold; renovations planned



Chip Ellis

The Ramada Inn Downtown Charleston (pictured at right) has a new owner, who plans to spend \$15 million to renovate the property -- formerly known as the Charleston House.

By Eric Eyre

CHARLESTON, W.Va. — The new owners of the Ramada Inn Downtown Charleston -- formerly the Charleston House Hotel -- plan to spend more than \$15 million on renovations during the next 18 months.

Albany, N.Y.-based BBL Hospitality purchased the 256-room hotel from a Philadelphia real estate holding company Wednesday.

"We want to restore this to its original grandeur," said Keith McClanahan, senior vice president of BBL Carlton of Charleston, a BBL Hospitality affiliate. "It will be newer and fresher and people will be glad they stayed here."

BBL Carlton plans to renovate the lobby, guest rooms, meeting rooms and all public areas. The company also will build a new indoor pool and sports-themed restaurant called Recovery Sports Grill. The property's entire exterior will be refurbished.

The full-service hotel -- located across the street from Haddad Riverfront Park -- will stay open and keep the Ramada brand amid the renovations. The property could switch to another franchise -- possibly a Sheraton Hotel -- once the project is completed.

"We'll be taking several floors at a time," McClanahan said. "We're going to make this the place that people want to be."

After the renovations, the hotel is expected to compete with the Charleston Marriot and Embassy Suites in downtown Charleston.

The property's biggest selling point: a spectacular view of the Kanawha River and Charleston waterfront.

"There is no better view for a hotel than this," McClanahan said, while leading a tour of the property Wednesday. "This is an ideal location."

BBL executives declined to disclose the hotel's purchase price Wednesday, but confirmed the company paid close to \$5 million.

Charleston Mayor Danny Jones, who spent months trying to persuade BBL to take over the hotel, said the property is critical to the city's downtown and convention business.

"BBL is a great corporate partner and neighbor for our city's efforts to create Haddad Riverfront Park and Kanawha Boulevard as Charleston's front porch for special events and visitors," Jones said. "BBL Hospitality's commitment to purchase and improve this property begins a new era for the hotel business in downtown Charleston."

For years, the hotel operated as the Charleston House and later the Charleston House Holiday Inn. The hotel joined the Ramada chain in March.

Built in 1966, the Charleston House was once one of the city's finest and busiest hotels.

Previous owners have been criticized for neglecting the property. The former management group upgraded guest rooms a year or two ago, but other sections don't appear to have changed since the hotel first opened.

The hotel has 13,000 square feet of meeting space, an attached parking garage with room for 258 vehicles, fitness and business centers, a first-floor café and retail shops.

BBL Carlton plans to move its Charleston office from the Huntington Bank building to the hotel's second floor. About 15 employees are expected to make the move later this year.

McClanahan said renovation work would start immediately. The company upgraded the hotel's wireless Internet service Wednesday, just hours after the purchase.

The Recovery Sports Grill -- part of a chain of sports-themed restaurants -- will be built on the hotel's first floor and have an entrance on Virginia Street East. The first Recovery Sports Grill -- originally called The Recovery Room -- got its name because it was built beside a hospital in Albany, N.Y.

The Charleston restaurant is expected to open in June or July.

"We'll have 70 high-def TVs," McClanahan said. "And the food is great."

The downtown hotel has a 12th floor restaurant and bar that's been closed for years. BBL hasn't decided what to do with the space, but the company has considered turning the floor into condominiums.

The hotel, located at 600 Kanawha Blvd. E., promises to play a significant role in the city's riverfront development plans. The city of Charleston has spent more than \$2.5 million to upgrade Haddad Riverfront Park along the Kanawha River recent years.

The Kanawha Boulevard area hosts annual downtown events such as the Rod Run & Doo Wop classic car show, Hog Rally (for Harley-Davidson motorcycle enthusiasts), Firefighter Combat Challenge and SportsFEST, which features Jet Ski races and volleyball at Magic Island.

BBL Hospitality owns 13 hotels in New York, New Jersey, Virginia and Florida. The company manages 10 of those properties under several brands, including Hilton Garden Inn, Residence Inn, Holiday Inn Express and Homewood Suites.

McClanahan said the company was looking to open a hotel in West Virginia, and he first notified BBL Hospitality that the Charleston House was for sale about a year ago.

BBL Carlton built Appalachian Power Park, the University of Charleston Fitness Center and BrickStreet Insurance headquarters building. The company also renovated the Kanawha County W. Kent Carper Justice and Public Safety Complex.

BBL expects to hire dozens of construction workers during the hotel renovation project and create additional full-time jobs once construction is completed.

"This is a very exciting opportunity for BBL Hospitality and Carlton to return this hotel to its rightful place of prominence," said Steven Obermayer, president of BBL Hospitality. "We have watched with great interest and strongly feel that we have a true diamond in the rough."

Reach Eric Eyre at [erice...@wvgazette.com](mailto:erice...@wvgazette.com) or 304-348-4869.

September 27, 2011

## Chase Tower to be renovated

By Eric Eyre

CHARLESTON, W.Va. -- The New York firm that recently purchased Chase Tower in downtown Charleston plans to make significant improvements to the 20-floor building in the coming months, the facility's property manager said Tuesday.

Nightingale Realty purchased the 43-year-old office tower -- located at 707 Virginia St. E. -- from Toronto-based Brookfield Real Estate last week. Brookfield had owned the building since September 2006. The purchase price wasn't disclosed Tuesday.

Nightingale plans to upgrade the building's elevators, repair windows and reopen the property's rear outdoor plaza to the public.

"It's a good investment," said Andy Santee, the property's manager. "To protect an investment, you have to invest in it."

Santee was busy Tuesday conducting floor-by-floor property inspections and introducing himself to the building's tenants, which include Appalachian Power, National Travel, Dixon Hughes Goodman accounting firm, and Steptoe & Johnson and Kay, Casto & Chaney law offices.

"We're looking forward to building long-term relationships with our tenants," Santee said. "They're all going to be excited about what we plan to do."

Santee said the property manager already has made it easier for tenants to file maintenance and repair requests. A new computerized system allows tenants to make such requests "a click of one button," he said.

"We're going to new maintenance software," Santee said. "The old system was antiquated. So far, we're getting good feedback."

Chase Tower's new owner also plans to reconfigure and upgrade an outdoor plaza that overlooks Kanawha Boulevard at the rear of the building.

Santee said Chase Tower tenants could hold fundraisers and other events at the plaza.

"We want to make it a place to hang out," he said. "It will be back open to the public."

Chase Tower made headlines last April, after Appalachian Power asked the former owner, Brookfield Real Estate, to repair structural damage to an underground electrical equipment vault below Summers Street.

City officials said the problem could lead to a power outage at the office building and a significant portion of downtown Charleston for about three weeks. Part of Summers Street also could cave in because the vault's ceiling had deteriorated, according to the power company.

At the time, a Brookfield spokeswoman said the company planned to repair the vault.

Santee said Tuesday he hadn't heard about the underground vault, but he plans to investigate.

The previous owner hired a structural engineer to examine the problem, but the repairs haven't been completed, an Appalachian Power spokesman said Tuesday. A steel slab has been placed on the street directly above the vault.

Charleston National Bank built the glass-windowed high-rise in 1969. For years, Banc One -- later

called Bank One -- occupied the building.

Santpe, who will work full-time from an office at Chase Tower, said the building is 94 percent occupied, and he expects that to increase to 98 percent in the coming weeks.

"We have a few prospects in the works," he said. "We plan to provide good tenant relations."

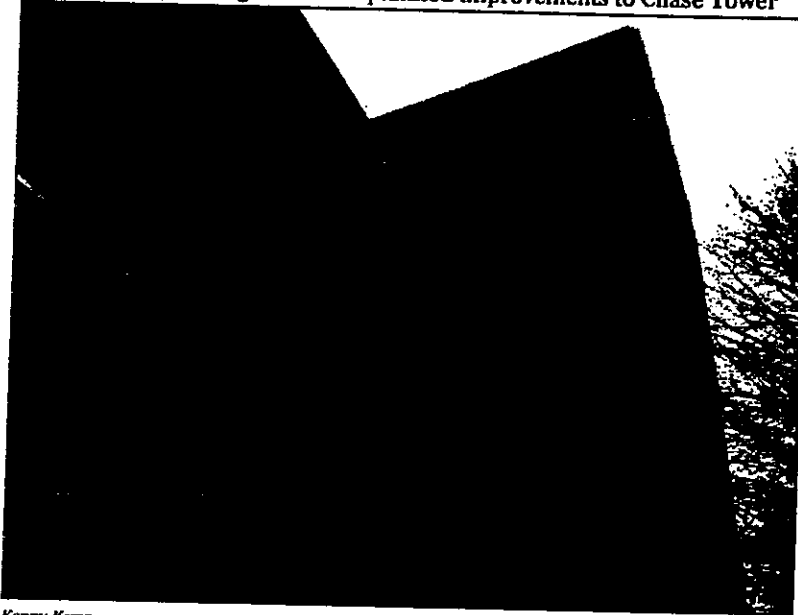
Nightingale owns commercial properties in Florida, Mississippi, Virginia, New York, Tennessee, Georgia and Pennsylvania. Chase Tower is the company's first property in West Virginia.

Reach Eric Eyre at erice...@wvgazette.com or 304-348-4869.



October 13, 2011

## New property manager outlines planned improvements to Chase Tower



Kenny Kemp

The new owners of Chase Tower in downtown Charleston announced Thursday that they plan millions of dollars in renovations to the building.

By Lori Kersey

CHARLESTON, W.Va. -- The new owner of Chase Tower in downtown Charleston plans \$2.5 million in immediate renovations and \$15 million in long-term improvements, the building's property manager said Thursday.

New York-based Nightingale Realty recently bought the building at 707 Virginia St. E. from Brookfield Realty for \$21.5 million. Brookfield, a Toronto-based company, had owned the building since 2006.

On Thursday, property manager Andrew Santee, a Charleston native who recently moved back to the area, outlined a long list of repairs and renovations to be completed. Some of the short-term work is cosmetic and can be done in-house, Santee said.

He estimates the cost of the short-term renovations to be around \$2.5 million "and the list grows every day," he said.

Repairs to the windows on the building's west side should begin Friday, he said. Advanced Building Restorations of South Point, Ohio, will replace the gaskets on the windows on the west side of the building and on the top two floors of the east side. The repairs will keep water from coming in the windows, as it had been, Santee said.

"The windows were 90 percent of tenant complaints," Santee said. "The other 10 percent is housekeeping."

The \$63,000 repairs to the windows should take about three weeks, depending on the weather, he said.

Work to repair structural damage to an underground electrical-equipment vault should take about \$340,000. The company is still taking bids for the work.

Earlier this year, Appalachian Power warned that if the vault wasn't repaired, significant parts of downtown Charleston could be without power for weeks.

Brian Walker, who has worked as an engineer at the Chase Tower for 10 years, said the previous owners started talking about making repairs to the vault in 2007 or 2008.

"You can see how long Brookfield put it off," Walker said.

Nightingale also plans to upgrade a plaza at the rear of the building. The plaza, which overlooks Kanawha Boulevard, has been closed to the public for years.

Santee said the new owners plan to remove old planters, picnic tables, a bus stop shelter and shrubbery from the plaza. The items will be donated to the city, he said.

New lighting and seating, along with a wishing well with a circulatory pump, will be put in the plaza. The landscaping in the plaza will also be redone.

Santee said he envisions hosting events on the plaza and hosting a different city vendor for each event. The upgraded plaza should open to the public by the end of the year, Santee said.

Nightingale also plans to remove asbestos on the building's 12th floor, which is vacant. Northeast Natural Energy, now on the 14th floor, will move there after the work is done.

Santee, who said the asbestos is contained and not dangerous, said five other floors also need asbestos removed, which can't be done while tenants are there.

Charleston Mayor Danny Jones applauded the renovations, adding that with the recent announcement of the purchase and forthcoming renovations of the Ramada Inn Downtown Charleston (the former Charleston House hotel), the timing could not be better. The buildings sit one block away from each other.

"I think it's incredible," Jones said. "The timing is great and it's the way it has to be done."

Other improvements planned include the installation of motion-sensor lighting in the building's bathrooms and new lighting in the building's parking garage. There will also be new interactive marquee signs, flat screen televisions in the elevators and new LED lighting in the lobby.

Another new element to the building will be tenant-appreciation events. The first is scheduled for Oct. 22 and will feature a three-hour tour of West Virginia's fall colors from aboard the sternwheeler Spirit of West Virginia.

Santee said the events will be an effort to keep tenants in the building.

"To spend a thousand dollars a month on an appreciation is worth it not to lose a tenant," he said.

Reach Lori Kersey at [lori.ker...@wvgazette.com](mailto:lori.ker...@wvgazette.com) or 304-348-1240.

Chase Tower

KANAWHA COUNTY

Friday October 14, 2011

12

Recommend 2

## Chase Tower owners have big to-do list



Meyer Danny Jones, foreground, along with Charleston council members Mary Jean Davis, center and Andy Richardson, right, tour Chase Tower on Thursday. Nightingale Realty recently purchased the property and plans to spend \$15 million over the next few years to renovate the structure. Pictured at left is Andrew Santee. Santee manages Chase Tower for Nightingale Realty.

by Paul Fallon  
Daily Mail Staff

12

Recommend 2

**CHARLESTON, W.Va.** - The owners of Chase Tower in downtown Charleston aren't letting the grass grow under their feet when it comes to renovating the 20-floor high rise.

Nightingale Realty purchased the 42-year-old structure on Virginia Street East in late September. The company already has a large to-do list for renovations, said Property Manager Andrew Santee.

The list includes major projects such as the renovations and asbestos abatement on the 12th floor and replacing the gaskets around all of the windows on the west side of the building to keep them from leaking. But it also contains minor details such as changing the bathroom fixtures.

The company is moving right along, though, and plans to award most of the contracts for the immediate projects in the next few days, Santee said.

Work on the window gasket replacement project should begin today, said Brian Walker, chief engineer for the building.

"It should be done in about three weeks, weather permitting," he said.

The gaskets, which are rubber seals that go around the windows to keep them from leaking, have not been replaced since the building was constructed in the late 1960s.

The building's previous owner, Toronto-based Brookfield Real Estate, neglected the high rise over the years, Walker said. Now, several projects need to be completed in order to keep the current tenants happy and attract new ones to the building.

"The window project should take care of 90 percent of the complaints from the tenants," Santee said.

Santee said that tenants sometimes have to push trashcans against the windows to catch water during a storm.

Santee said the other 10 percent of tenant complaints have to do with cleaning the building. He is working on securing a cleaning company for the building as well, he said.

The window gasket replacement project should cost about \$63,000, Walker said. Advanced Building Restoration out of South Point, Ohio, received the bid for the project.

Another large project the company will undertake in the near future is repair of the electrical vault under Summers Street, which has deteriorated badly and is in dire need of repair.

This project could run as much as \$335,000, Santee said, and contracts should be awarded Tuesday or Wednesday.

The immediate projects at the building are expected to cost about \$2 million, Santee said, and will be part of a \$15 million investment. The remaining money will be spent on projects in years to come.

An asbestos abatement and renovation project for the 12th floor of the building is expected to cost around \$250,000, Santee said.

Six floors still contain asbestos that is in need of abatement; however, contractors cannot work on removing the hazardous material until the tenants vacate the floors.

The 12th floor is currently vacant. But its tenant - currently occupying the 14th floor of the building - will move back down to the 12th as soon as the renovations there are completed.

But that's not the only level that needs asbestos abatement, Walker said. Asbestos needs to be removed from the ninth, seventh, sixth, second and part of the first floors.

Those floors are also in need of a sprinkler system since the tower, which was built in 1969, was constructed before large commercial buildings were required to have them.

The sprinkler systems will be added to the floors at the same time as the asbestos removal, but tenants must vacate areas undergoing renovations, Santee said.

Another major project is to rehabilitate the plaza on the Kanawha Boulevard side of the building. That space, which Mayor Danny Jones believes has been closed to the public for about 20 years, will be reopened. All the plants in the plaza will be removed and replaced. A small fountain will be added to the center of the plaza and the picnic tables will be replaced.

New lighting will also be added, Santee said. Total renovations will most likely cost around \$50,000.

The company is donating all the old picnic tables and more than 20 planters to the city, he said.

The wrought iron fencing on both sides of the plaza will be removed to open it to the public.

Jones is pleased with the plans, which will allow people walking on Capitol Street to cross the plaza to go to Summers Street or vice versa, which could help businesses on both sides of the building increase foot traffic.

The mayor is nostalgic about the plaza, since he used to sit there and relax back in the 1970s, when he ran two restaurants on Capitol Street.

Santee said he envisions holding a lot of events on the plaza, which will be open during the Live on the Levee concert series through the summer.

The plaza should be completed and opened to the public by mid-December.

"I envision having a Christmas tree up here," he said.

Santee also hopes to bring a food vendor to the plaza and will speak to local restaurants to gauge interest in setting up shop there.

Santee is hoping the renovations will show the tenants in the building how much the company appreciates their

business. He is planning on holding tenant appreciation events on a regular basis starting Oct. 22, when the Spirit of West Virginia sternwheeler will take tenants on a three-hour fall foliage tour.

Keeping the tenants at the building happy is just good business, Santee said, adding that the building has about a 9 percent vacancy rate.

Jones and city council members Andy Richardson and Mary Jean Davis, both Democrats who sit on at-large council seats, toured the building with Santee on Thursday.

Richardson and Jones expressed their delight at having the building renovated. Jones pointed out that BBL Hospitality recently purchased the nearby Charleston House and plans to spend about \$10 million to renovate the Kanawha Boulevard hotel.

"This is great for the city of Charleston," Jones said.

Richardson also said he was pleased to see two key buildings in the city's downtown district get makeovers.

"Look at all this investment on our levee," Richardson said. "This will really compliment the front door of city."

Contact writer Paul Fallon at paul.fal...@dailymail.com or 304-348-4817.

#### COMMENTS

3 Comments

Posted By: dumb hillbilly

Why did the city allow the previous owner to go for years with no routine maintenance on the building?

Posted By: WVMediacritic

Yay for the new owners and management group. Every time there's an event along the Boulevard I think what a waste of space that Chase Tower plaza is since the public doesn't get to use it. Looks like it will be wasted space no more!

Posted By: Inamoment

It appears that over the course of the next decade, infrastructure maintenance and repair resultant of neglect will require more financial outlay than new buildings, at least in Charleston. Who knew the Chase tower was in such bad shape until articles like this started surfacing? All of this considered, it seems of late that Mayor Jones has a perpetual scowl whenever one sees an impromptu picture of him, I wonder why?

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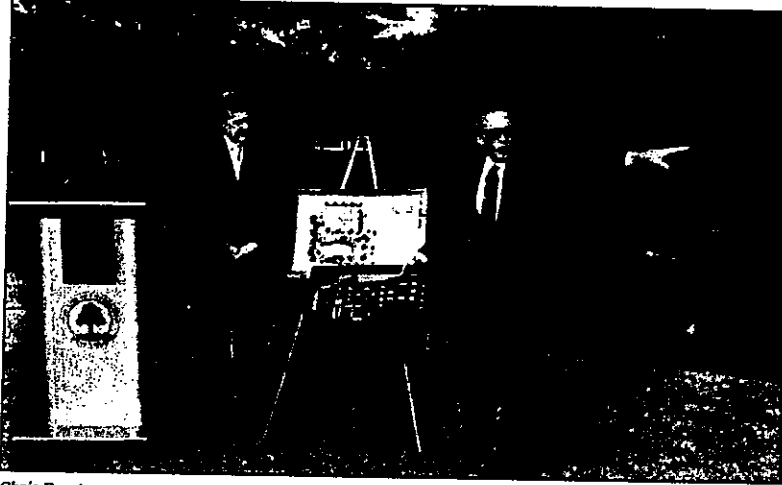
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Marriott Court,

October 18, 2011

## Marriott Courtyard hotel coming to downtown



Chris Dorst

Mayor Danny Jones (left) and developer Charlie Wendell unveil plans for a Marriott Courtyard hotel Tuesday during a news conference at the site along Kanawha Boulevard just east of the Elk River.

By Jim Balow

TIF district could fund Civic Center renovation

CHARLESTON, W.Va. -- Six years after they tore down the Elk River Town Center Inn, the owners of a prime site along Kanawha Boulevard announced plans Tuesday to redevelop their property with another hotel.

Nelle Chilton and Lewis Payne of Dickinson Properties LP and Kanawha Land Co. LP said they've joined with developer Charlie Wendell to build a 110-room Marriott Courtyard just off Interstate 64 beside the Elk River.

Wendell, a Fayetteville native who has built 11 hotels across the state, said he also hopes to build a Class A office building and a parking garage on the site. The three-acre parcel sits between Virginia Street and Kanawha Boulevard near Clendenin Street.

The \$12-million hotel will be built along the Boulevard side of the property but will face Virginia Street, with its main entrance on Virginia Street, Wendell said. Unlike many Marriott Courtyards that are U-shaped, this hotel will use the chain's newest design, with a roughly rectangular footprint.

"When you drive in -- I can see it -- it will be a show-stopper," he said. "You're going to say 'wow.'"

"It's a business-oriented hotel but it also caters to families. It's not an extended-stay, suite-type property."

Mayor Danny Jones said he remembers when the previous hotel, originally a Holiday Inn, was built in 1963. "Today we have an empty lot. This property here has been empty for a number of years. People have been asking me what are we going to do with it. The answer is nothing. We don't own it.

"I know this will be a great investment," Jones said. "It will be great for the city."

Wendell said he's been working off and on with the owners on different hotel plans for about five

years. "I came back last year with this when the Courtyard became available.

"We've always believed the highest and best use for the property was a hotel. Just look around you," he said during a news conference at the site. "The Charleston market is very stable for hotels. We developed the Hampton Inn in '95. It's been very stable for us."

Though they've owned the property for more than a century, family members didn't always think so highly about the site at the confluence of the Elk and Kanawha rivers, said Nelle Chilton, president of Dickinson Properties.

Before the interstate came through, before dams were built upstream to control flooding, "It was thought of as junk property," Chilton said. "Now, I think it's a signature piece."

Consultants from Sasaki Associates thought so, too, when they wrote the riverfront redevelopment report for the city in 2005. They suggested extending the boulevard walkways under the boulevard bridge up Elk River to the neglected back side of the Charleston Civic Center. That would involve using some of the Dickinson property.

Chilton and Wendell said they're willing to accommodate the walkway. "I think that's a great idea," Wendell said. "We're going to participate with that."

City Manager David Molgaard said he's asked the city engineer to do cost estimates for the walkway extension.

The developers -- a partnership called Charleston Hotel Venture LLC -- also hope to build an office building and possibly a parking garage on the Virginia Street side of the property, if marketing studies show there's a need, Wendell said.

They plan to build out the entire site simultaneously, which could delay construction of the hotel until 2014, Wendell said.

"The timeline is we've got a lot of study left for this site. Being close to the river, we have a lot of underground work to do -- caissons. Quite honestly, it will take a couple of years.

"I think it will be good for Charleston and the entire area. We're going to find it will have a tremendous impact on the city, the Civic Center and downtown."

Reach Jim Balow at [balow@wvgazette.com](mailto:balow@wvgazette.com) or 304-348-5102.

Marriott Courtyard

**BUSINESS**

Tuesday October 18, 2011

**Plans unveiled for downtown Marriott Courtyard Hotel**

by Paul Fallon  
Daily Mail Staff

1 Recommend 6

**CHARLESTON, W.Va.** - City officials and developers announced plans Tuesday to build a new hotel along Kanawha Boulevard on the site of the old Elk River Town Center Inn.

1 Recommend 6

City leaders said the development will lead to significant improvements at the Charleston Civic Center.

Charleston Hotel Venture LLC, a group led by long-time hotel developer Charlie Wendell, along with Charleston-based Dickenson Properties LP and Southern Land Company LP, plan to build a 110-room Marriott Courtyard on the vacant lot near the confluence of the Elk and Kanawha rivers.

The lot has been vacant since the Elk River Town Center Inn was demolished in 2005, said Eddie Workman, an engineer with the Dickinson family, who owns Dickinson Properties LP.

The hotel will be good for both the developers and the city, Mayor Danny Jones said.

He plans to use money generated through the creation of a Tax Increment Finance district for improvements at the Charleston Civic Center. The money would be used to pay debt incurred through a sale of bonds.

"Not only will this project enhance the vitality and attractiveness of our downtown, it will increase Charleston's ability to attract a greater share of the convention market, which we have targeted as one of the key ways to grow our city's job and tax base," Jones said.

Wendell said he supports the creation of a Tax Increment Financing district within the city "1,000 percent."

"It can help improve the Civic Center, and that will help weekend business for the hotels, the mall and restaurants in the city," he said.

TIF districts allow cities to use the increased property tax revenue generated from the improved land for bond debt. In this case, the bonds would be used to pay for improvements and expansion of the Civic Center, City Manager David Molgaard said.

The city is looking at establishing the district along Kanawha Boulevard, he said. It could include the site of the planned hotel but might extend as far as the Charleston House Hotel across from Haddad Riverfront Park.

The city would have to apply to the West Virginia Development Office for permission to establish the district, Molgaard said.

The district could be used to pay for \$2 million worth of revenue bonds that would be used for the improvements to the Civic Center, he said.

Wendell also plans to build an office building and parking garage at the same time the company is building the hotel, he said. The parking garage and office building will be on the same lot as the hotel.

He wasn't sure exactly how big the parking garage and the office building would be. He said the company is gauging demand for both facilities, and that will determine the size of the two structures.

Wendell hopes to break ground on the project within the next year. The hotel should be completed by mid-2014, he



said. The cost of building the hotel will be \$11 million to \$12 million, Wendell said.

The total investment is between \$15 million and \$25 million, he said. The hotel will employ about 25 people.

The hotel will allow the city to hold larger events at the Civic Center, Jones said. This will in turn help generate more revenue for the city.

Wendell believes the hotel will be a successful venture for a number of reasons. One is the fact that the hotel will be within easy walking distance of the Civic Center and downtown Charleston.

"And we have three interstates right here close," the Fayette County native said.

"I know this will be a great investment," Jones said.

Wendell said Charleston is a "very stable market" for the hotel business.

The hotel will sit parallel to Kanawha Boulevard. The back of the structure will face the four-lane road and the Kanawha River, Wendell said.

It will contain state-of-the-art meeting rooms, an indoor pool and a fitness center, Wendell said.

Wendell and his partners have been working on the project for several years, said Nell Chilton, a member of the Dickinson Properties LP management board.

"This is something that has been looked at very carefully," she said.

Chilton considers the land one of Charleston's signature properties. Jones said he believes the first franchise hotel in the city was built there in the early 1960s.

At that time the building was a Holiday Inn.

Wendell, Southern Land Company LP and Dickinson Properties LP also worked together on the Hampton Inn on Virginia Street.

That hotel was built in 1995, he said.

Wendell also has developed hotels in Bridgeport, Morgantown, Princeton and Bluefield.

Contact writer Paul Fallon at paul.fal...@dailymail.com or 304-348-4817.

#### COMMENTS

2 Comments

Posted By: dumb hillbilly

He hopes to use the funds generated by the project to finance improvements to the Charleston Civic Center....How much "funds" will one hotel and office building generate?

Posted By: bdsjohn

@hillbilly. You'd be surprised how much tax revenue a hotel will generate. A lot.

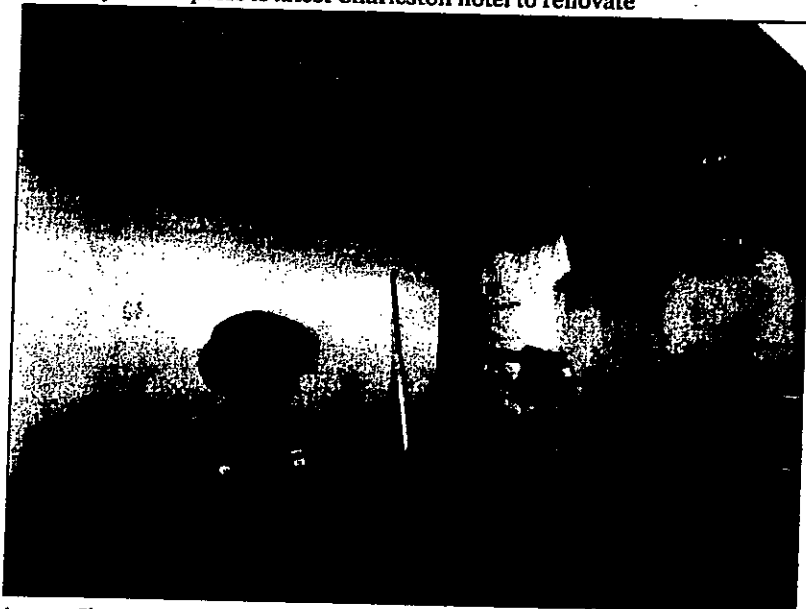
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December 3, 2011

## Holiday Inn Express is latest Charleston hotel to renovate



Lawrence Pierce

Sue Cerullo works at the front desk of the Holiday Inn Express while Tony Mora works on the renovations. The hotel, located next to the Charleston Civic Center, will remain open during its \$3.8 million renovations, which include a new lobby and breakfast area, among other updates.

By Megan Workman

CHARLESTON, W.Va. -- Another downtown Charleston hotel is undergoing renovations to remain competitive in a market that was negatively impacted by the nation's economy.

Holiday Inn Express near the Charleston Civic Center started renovations on the 200-room hotel two weeks ago, according to Rusty Eaton, general manager for the hotel.

The \$3.8 million in renovations include all public areas -- meeting rooms, breakfast area, and lobby; guest rooms and business center. The house crew will also build a new marketplace next to the front desk, where guests can buy souvenirs and food. Exterior renovations should begin in the spring, depending on the weather, Eaton said.

The hotel will remain open during the renovations.

"The lobby is taking on a completely new look. It's going to be a more dramatic look when you come in," Eaton said. "The lobby will have a much richer feel."

Holiday Inn Express's new theme is a modern urban design, Eaton said. To pick a color scheme for the guest rooms, Eaton said it was a diplomatic process -- guests were even involved in helping choose the overwhelming color winner, red. About 20 more seats will be added to the 60 seats already in the breakfast area, he said.

The Holiday Inn Express joins two other downtown hotels currently being updated. The Ramada Inn Downtown Charleston -- formerly the Charleston House Hotel -- plans to spend more than \$15 million on an 18-month renovation project that started in September. In March, the Charleston Marriott Town Center started an 18-month, \$8 million renovation to update the hotel's lobby and guest rooms. A new \$12-million, 110-room Marriott Courtyard is also being built on Kanawha Boulevard.

"Anything that helps enhance Charleston and our lodging facilities is a plus," said Jama Jarrett, director of communications at the Charleston Convention & Visitors Bureau. "These renovations and additional hotels that we'll have coming to Charleston soon enhances what we already have and strengthens our relationship with those who visit."

BBL Hospitality, a company based in Albany, N.Y., purchased Ramada Inn Downtown, a 256-room full-service hotel located across the street from Haddad Riverfront Park, from a Philadelphia real estate company in September. BBL Carlton, an affiliate of BBL Hospitality, plans to renovate the lobby, guest rooms, meeting rooms and all public areas. The company also plans to build a new indoor pool and sports-themed restaurant at the Ramada called Recovery Sports Grill. The bar will feature 50 to 70 high definition televisions and sports memorabilia.

Keith McClanahan, senior vice president of BBL Carlton of Charleston, said multiple downtown hotels are under renovation now because it's just the right time.

"Some of them have some age on them and they need updated. They need to be updated to get people to want to stay there," McClanahan said. "As the Charleston House once was the place to be, after so many years of neglect it'll take a while to get it back to the way it used to be."

To remain competitive in the hotel market, Holiday Inn Express had to renovate now, Eaton said. He blames the economy for the hotel industry's struggles and the reason why so many hotel renovations are happening now.

"We would've done this work before now but with the economy, the hotel industry went through the worst downturn. When a recession starts, hotels are the first to feel it and the last to recover after the recession ends," Eaton said.

During a recession, many people cut traveling expenses, he said. While many people struggled financially, banks also weren't lending money.

"Everybody was struggling through a financial standpoint and when the banks weren't lending money, I think that a lot of these projects got backed up. Lending is easing up a bit and that's why you see some things happening now."

McClanahan agreed that people didn't travel as much during the recession but because most Charleston hotels are destination hotels, they still see business.

"I think [the economy] has affected hotels, like everything else. I would think if you keep a destination hotel and keep it up to a good standard, at a good rate, that's where people are going to want to come and that's our intent," McClanahan said.

Hotel occupancy is expected to increase by about 5 percent and rates by 4 percent, according to industry tracker TravelClick's analysis of North American hotel bookings for the 12 months ending Sept. 30, 2012.

"While there is much uncertainty regarding where the overall economy is headed, hotel industry performance over the remainder of 2011 and heading into 2012 continues to look strong," said Tim Hart, a TravelClick executive vice president, in a USA Today article.

The gains should please hotel owners, who endured steep drops in occupancy and room rates in the recession, according to the article. Revenue per available room, the industry's key financial measure, is expected to increase by almost 7 percent, according to the analysis.

With the new renovations, Eaton said he thinks Holiday Inn Express is going to capture more of the market share, especially in Charleston's fairly consistent market. When you put millions of dollars back into a facility, you hope to see a positive reaction, he said.

"Because of the business we lost in the past, they will come back and we'll win those guests again," he said.

*Reach Megan Workman at [megan.work...@wvgazette.com](mailto:megan.work...@wvgazette.com) or 304-348-5113.*

**Breaking News** Bradley fired as CEO of Charleston CVB 18 min. ago

July 5, 2011

**Town Center Mall plans Court Street entry makeover**

By Jim Balow

CHARLESTON, W.Va. -- As it gears up for its 30th anniversary in 2013, Charleston Town Center Mall is planning major renovations, both inside and out.

The owners hope to create a more festive atmosphere along Court Street by adding banners, lighting, Muzak, green walls and more landscaping in the street median, Lisa McCracken, the mall's marketing director, told members of the Municipal Beautification Commission on Tuesday.

"Many things can be said about Charleston Town Center, but one thing you'll never say is we're a gorgeous architectural structure," McCracken said. "We're looking at resurfacing the Court Street façade.

"We continue to feel Charleston Town Center is an anchor for downtown Charleston," she said. "The Court Street entrance is a major entry to the mall. We're looking at this area, from Quarrier Street to Lee Street, and raising the bar to have a grand entry.

"We're considering adding lighting on our side of the street that would flash light down on the sidewalk." Other lights would shine upward, illuminating the walls.

Banners like those already in place along Quarrier and Lee streets would hang from the new light poles on Court Street, McCracken said, and outdoor speakers would pump out soft jazz.

One or more "green" walls, covered by plants, might dress up the entrance to the mall. A Cleveland consulting firm is helping with the plans, she said.

McCracken had no estimate of the cost of the improvements, which are still in the conceptual stage. Other improvements on the city-owned median would require city assistance, she said.

"We'd like to ask the Beautification Commission to consider more floral beds near the crosswalk, like you do at the ends" of the median. And she asked about the deciduous trees in the middle of the street. "We'd like to approach the city and Appalachian Power about lighting the trees -- uplighting them."

Several commission members seemed enthusiastic about the plans, including Chairwoman Mary Jane Vanderwilt.

"I think it's a wonderful idea," said Alana Minear, the city's parking director, "especially with the work the WVU consultants are doing on Slack Plaza and Brawley Walkway."

Landscape architects from West Virginia University, working with a Pittsburgh design firm hired by the U.S. Environmental Protection Agency's Greening America's Capitals program, are preparing new designs for Slack Plaza and the pedestrian corridor from Town Center Mall to Capitol Street after visiting the city this spring. Their report is due later this summer.

Reach Jim Balow at [ba...@wvgazette.com](mailto:ba...@wvgazette.com) or 304-348-5102.

**6 Comments**

Posted By: dakman

 Report Abuse  Post a Comment

Great idea! Lets not forget about those filthy elevators and nutrid stairways in the

*Number of jobs to be created by this project in the TIF District. Estimated jobs are as follows:*

**Job Preservation and Estimated Job Creation in the TIF District**

**Charleston Convention and Civic Center**

The Center currently employs 26 full-time employees. Additionally, the Center employs approximately 113 part-time employees during an average two-week period. The Center also has indirect employment due to food services required through Centerplate, Inc. Centerplate, Inc. employs 21 full-time employees and 255 part-time employees. Construction of the Center improvements will help preserve these jobs.

The construction of improvements to the Center by the City of Charleston will create jobs. The additions and renovation (three phases) of the Center is expected to cost approximately \$30,956,338. This will lead to the creation of approximately 150–175 direct jobs for the purposes of construction.

Once construction of improvements to the Center is complete, there is anticipated an additional three to four direct full-time and five direct part-time and an anticipated 180 indirect part-time jobs from Centerplate, Inc. will be created by the increase of events at the Center. It is estimated the average starting salary for full-time jobs created at the Center will be \$30,000–\$38,000 with benefits.

**Development**

While not financed by TIF Funds or proceeds of TIF Obligations, additional construction jobs will result from proposed improvements including improvements to Chase Tower, the Charleston Marriott, the Holiday Inn Express, the Charleston Town Center, the new Marriott Courtyard Hotel, the new office building and the Charleston House Hotel.

In addition to jobs created by the Center itself, local businesses, such as retail, hospitality and restaurants, will benefit from the increased activity at the Center. It is anticipated that a number of other businesses will renovate or improve their facilities, as well as enjoy increased business as a result of increased downtown traffic. It is estimated that these surrounding businesses will lead to the creation of additional direct, indirect and induced jobs for the purposes of construction. And, as a result of increased patronage from convention and event attendees, it is estimated that additional direct, indirect and induced jobs will be created within these downtown businesses.

**C. PUBLIC IMPROVEMENTS**

The TIF Project is expected to consist of the construction of improvements to the Center and construction of a walking trail connected to the Center, to run along the Elk River from the Kanawha Boulevard to Spring Street, and to include engineering, administrative and other professional costs related to the aforementioned.

<b>TYPE</b>	<b>ESTIMATED COST</b>	<b>LOCATION</b>
Construction of Improvements to Charleston Civic Center	\$28,142,125	(See map in Attachment 2)
Contingencies	<u>\$2,814,213</u>	N/A
Total	\$30,956,338	N/A

D.	ESTIMATED BREAKDOWN OF PROJECT COSTS
----	--------------------------------------

The City proposes the initial issuance of approximately \$7,930,000 in aggregate principal amount of TIF Obligations to finance a portion of the TIF Project, including estimated capitalized interest on obligations, a reserve fund for the obligations, financing costs of issuance and funds for construction. As additional development occurs within the TIF District due to improvements to the Center, the City plans to issue additional TIF Obligations not to exceed \$12,070,000 to the extent the additional increment will allow to pay for additional costs of the TIF Project.

The Estimated Breakdown of Project Costs for the initial issuance of TIF Obligations below are anticipated to be financed from tax increment revenue bonds (“TIF Bonds”) payable from the TIF Fund. See **Section II.G – Tax Increment Obligations** and **Section II.E – Financing** for more detailed information.

1. Capital Costs*	\$	0	
2. Financing Costs (inc. TIF Admin Expenses)	\$	294,088	Initial TIF Obligations
	\$	422,450	Additional TIF Obligations
3. Professional Services*	\$	0	
4. Land	\$	0	
5. Relocation Costs	\$	0	
6. Environmental Impact Studies	\$	0	
7. Public Information	\$	0	
8. Construction of Project	\$	3,300,000	Energy Bond/Energy Savings Program
	\$	6,000,000	Initial TIF Obligations
	\$	8,992,150	Additional TIF Obligations
	\$	12,664,188	Hotel-Motel Tax Revenue Bonds, Lottery Revenue Bonds, Grants and Naming Rights
Subtotal:	\$	30,956,338	
9. Costs of the sale/lease of County property that results in a loss to County	\$	0	
10. TIF Bonds Capitalized Interest	\$	1,160,145	Initial TIF Obligations
	\$	1,448,400	Additional TIF Obligations
11. TIF Bonds Reserve Funds*	\$	475,800	Initial TIF Obligations
	\$	1,207,000	Additional TIF Obligations
<b>Total Project Cost:</b>	\$	<b>35,964,221</b>	

\*Notes to Items 1 through 11:

- 1) All Capital Costs are included in Item 8 in the above table.
- 2) Professional Services fees of approximately 10% are included in Item 8 in the above table.
- 3) The amount of \$11,179,188 is a net amount and does not include costs of issuance and other uses of funds if obligations are issued.



### Estimated Sources, Amounts, Rate and Term

To finance the TIF Project, the City proposes to issue tax increment revenue bonds or other obligations (the "TIF Obligations") in an amount not to exceed \$20,000,000 with final maturity of the TIF Obligations not to exceed 30 years from the creation of the TIF District. Such obligations may be issued from time to time in one or more series. Proceeds of the TIF Obligations are generally planned to be used to (i) finance a portion of the costs of the TIF Project, including architectural, engineering, legal and other professional fees and expenses; (ii) fund reserves for the TIF Obligations; (iii) fund capitalized interest on the TIF Obligations; and (iv) pay costs of issuance of the TIF Obligations and related costs. To the extent that surplus tax increment revenues are available, portions of the TIF Project may be financed on a "pay as you go" basis directly with such surplus.

The current projected cost of the improvement to the Center is approximately \$28,142,125 (figure does not include 10% contingency from Section C). A portion of the cost is planned to be funded over time from proceeds from the City's proposed issuance of (i) approximately \$7,930,000 of the initial TIF Obligations, (ii) approximately \$12,070,000 of the additional TIF Obligations, and (iii) approximately \$12,664,188 from other sources including, but not limited to, lottery revenue bonds, hotel-motel revenue bonds, grants and funds obtained from naming rights. The City intends to pay for the cost of replacing the HVAC plant equipment, which is estimated to cost \$3,300,000, by entering into an energy performance contract or issuing energy bonds. The City intends to seek additional sources of the funding to pay for a portion of the phases of the TIF Project, including grants from foundations, private individuals, the State and the federal government and the selling of naming rights for various wings and rooms of the Center. The City anticipates that it will immediately utilize general funds to pay for a portion of the improvements but has adopted a reimbursement resolution to reimburse itself for expenditures from Bond Proceeds. This will reduce required capitalized interest and other expenses.

In an effort to maximize the amount of project construction funds available from TIF Funds for the Charleston Convention and Civic Center, the proposed TIF Obligations are based upon an approximate maturity of 30 years from the creation of the TIF District. However, unless there are cost overruns or other needs of the TIF Project that must be addressed, it is the desire and intent of the City to use additional money available in the TIF Fund—primarily excess coverage dollars—to pay as you go on certain improvements and retire the TIF Obligations earlier on Principal Payment dates with no penalty for prepayment.

SOURCES	AMOUNT	RATE	TERM	COLLATERAL/REPAYMENT STREAM	STATUS
Funds from Hotel-Motel Tax Revenue Bonds, Lottery Revenue Bonds, Grants, Naming Rights and other sources of funds	\$12,664,188*	Between 5.5% and 7%	2032	City's lottery revenues City's Hotel-Motel Tax revenues Other revenues	To be issued in September 2013
Construction of Project from the initial TIF Obligations Proceeds Available	\$7,930,000*	Between 5.5% and 7%	2042	Tax Increment from TIF District	Applying for in this Application
Construction of Project from the additional TIF Obligations Proceeds Available	\$12,070,000*	Between 5.5% and 7%	2042	Tax Increment from TIF District	Applying for in this Application
Energy Bond/Energy Savings Program	\$3,300,000*	NA	N/A	Savings from replacement of HVAC unit	September 2012
<b>Total</b>	<b>\$34,479,188</b>				

\*Approximate and subject to change.

*What alternate sources of funding have been explored? Why are they unavailable for this project?*

As previously mentioned, the City has reviewed its ability to provide funding for the TIF Project and while it is willing to issue the lottery revenue and hotel-motel tax revenue bonds, the proceeds will not be sufficient to cover the TIF project costs. The City will pursue grants and other funding sources. The City is not aware of any additional sources available for the TIF Project.

## **G. TAX INCREMENT FINANCING OBLIGATIONS**

*If TIF obligations are expected to be issued, the following information must also be included:*

1. Amount of TIF indebtedness to be incurred: **Initial issuance of TIF Obligations, approximately \$7,930,000 (attached); Total TIF Obligations not to exceed \$20,000,000**
2. Other revenues to be used to finance the debt (other than tax increments in the TIF Fund): **N/A**
3. Other monies to be deposited in TIF Fund for the TIF District: **N/A**
4. If less than the full tax increment is to be used, explain how the excess will be used or distributed:

Any principal and interest on TIF Obligations issued by the City shall be payable from the tax increment financing fund ("TIF Fund") established for the TIF District. Any revenues in the TIF Fund that are not: (i) used for the scheduled payment of the principal of and interest on TIF Obligations, (ii) used for the payment of accrued but unpaid debt service due to insufficient TIF funds to make prior debt service payments, (iii) held in reserve funds established by the issuance of TIF Obligations, (iv) used for annual expenses for servicing the TIF Obligations, or (v) used for approved TIF Project costs within the TIF District, shall be deemed "excess funds" at the end of each fiscal year.

"Excess funds" may be used for (i) "pay as you go" until all improvements are complete (ii) the scheduled payment of the principal of and interest on subsequent TIF Obligations, (iii) payment of accrued but unpaid debt service due to insufficient TIF funds to make prior debt service payments on subsequent TIF Obligations, (iv) funding reserve funds established by the issuance of subsequent TIF Obligations, (v) payment of annual expenses for servicing subsequent TIF Obligations, (vi) funding for "pay as you go" projects in the TIF District approved in a Project Plan or Project Plans pursuant to the Act, (vii) distribution into current funds of the appropriate levying bodies, (viii) retention in the TIF Fund for approved future project costs and/or debt service relating to the issuance of additional tax increment revenue bonds, and/or (ix) all other purposes for which TIF Fund monies may be expended pursuant to the Act. To the extent that excess funds are not used for any of the purposes set forth in this paragraph, such excess funds shall be used for early repayment of outstanding TIF Obligations in accordance with the financing terms therefor.

5. Terms for early repayment of the TIF Obligations:

The City plans to issue TIF Obligations in one or more series with a final maturity 30 years from the date of the creation of the TIF District. The City anticipates that the first series of TIF Obligations would be callable within 10 years from the date of issuance. Upon payment in full of the outstanding principal of, interest on and redemption premium, if any, for the TIF Obligations and all administrative or annual expenses related to the TIF Obligations and/or the TIF District, the City shall dissolve the TIF District; provided, however, that if the City has approved a Project Plan or Project Plans subsequent to the issuance of the TIF Obligations, the TIF District shall not be dissolved until the obligations created on the TIF Fund by such Project Plan or Project Plans have been fulfilled.

6. Attach a letter from a bond counsel and/or financial underwriter stating that the proposed project could support tax increment financing bonds or other obligations and the terms and conditions of such offering.

Letters prepared by Jackson Kelly PLLC, Bond Counsel to the project, and Raymond James and Associates, Inc., Investment Banker to the project, are provided in **Attachment 17**, stating that the TIF Project could support the issuance of TIF Bonds.

**SOURCES AND USES OF FUNDS**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Dated Date	12/01/2012
Delivery Date	12/01/2012

**Sources:**

<b>Bond Proceeds:</b>	
Par Amount	7,930,000.00
	<u>7,930,000.00</u>

**Uses:**

<b>Project Fund Deposits:</b>	
Project Fund	6,000,000.00
<b>Other Fund Deposits:</b>	
Reserve Fund	475,800.00
Capitalized Interest Fund	<u>1,160,144.97</u>
	<b>1,635,944.97</b>
<b>Delivery Date Expenses:</b>	
Cost of Issuance	277,550.00
<b>Other Uses of Funds:</b>	
Administrative Expense Fund	15,000.00
Additional Proceeds	<u>1,505.03</u>
	<b>16,505.03</b>
	<u>7,930,000.00</u>

**Notes:**

All figures herein are preliminary, subject to change.

Estimated Cost of Issuance.

Deposit to the Administrative Expense Fund to cover expenses of the TIF District through Bond Year 2015.

**BOND PRICING**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Bond Component	Maturity Date	Amount	Rate	Yield	Price
	06/01/2042	7,930,000	6.000%	6.000%	100.000
		<b>7,930,000</b>			

Dated Date	12/01/2012	
Delivery Date	12/01/2012	
First Coupon	06/01/2013	
Par Amount	7,930,000.00	
Original Issue Discount		
Production	7,930,000.00	100.000000%
Underwriter's Discount		
Purchase Price	7,930,000.00	100.000000%
Accrued Interest		
Net Proceeds	7,930,000.00	

**Notes:**

All figures herein are preliminary, subject to change.  
Stated interest rate is for planning purposes only.

**CAPITALIZED INTEREST FUND**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Date	Deposit	Interest @ 1%	Principal	Reserve Fund	Scheduled Draws	Balance
12/01/2012	1,160,144.97					1,160,144.97
06/01/2013		5,800.72	229,720.28	2,379	237,900	930,424.69
12/01/2013		4,652.12	230,868.88	2,379	237,900	699,555.81
06/01/2014		3,497.78	232,023.22	2,379	237,900	467,532.59
12/01/2014		2,337.66	233,183.34	2,379	237,900	234,349.25
06/01/2015		1,171.75	234,349.25	2,379	237,900	
	1,160,144.97	17,460.03	1,160,144.97	11,895	1,189,500	

Average Life (years): 1.5050

**Notes:**

All figures herein are preliminary, subject to change.

Capitalized Interest Fund is net funded at an annual earnings rate of 1%.

Reserve Fund earnings are transferred to the Capitalized Interest Fund during the capitalized interest period at an annual earnings rate at 1%.

**DEBT SERVICE - WITHOUT REDEMPTION OF BONDS**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Dated Date                    12/01/2012  
Delivery Date                12/01/2012

Period Ending	Principal	Coupon	Interest	Debt Service
06/01/2013			237,900	237,900
06/01/2014			475,800	475,800
06/01/2015			475,800	475,800
06/01/2016			475,800	475,800
06/01/2017			475,800	475,800
06/01/2018			475,800	475,800
06/01/2019			475,800	475,800
06/01/2020			475,800	475,800
06/01/2021			475,800	475,800
06/01/2022			475,800	475,800
06/01/2023			475,800	475,800
06/01/2024			475,800	475,800
06/01/2025			475,800	475,800
06/01/2026			475,800	475,800
06/01/2027			475,800	475,800
06/01/2028			475,800	475,800
06/01/2029			475,800	475,800
06/01/2030			475,800	475,800
06/01/2031			475,800	475,800
06/01/2032			475,800	475,800
06/01/2033			475,800	475,800
06/01/2034			475,800	475,800
06/01/2035			475,800	475,800
06/01/2036			475,800	475,800
06/01/2037			475,800	475,800
06/01/2038			475,800	475,800
06/01/2039			475,800	475,800
06/01/2040			475,800	475,800
06/01/2041			475,800	475,800
06/01/2042	7,930,000	6.000%	475,800	8,405,800
	<b>7,930,000</b>		<b>14,036,100</b>	<b>21,966,100</b>

**Notes:**

All figures herein are preliminary, subject to change.

Stated interest rate is for planning purposes only.

**NET DEBT SERVICE - WITHOUT REDEMPTION OF BONDS**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Period Ending	Principal	Interest	Total Debt Service	Aministrative Expense Fund	Reserve Fund	Capitalized Interest Fund	Net Debt Service
06/01/2013		237,900	237,900			237,900	
06/01/2014		475,800	475,800			475,800	
06/01/2015		475,800	475,800			475,800	
06/01/2016		475,800	475,800	5,000.00	4,758		476,042.00
06/01/2017		475,800	475,800	5,100.00	4,758		476,142.00
06/01/2018		475,800	475,800	5,202.00	4,758		476,244.00
06/01/2019		475,800	475,800	5,306.04	4,758		476,348.04
06/01/2020		475,800	475,800	5,412.16	4,758		476,454.16
06/01/2021		475,800	475,800	5,520.40	4,758		476,562.40
06/01/2022		475,800	475,800	5,630.81	4,758		476,672.81
06/01/2023		475,800	475,800	5,743.43	4,758		476,785.43
06/01/2024		475,800	475,800	5,858.30	4,758		476,900.30
06/01/2025		475,800	475,800	5,975.46	4,758		477,017.46
06/01/2026		475,800	475,800	6,094.97	4,758		477,136.97
06/01/2027		475,800	475,800	6,216.87	4,758		477,258.87
06/01/2028		475,800	475,800	6,341.21	4,758		477,383.21
06/01/2029		475,800	475,800	6,468.03	4,758		477,510.03
06/01/2030		475,800	475,800	6,597.39	4,758		477,639.39
06/01/2031		475,800	475,800	6,729.34	4,758		477,771.34
06/01/2032		475,800	475,800	6,863.93	4,758		477,905.93
06/01/2033		475,800	475,800	7,001.21	4,758		478,043.21
06/01/2034		475,800	475,800	7,141.23	4,758		478,183.23
06/01/2035		475,800	475,800	7,284.06	4,758		478,326.06
06/01/2036		475,800	475,800	7,429.74	4,758		478,471.74
06/01/2037		475,800	475,800	7,578.33	4,758		478,620.33
06/01/2038		475,800	475,800	7,729.90	4,758		478,771.90
06/01/2039		475,800	475,800	7,884.50	4,758		478,926.50
06/01/2040		475,800	475,800	8,042.19	4,758		479,084.19
06/01/2041		475,800	475,800	8,203.03	4,758		479,245.03
06/01/2042	7,930,000	475,800	8,405,800	8,367.09	480,558		7,933,609.09
	<b>7,930,000</b>	<b>14,036,100</b>	<b>21,966,100</b>	<b>176,721.62</b>	<b>604,266</b>	<b>1,189,500</b>	<b>20,349,055.62</b>

## Notes:

All figures herein are preliminary, subject to change.

Estimated annual Administrative Expenses of \$5,000 inflated 2% per year.

Assumes an annual earnings rate of 1.0% on the Reserve Fund.

Reserve Fund earnings are transferred to the Capitalized Interest Fund during the capitalized interest period at an annual earnings rate at 1%.

Reserve Fund principal used to make final payment on the Bonds.



**BOND SOLUTION - WITH REDEMPTION OF BONDS**

City of Charleston (West Virginia)  
Tax Increment Revenue Bonds, Series 2012

Period Ending	Projected Principal	Projected Principal+ Interest	Cap Interest Reserve Admin Expense	Adjusted Debt Service	Projected Revenues	Projected Annual Surplus	Debt Service Coverage
06/01/2013		237,900	-237,900				
06/01/2014		475,800	-475,800				
06/01/2015		475,800	-475,800				
06/01/2016	95,000	570,800	242	571,042	571,400	358	100.06268%
06/01/2017	170,000	640,100	342	640,442	642,449	2,007	100.31332%
06/01/2018	205,000	664,900	444	665,344	667,920	2,576	100.38711%
06/01/2019	245,000	692,600	548	693,148	693,645	497	100.07174%
06/01/2020	285,000	717,900	654	718,554	719,628	1,074	100.14948%
06/01/2021	325,000	740,800	762	741,562	745,871	4,309	100.58102%
06/01/2022	375,000	771,300	873	772,173	772,376	203	100.02634%
06/01/2023	420,000	793,800	985	794,785	799,146	4,361	100.54871%
06/01/2024	475,000	823,600	1,100	824,700	826,184	1,484	100.17996%
06/01/2025	530,000	850,100	1,217	851,317	853,493	2,175	100.25553%
06/01/2026	590,000	878,300	1,337	879,637	881,074	1,437	100.16339%
06/01/2027	650,000	902,900	1,459	904,359	908,931	4,573	100.50562%
06/01/2028	720,000	933,900	1,583	935,483	937,067	1,584	100.16933%
06/01/2029	790,000	960,700	1,710	962,410	965,484	3,074	100.31945%
06/01/2030	865,000	988,300	1,839	990,139	994,186	4,046	100.40867%
06/01/2031	945,000	1,016,400	1,971	1,018,371	1,023,174	4,803	100.47161%
06/01/2032	245,000	259,700	-473,694	-213,994	1,052,452	1,266,446	
06/01/2033					1,082,023	1,082,023	
06/01/2034					1,111,890	1,111,890	
06/01/2035					1,142,056	1,142,056	
06/01/2036					1,172,523	1,172,523	
06/01/2037					1,203,294	1,203,294	
06/01/2038					1,234,374	1,234,374	
06/01/2039					1,265,764	1,265,764	
06/01/2040					1,297,468	1,297,468	
06/01/2041					1,329,489	1,329,489	
06/01/2042					1,361,831	1,361,831	
	<b>7,930,000</b>	<b>14,395,600</b>	<b>-1,646,126</b>	<b>12,749,474</b>	<b>26,255,194</b>	<b>13,505,720</b>	

**Notes:**

All figures herein are preliminary, subject to change.

See Projection of Net Property Tax Increment for Projected Revenues.

## TIF District No. 1

## PROJECTION OF NET PROPERTY TAX INCREMENT

Tax Year	Taxes Due (April 1)	Appraised Values (1)			Assessed Values (60% of Appraised Values) (2)		
		Class II Total	Class IV Real	Class IV Personal	Class II Total	Class IV Real	Class IV Personal
2012	Base	0	198,331,597	0	198,331,597	118,998,958	0
2013	2014	0	198,331,597	0	198,331,597	118,998,958	0
2014	2015	0	216,331,597	0	216,331,597	129,798,958	0
2015	2016	0	239,831,597	0	239,831,597	143,898,958	0
2016	2017	0	265,229,913	0	265,229,913	159,137,948	0
2017	2018	0	267,882,212	0	267,882,212	160,729,327	0
2018	2019	0	270,561,034	0	270,561,034	162,336,620	0
2019	2020	0	273,266,644	0	273,266,644	163,959,987	0
2020	2021	0	275,999,311	0	275,999,311	165,599,586	0
2021	2022	0	278,759,304	0	278,759,304	167,255,582	0
2022	2023	0	281,546,897	0	281,546,897	168,928,138	0
2023	2024	0	284,362,366	0	284,362,366	170,617,419	0
2024	2025	0	287,205,989	0	287,205,989	172,323,594	0
2025	2026	0	290,078,049	0	290,078,049	174,046,830	0
2026	2027	0	292,978,830	0	292,978,830	175,787,298	0
2027	2028	0	295,908,618	0	295,908,618	177,545,171	0
2028	2029	0	298,867,704	0	298,867,704	179,320,623	0
2029	2030	0	301,856,381	0	301,856,381	181,113,829	0
2030	2031	0	304,874,945	0	304,874,945	182,924,967	0
2031	2032	0	307,923,695	0	307,923,695	184,754,217	0
2032	2033	0	311,002,932	0	311,002,932	186,601,759	0
2033	2034	0	314,112,961	0	314,112,961	188,467,777	0
2034	2035	0	317,254,090	0	317,254,090	190,352,454	0
2035	2036	0	320,426,631	0	320,426,631	192,255,979	0
2036	2037	0	323,630,898	0	323,630,898	194,178,539	0
2037	2038	0	326,867,207	0	326,867,207	196,120,324	0
2038	2039	0	330,135,879	0	330,135,879	198,081,527	0
2039	2040	0	333,437,238	0	333,437,238	200,062,343	0
2040	2041	0	336,771,610	0	336,771,610	202,062,966	0
2041	2042	0	340,139,326	0	340,139,326	204,083,596	0

## (1) Annual Inflation Rate Assumption and Adjustments

Class II and Class III Real	
Class IV Real Inflation Rate beginning TY 2013:	0.00%
Class IV Real Inflation Rate beginning TY 2016:	1.00%

## (1) Projected Development in the TIF District

Tax Year	Description	Completion	Amount
2014	Chase Improvements	9/1/2012	\$2,000,000
2014	Marriott Improvements	4/1/2013	\$8,000,000
2014	Holiday Inn Express Improvements	6/1/2013	\$8,000,000
2015	Charleston Town Center Improvements	12/1/2013	\$10,000,000
2015	Marriott Courtyard Hotel	6/1/2014	\$13,500,000
2016	New Office Building	6/1/2015	\$3,000,000
2016	Charleston House Hotel	6/1/2015	\$20,000,000

## TIF District No. 1

## PROJECTION OF NET PROPERTY TAX INCREMENT

Tax Year	Taxes Due (April 1)	Incremental Assessed Values			Levy Rate (3)		Projection of Net Property Tax Increment (4)			
		Class II Total	Class IV Real	Class IV Personal	Class IV Total	Class II	Class IV	Class II Total	Class IV Total	Net Total
2012	Base									
2013		0	0	0	0	0.8424%	1.6848%	0	0	0
2014		0	10,800,000	0	10,800,000	0.8424%	1.6848%	0	181,958	181,958
2015		0	24,900,000	0	24,900,000	0.8424%	1.6848%	0	419,515	419,515
2016		0	40,138,990	0	40,138,990	0.8424%	1.6848%	0	676,262	676,262
2017		0	41,730,369	0	41,730,369	0.8424%	1.6848%	0	703,073	703,073
2018		0	43,337,662	0	43,337,662	0.8424%	1.6848%	0	730,153	730,153
2019		0	44,961,029	0	44,961,029	0.8424%	1.6848%	0	757,503	757,503
2020		0	46,600,628	0	46,600,628	0.8424%	1.6848%	0	785,127	785,127
2021		0	48,256,624	0	48,256,624	0.8424%	1.6848%	0	813,028	813,028
2022		0	49,929,180	0	49,929,180	0.8424%	1.6848%	0	841,207	841,207
2023		0	51,618,461	0	51,618,461	0.8424%	1.6848%	0	869,568	869,568
2024		0	53,324,636	0	53,324,636	0.8424%	1.6848%	0	898,413	898,413
2025		0	55,047,872	0	55,047,872	0.8424%	1.6848%	0	927,447	927,447
2026		0	56,788,340	0	56,788,340	0.8424%	1.6848%	0	956,770	956,770
2027		0	58,546,213	0	58,546,213	0.8424%	1.6848%	0	986,387	986,387
2028		0	60,321,665	0	60,321,665	0.8424%	1.6848%	0	1,016,299	1,016,299
2029		0	62,114,871	0	62,114,871	0.8424%	1.6848%	0	1,046,511	1,046,511
2030		0	63,926,009	0	63,926,009	0.8424%	1.6848%	0	1,077,025	1,077,025
2031		0	65,755,259	0	65,755,259	0.8424%	1.6848%	0	1,107,845	1,107,845
2032		0	67,602,801	0	67,602,801	0.8424%	1.6848%	0	1,138,972	1,138,972
2033		0	69,468,819	0	69,468,819	0.8424%	1.6848%	0	1,170,411	1,170,411
2034		0	71,353,496	0	71,353,496	0.8424%	1.6848%	0	1,202,164	1,202,164
2035		0	73,257,021	0	73,257,021	0.8424%	1.6848%	0	1,234,234	1,234,234
2036		0	75,179,581	0	75,179,581	0.8424%	1.6848%	0	1,266,626	1,266,626
2037		0	77,121,366	0	77,121,366	0.8424%	1.6848%	0	1,299,341	1,299,341
2038		0	79,082,569	0	79,082,569	0.8424%	1.6848%	0	1,332,383	1,332,383
2039		0	81,063,385	0	81,063,385	0.8424%	1.6848%	0	1,365,756	1,365,756
2040		0	83,064,008	0	83,064,008	0.8424%	1.6848%	0	1,399,462	1,399,462
2041		0	85,084,638	0	85,084,638	0.8424%	1.6848%	0	1,433,506	1,433,506
2042		0		0		0.8424%	1.6848%	0		

## (4) Property Tax Discount Assumptions

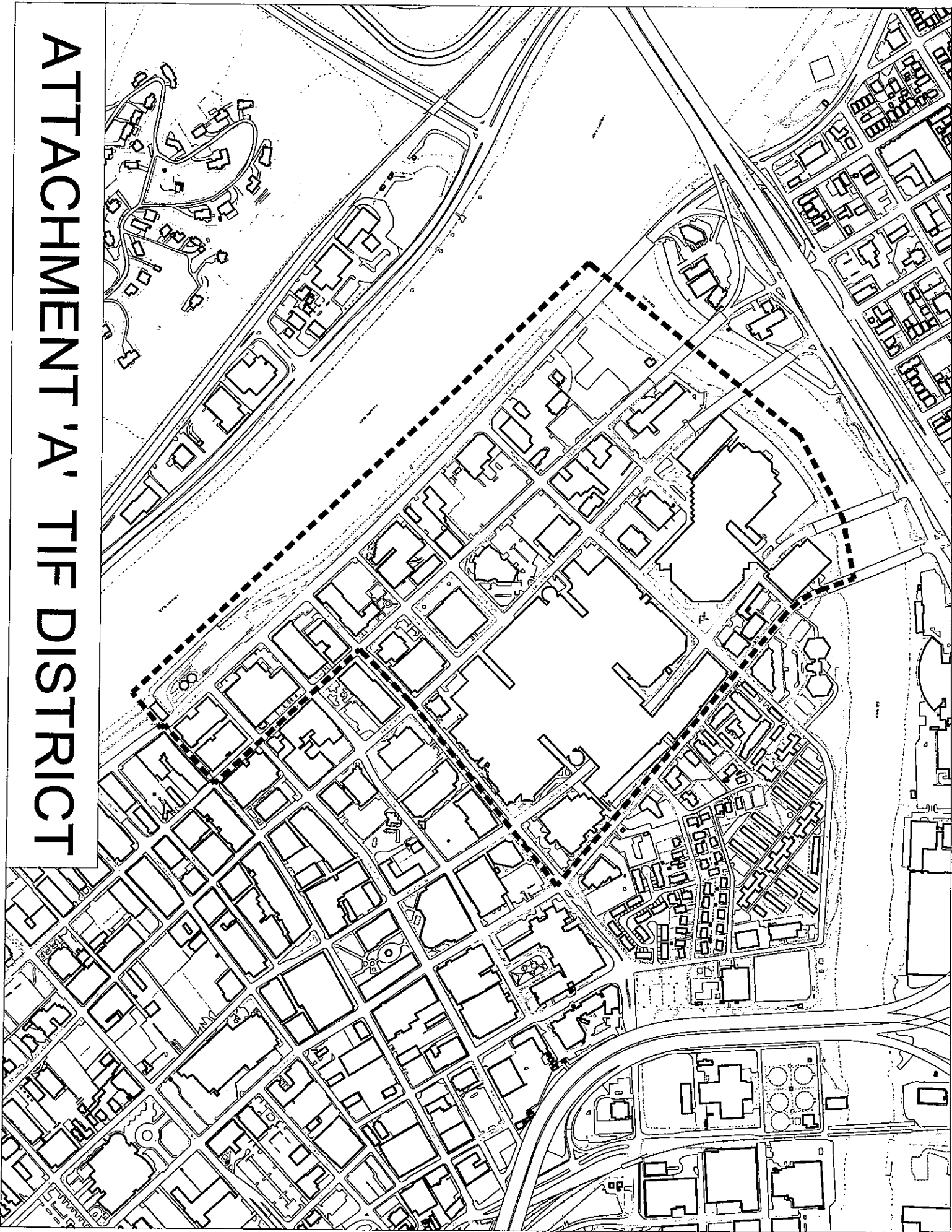
Estimated Property Tax Discount= 5.00%

## (3) Tax Year 2012 Levy Rates\*

	Class I	Class II	Class IV
State	0.25	0.50	1.00
City	8.17	16.34	32.68
County	14.30	28.60	57.20
School	19.40	38.80	77.60
Total	42.12	84.24	168.48

**Attachment 1: Map showing existing conditions and land uses of the TIF District property.**

Attached is a map showing existing conditions and land uses of the TIF District property.

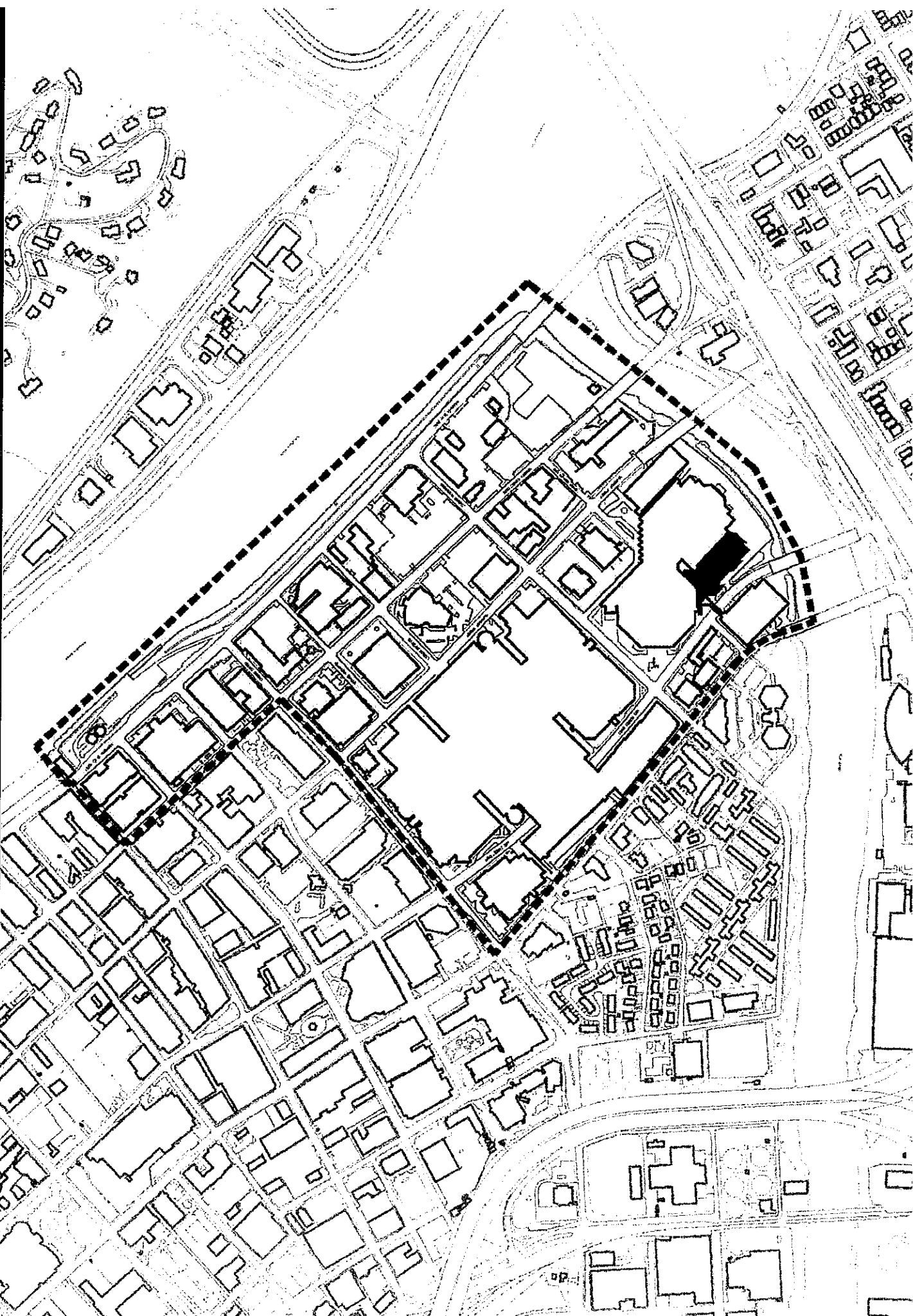


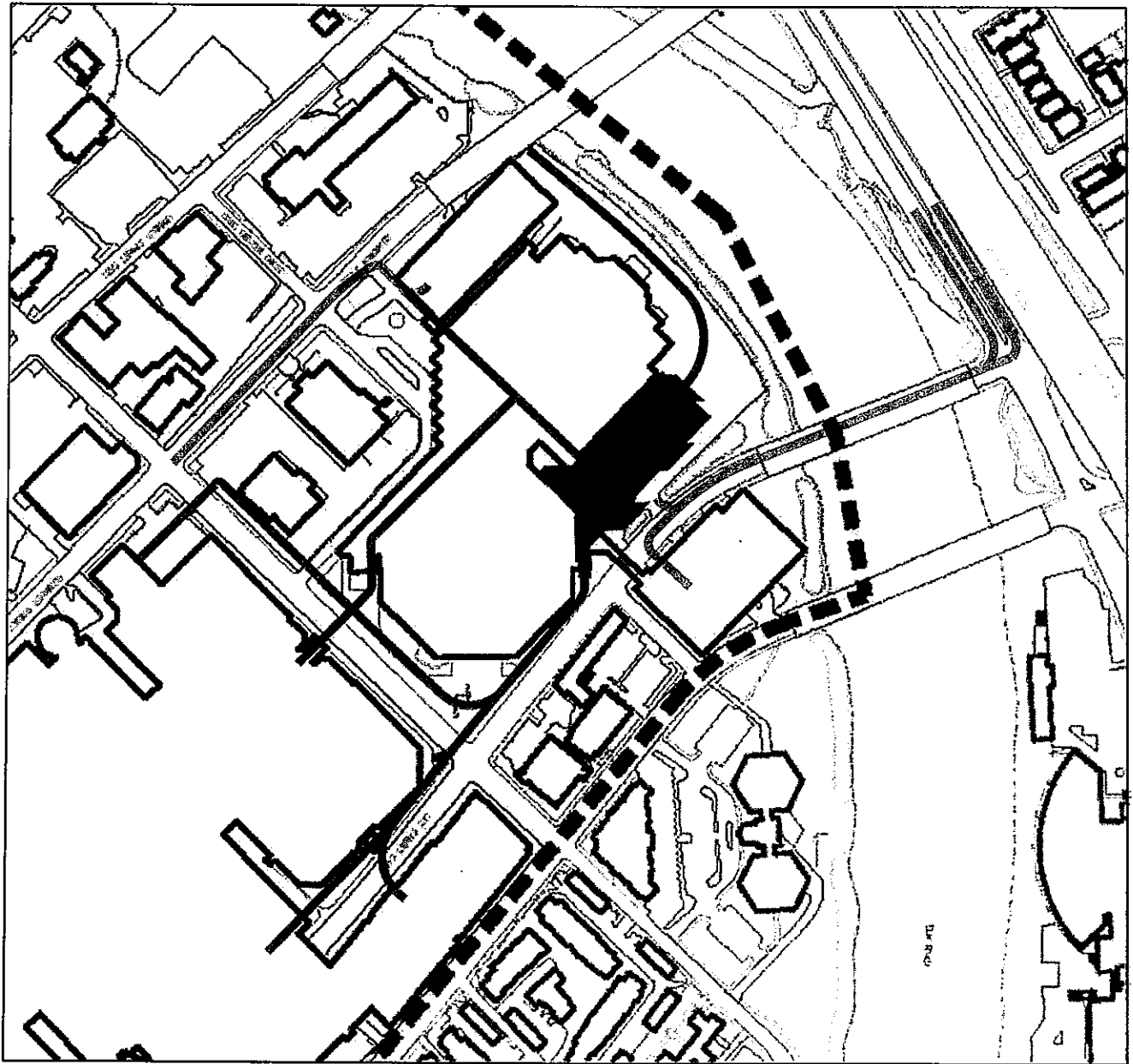
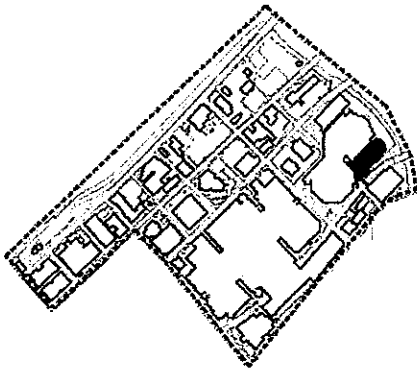
# ATTACHMENT 'A' TIF DISTRICT

**Attachment 2:**     **A map showing proposed public improvements and uses of the land in the TIF District and the boundaries of the property within the TIF District whose increment will be used for this project.**

Attached is a map showing the proposed land use of properties in the TIF District, as well as highlights of the proposed improvements to the TIF Project area.

ATTACHMENT 'B' PUBLIC IMPROVEMENTS



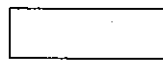
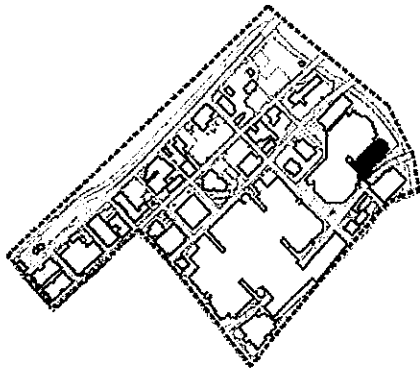


VEHICULAR CONNECTION

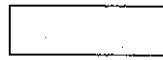


PEDESTRIAN CONNECTION





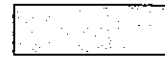
EXISTING LOBBY AND  
CIRCULATION



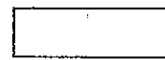
RENOVATED MEETING  
ROOMS



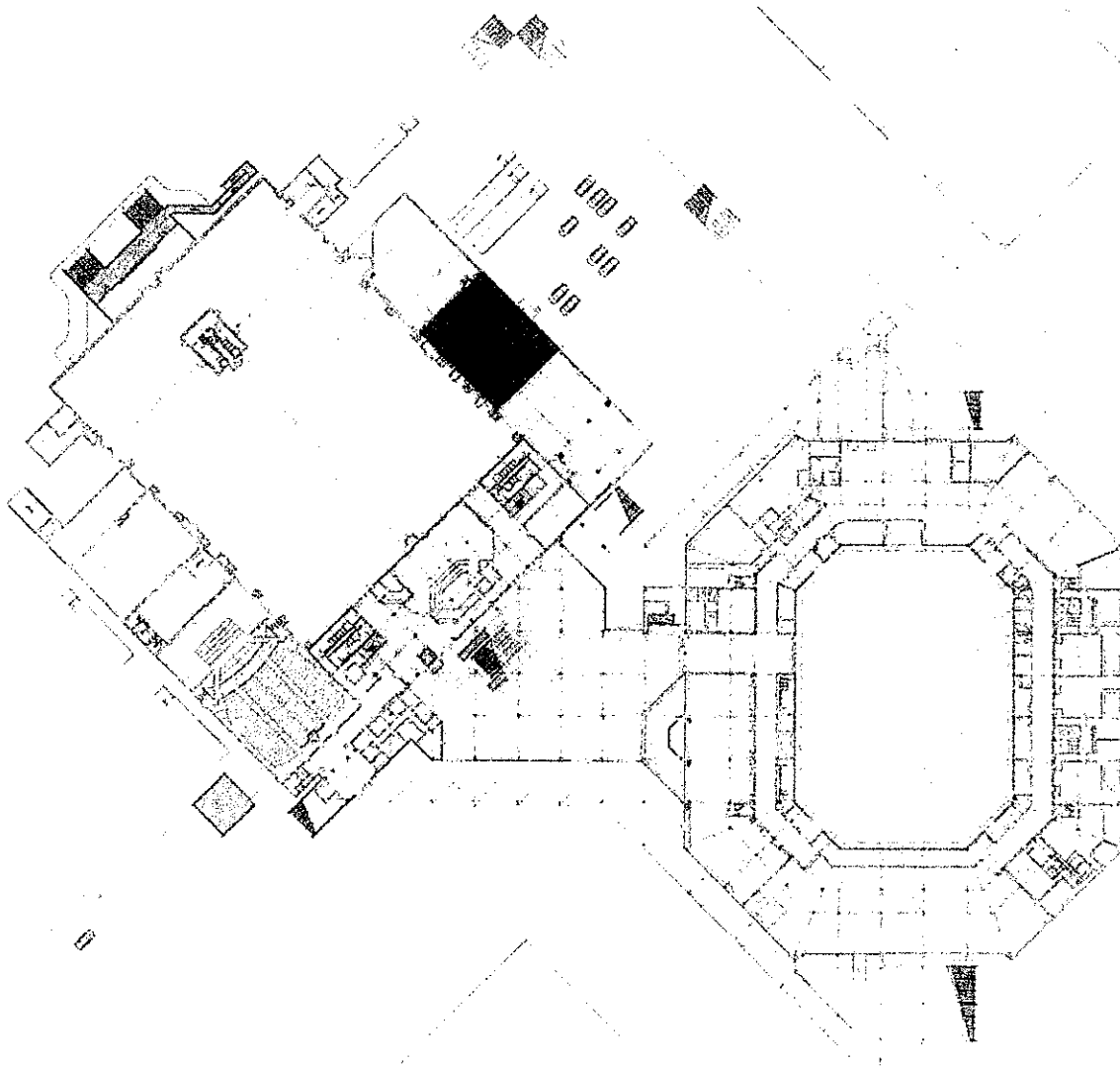
KITCHEN/ FOOD PREP/  
STORAGE SPACE

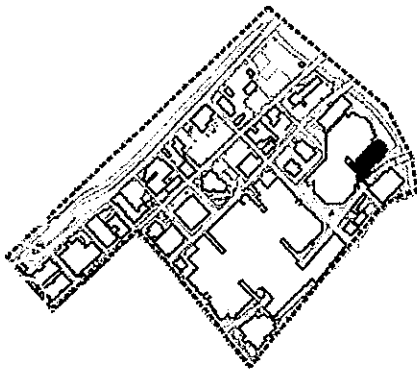










VERTICAL CIRCULATION  
AND BALCONY SPACE

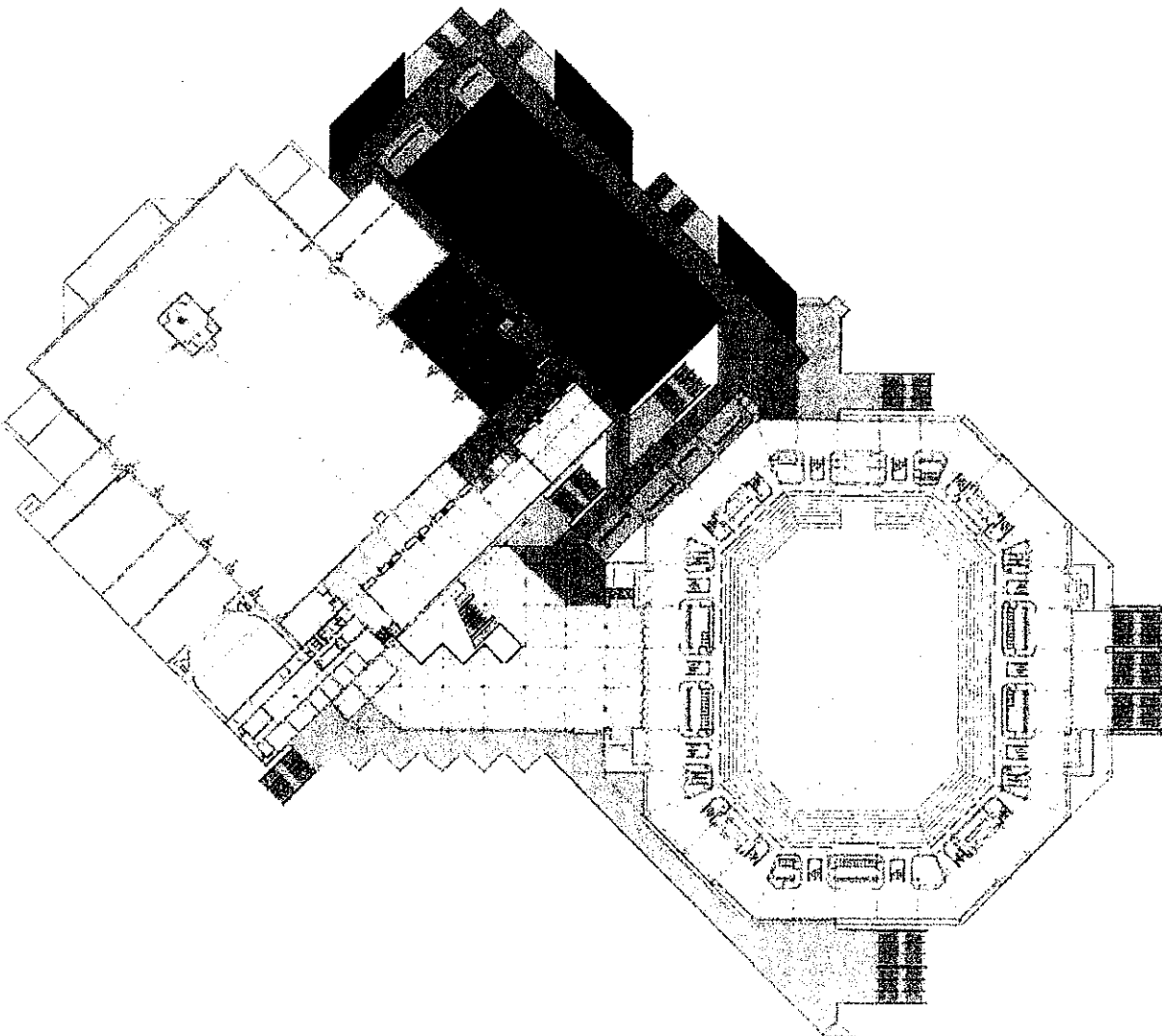


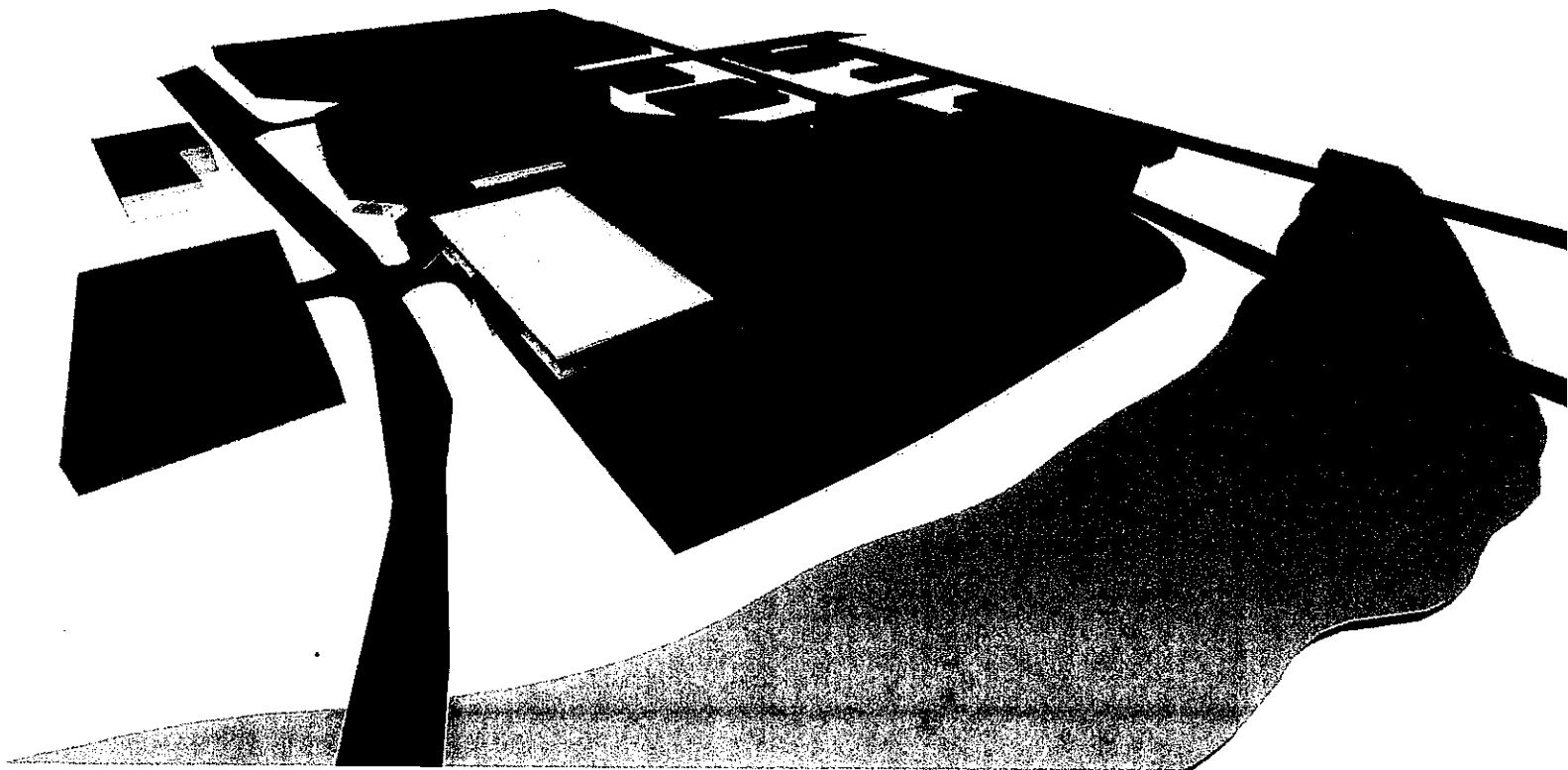
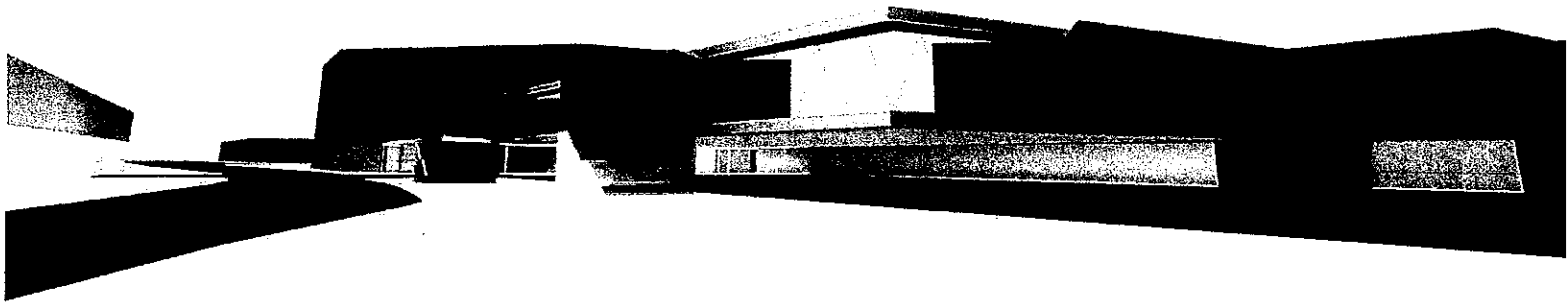
OTHER/  
EXISTING SPACE





- |   |                                   |   |  |
|---|-----------------------------------|---|--|
|  | EXISTING LOBBY AND CIRCULATION    |  | VERTICAL CIRCULATION AND BALCONY SPACE         |
|  | RENOVATED MEETING ROOMS           |  | OTHER/ EXISTING SPACE                          |
|  | KITCHEN/ FOOD PREP/ STORAGE SPACE |  | NEW BALLROOM AND MEETING ROOMS                 |
|  | NEW TOILETS                       |  | MAJOR BALLROOM LOBBY/ CIRCULATION/ SPILL SPACE |





**Attachment 3: A resolution, order or ordinance finding the project is not reasonably expected to occur without the use of tax increment financing.**

The following resolution is attached:


A Resolution approved by the City on December 19, 2011, approving submittal of the application and other matters in connection with the TIF District and TIF Project is provided in this attachment.



City of Charleston  
Office of the City Clerk  
P.O. Box 2749  
Charleston, WV 25330  
(304) 348-8179

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Resolution 063-11, enacted by the City Council of the City of Charleston on December 19, 2011.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 21 day of December, 2011.

  
\_\_\_\_\_  
James M. Reishman  
City Clerk

Seal

**Resolution No. 063-11** :

**Introduced in Council:**

**December 19, 2011**

**Introduced by:**

**Robert S. Reishman**

**Adopted by Council:**

**December 19, 2011**

**Referred to:**

WHEREAS, The City Council of the City of Charleston, West Virginia (the "City Council"), is authorized by the West Virginia Tax Increment Financing Act, Chapter 7, Article 11B of the Code of West Virginia, 1931, as amended (the "Act"), to create a development or redevelopment district, cause project plans to be prepared, issue tax increment financing obligations and take other actions to facilitate the orderly development and economic stability of Charleston, West Virginia (the "City"), all as more fully set forth in the Act;

WHEREAS, the City plans to create a development/redevelopment district (the "TIF District") as set forth on a map attached hereto and incorporated by reference herein as EXHIBIT A;

WHEREAS, the City intends to propose a project plan consisting of (i) renovating, equipping and expanding the Charleston Civic Center, including creating a walking trail connected to the Charleston Civic Center, running from the Kanawha Boulevard to Spring Street along the Elk River and (ii) paying engineering, administrative and other professional costs related to the aforementioned (the "TIF Project");

WHEREAS, in Resolution No. 053-11 adopted by the City on November 21, 2011, the City set a public hearing regarding the TIF Application (the "Application") for Monday, December 19, 2011, at 7:00 p.m.;

WHEREAS, the City has reviewed the Application and has found and determined that the TIF District and the TIF Project will benefit the City and its residents by facilitating the orderly development and economic stability of the City, and that the development therein will encourage investing in job-producing, private development and expand the public tax base of the City, that future improvements will result in the

increase in the value of property located in the TIF District and will encourage increased employment and business activity within such area and will serve a public purpose of the City;

WHEREAS, the City has held a public hearing with respect to the proposed creation of the TIF District and approval of the TIF District, following publication of notice of such public hearing in accordance with the Act; and

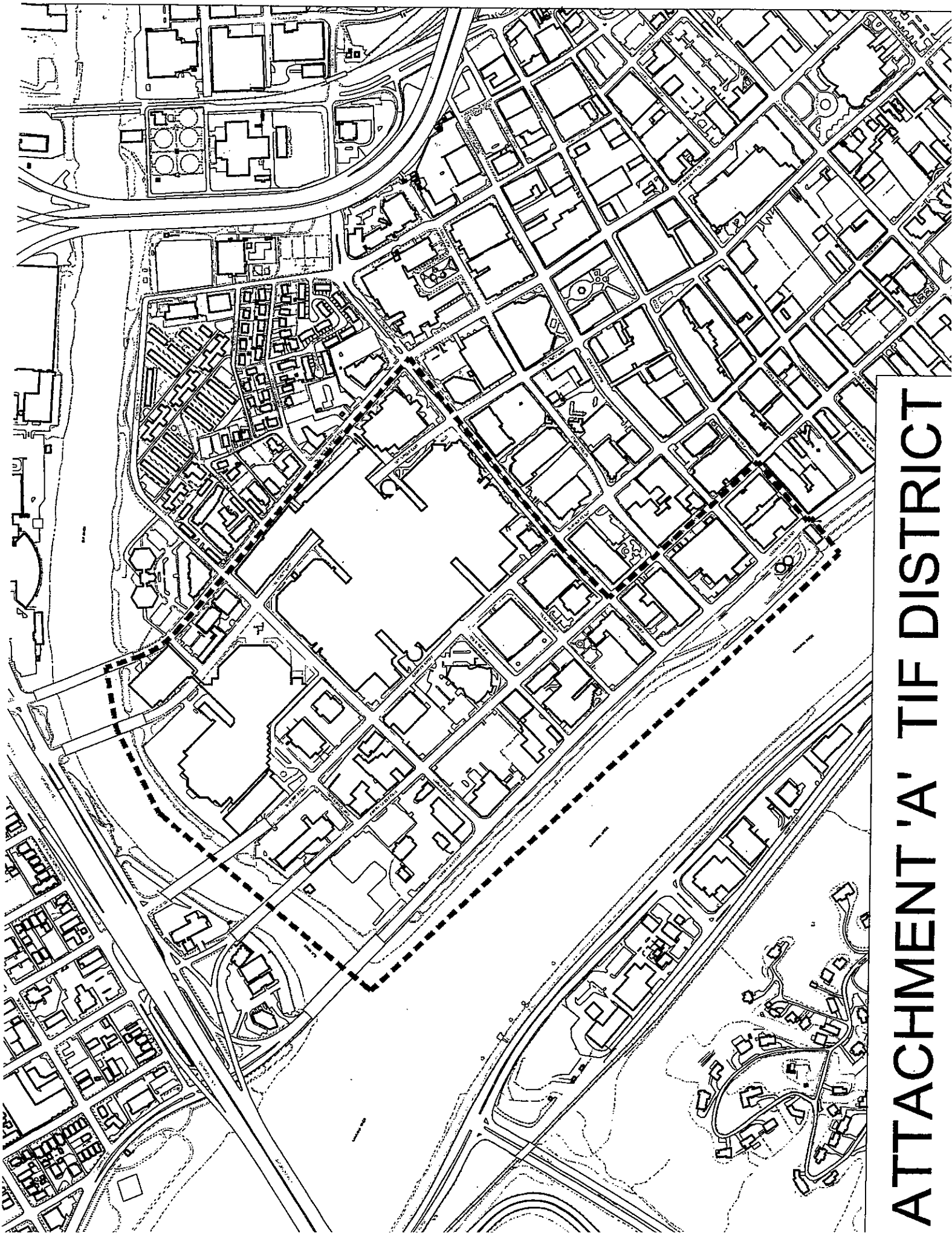
WHEREAS, the City desires to adopt this Resolution to evidence its willingness to proceed with the creation of the TIF District following satisfaction of all requirements of the Act;

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHARLESTON, AS FOLLOWS:**

1. The City has reviewed the Application, heard all interested parties regarding the creation of the TIF District and approval of the TIF Project and hereby approves the Application.
2. It is hereby further determined that the City shall submit the Application and all supporting materials to the West Virginia Development Office for its approval.
3. The City hereby approves the boundaries of the TIF District as shown in the map attached as Exhibit A.
4. It is hereby further found and determined that due to the nature of the TIF Project, the TIF Project would not reasonably be expected to be completed without the use of tax increment financing.
5. The Mayor and the City Manager is hereby authorized to take any further action required to submit the application to the Development Office and create the TIF District.
6. This Resolution shall become effective immediately upon adoption.

## EXHIBIT A





# ATTACHMENT 'A' TIF DISTRICT

**Attachment 4:      Certification of the Base Assessed Value of Real and Personal Property in the TIF District.**

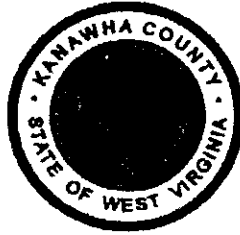
The Base Assessed Value of the real and personal property within the TIF District as of July 1, 2011 has been certified by the Assessor as \$210,936,965. A copy of the Assessor's Certification is included in this attachment.

# Kanawha County

## Office of The Assessor

409 Virginia Street East  
Charleston, West Virginia 25301

Telephone (304) 357-0704  
Fax (304) 357-4692



Phyllis Gatson Assessor

December 19, 2011

City of Charleston  
501 Virginia Street, East  
Charleston, WV 25301

Re: The City of Charleston Development District No. 1 – Charleston Civic Center and  
Convention Center Project

Dear Sirs:

In Compliance with WV Code 7-11B-8(b)(6), I hereby tentatively certify according to my best judgment from all sources available, the **estimated** base assessed value of real and tangible personal property having a tax situs in the above-referenced Development District from the tentative 2012 land and personal property books (July 1, 2011) is as follows.

	Class I	Class II	Class IV
District 11			
Personal Property	\$ _____	\$ _____	\$60,257,905
Real Estate	\$ _____	\$ _____	<u>\$150,679,060</u>
Total	\$ _____	\$ _____	\$210,936,965

  
Phyllis Gatson  
Kanawha County Assessor

**Attachment 5:**    **If the current assessed value is different from the base-assessed value, a copy of the certification by the county assessor of the current assessed value of the property in the TIF District that will be used to help support TIF Obligations for this project.**

The Current Assessed Value of the real and personal property within the TIF District is not different than the Base Assessed Value.

**Attachment 6:     Verification and results of the public hearing.**

The City held a public hearing on the TIF District and TIF Project Plan on December 19, 2011. The Affidavit of Publication of the Notice of Public Hearing is provided in this Attachment. A representative from the Kanawha County Commission was the only person that spoke at the public hearing. The Kanawha County Commission representative stated that the Kanawha County Commission is in full support of creation of the TIF District and construction of the proposed project. See **Attachment 3** for the Resolution adopted subsequent to the public hearing.

The minutes of the public hearing will be approved by council on January 3, 2012. The minutes of this public hearing will be sent to the development office as soon as the minutes are available.

**Charleston Newspapers**

P.O. BOX 2993  
 Charleston, WV 25330  
 Billing 348-4818  
 Classified 348-4848  
 1-800-WVA-NEWS



	12/16/11	M
	014243003	
	0074	
	768101001	

**BILL TO:**

JACKSON & KELLY  
 \*\*\*\*\*  
 PO BOX 553  
 CHARLESTON

WV 25322 USA

Please return this portion with your payment.  
 Make checks payable to: Charleston Newspapers

AMOUNT PAID: \_\_\_\_\_

	12/16/11
	014243003
	0074
	768101001

Legal pricing is based upon 63 words per column inch.  
 Each successive insertion is discounted by 25% of the first insertion date.  
 The Daily Mail rate is \$.13 per word, the Charleston Gazette rate is \$.14 per word, and the Metro Puchan rate is \$.13 per word.

Date	Code	Description	Rate	Words	Cost	Discount	Total
12/08	LEGF	GZ Notice of Public Hea	0484693	4X1175	47.00	8.82	432.18
12/08	LEGF	DM Notice of Public Hea		4X1175	47.00	8.19	401.31
12/15	LEGR	GZ Notice of Public Hea		4X1175	47.00	8.82	414.54
12/15	LEGR	DM Notice of Public Hea		4X1175	47.00	8.82	414.54
		LEGAL DISCOUNT 25%					103.64
							310.90

State of West Virginia,

I, \_\_\_\_\_ of \_\_\_\_\_

do solemnly swear that the legal notice of:

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_.

Notary Public of Kanawha County, West Virginia

**Charleston Newspapers**

P.O. BOX 2993  
 Charleston, WV 25330  
 Billing 348-4818  
 Classified 348-4848  
 1-800-WVA-NEWS



12/16/11	M
014243003	
0074	
768101001	

**BILL TO:****JACKSON & KELLY**

\*\*\*\*\*

PO BOX 553

CHARLESTON

WV 25322 USA

Please return this portion with your payment.  
 Make checks payable to: Charleston Newspapers

AMOUNT PAID: \_\_\_\_\_

12/16/11
014243003
0074
768101001

Legal pricing is based upon 63 words per column inch.  
 Each successive insertion is discounted by 25% of the first insertion date.  
 The Daily Mail rate is \$.13 per word, the Charleston Gazette rate is \$.14 per word, and the Metro Putnam rate is \$.13 per word.

768101004								
LEGAL DISCOUNT 25%			47.00	8.19	384.93			
					96.23		288.70	
TOTAL INVOICE AMOUNT							1433.09	

State of West Virginia,

I, THE CHARLESTON GAZETTE, ofTHE DAILY MAIL,

do solemnly swear that the legal notice of:

**Notice of Public Hearing**

was duly published in said newspaper(s) at the stated price for the respective newspaper(s) and during the dates listed below:

12/08/11-12/15/11

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public of Kanawha County, West Virginia

ADVERTISEMENT  
FOR BIDS

The Kanawha County Board of Education invites qualified contractors to submit sealed bids for the Preservation Package for Edgewood Elementary School. Sealed bids will be received at the offices of the Purchasing Department of Kanawha County Board of Education, 3300 Pennsylvania Avenue, Charleston, WV 25302 until 2:00 p.m. on January 24, 2002, at which time and place the bids will be publicly opened and read. Please refer to Identification Number: 12-122. Bid number must appear on the outside of the sealed envelope. Failure to do so could result in the bid being disqualified.

A pre-bid conference will be held at 7:00 a.m. on December 14, 2001 at the Kanawha County Government Building located at 3300 Pennsylvania Ave., Charleston, WV 25302.

Attendance at pre-bid conference is mandatory for prime bidders only.

Up to 2 sets of bidding documents for this project may be obtained by qualified contractors from the office of ZAMA, Inc., Architects and Engineers, 222 Lee Street West, Charleston, West Virginia 25302. A deposit of \$400.00 payable to ZAMA, Inc., will be required for each set of documents. Deposits will be refunded if complete and properly bound bidding documents are returned to the Architect in good condition within 10 days of bid date. Bidders are responsible for the cost of shipping and handling.

Additional sets may be obtained from Charleston Blueprint (304-343-1043) by General Contractors, subcontractors, material suppliers and dealers by paying the actual cost of printing, binding and mailing; however such cost is not refundable. Partial sets of bid documents will not be issued.

Bidding documents may be examined at the following locations during regular business hours:

Kan. Valley Builder's Assoc.  
1627 Sigley Avenue  
Charleston, WV 25302  
304-343-9121  
FAX 304-343-9014

Pittsburgh Builders Exchange  
1513 N. Franklin Street  
Pittsburgh, PA 15203  
412-922-4200  
FAX 412-926-9406

Parklands/Charlottesville Contractors Association  
423 S. Emerson Avenue  
Parkersburg, WV 26104  
304-264-4882  
FAX 304-423-7622

Construction Employers Assoc.  
of North Central WV,  
2794 White Hall Blvd.  
White Hall, WV 26053  
304-367-1290  
FAX 304-367-0126

Contractors Association of WV  
2114 Kanawha Boulevard East  
Charleston, WV 25303  
304-342-7166  
FAX 304-342-1074

McGraw-Hill Dodge Reports  
Attn: Scan Department  
3315 Central Avenue  
Hot Springs, AR 71913  
501-321-5400  
FAX 501-321-3544

Each bid shall be accompanied by a bid bond made payable to the Owner.

Place your ad  
ANYTIME!  
348-4848  
claw@charleston.com  
**24/7**

er. in the amount of five percent (5%) of the base bid, in accordance with the Instructions to Bidders.

The bidder to whom the contract is awarded shall execute and deliver to the Owner within 10 days after the award, and before signing the contract, a corporate surety bond in a penal sum equal to or less than the contract sum and the cost of such bond shall be paid by the bidder.

The Owner reserves the right to reject any or all bids, the right to waive minor informalities and procedures in bidding, and the right to withhold final award of contract for 90 days after opening bids. (403002)

## INVITATION TO BID

Sealed bids for Phase 1-Site Utility work of Fleming Hall at West Virginia State University will be received in the West Virginia State University Physical Facilities Conference Room 412 in the Harold McNeill Building, Institute, West Virginia, on Thursday, January 3, 2002 at 1:30 p.m. EST, at which time and place all complete bids will be publicly opened and read aloud.

All Bids must be submitted in accordance with the Bidding Documents issued by the Architect. Bidding Documents may be obtained upon request to:

Sillies  
Associates, Inc./AS  
Capital Street  
Upper Atrium  
Charleston, WV 25301  
304.346.0565

The project involves the relocation of several utilities of Fleming Hall at Institute, West Virginia. Work also includes installation of Owner supplied electrical switchgear and transformer.

Qualified Prime Bidders interested in submitting bids shall contact the Architect and a Bid Package will be mailed to them.

A \$100.00 deposit is required for each set. Qualified Prime Bidders interested in submitting bids may receive a maximum of two complete sets of drawings and specifications. Deposits will be refunded to bidders who return the plans and specifications, in good condition, to the Architect within ten (10) days following the bid opening. The plans and specifications are returned without from their original form, this will result in a forfeit of your deposit bond.

Additional sets may be obtained from Charleston Blueprint (304-343-1043) by Prime Contractors, subcontractors, material suppliers and dealers by paying the actual cost of printing, binding and mailing; however, such charges will not be refunded. Partial sets of Bid Documents will not be issued.

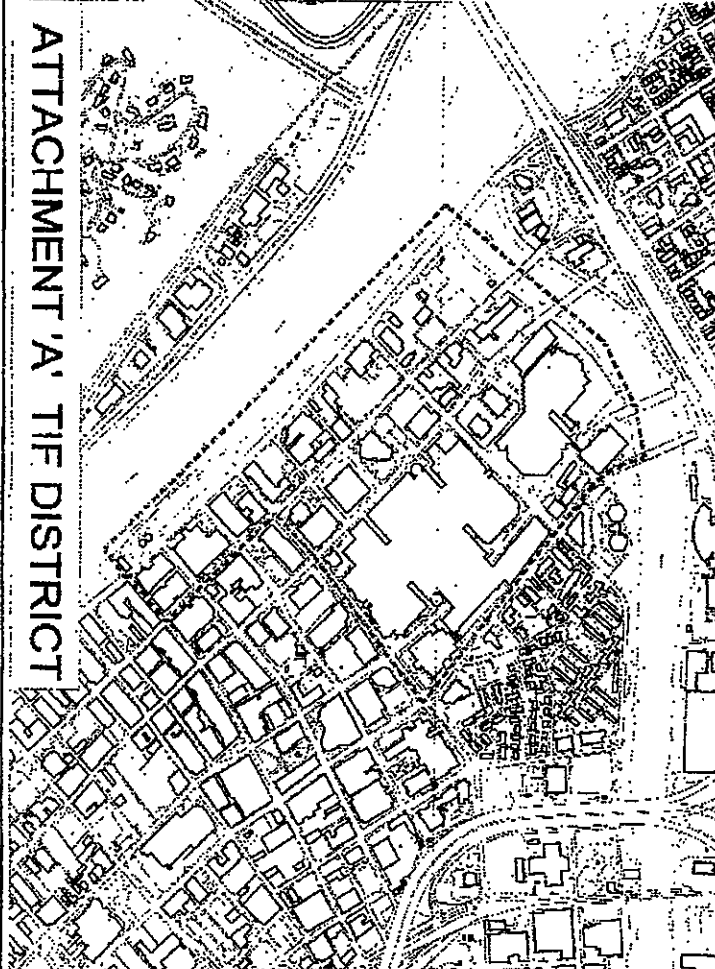
A certified check in the amount of five percent (5%) of the total bid, or a satisfactory Bid Bond furnished by a solvent surety company authorized to do business in the state of West Virginia in an amount equal to five percent (5%) of the total bid must be submitted with each Bid.

The successful Bidder will be required to execute a contract and provide a Performance Bond and a Labor and Material Payment Bond for 100% of the contract award.

All Prime Contractors and Subcontractors shall be licensed in compliance with SB-22 (WV Contractor's Licensing Act). All General Contractors shall include their license number in the space provided on the Bid Form. An exe-

ADVERTISEMENT | ADVERTISEMENT | ADVERTISEMENT | ADVERTISEMENT

## ATTACHMENT 'A' TIF DISTRICT



**NOTICE OF PUBLIC HEARING  
APPLICATION REGARDING CREATION OF  
THE CITY OF CHARLESTON  
DEVELOPMENT DISTRICT NO. 1 - CHARLESTON CIVIC AND CONVENTION CENTER  
PROJECT AND AN AMENDMENT OF CHARLESTON CIVIC AND CONVENTION CENTER PROJECT AND  
ISSUANCE OF TAX INCREMENT FINANCING OBLIGATIONS**

A public hearing will be held at a meeting of the City Council of the City of Charleston (the "City Council"), on Monday, December 19, 2001, at 7:00 p.m., prevailing time, in the Council Chambers at City Hall, located at 501 Virginia Street, East, Charleston, West Virginia 25301, and at such hearing any person interested may appear before the City Council and present comments, protests and suggestions. All comments, protests and suggestions shall be heard by the City Council and it shall then take such action as it shall deem proper in the premises regarding the approval, pursuant to Chapter 7, Article 11B of the Code of West Virginia, 1931, as amended (the "Tax Increment Financing Act"), of an application regarding the creation of a development district to be designated as "The City of Charleston Development District No. 1 - Charleston Civic and Convention Center Project" (the "District") in Kanawha County, West Virginia, and a project plan pertaining to (i) renovating, equipping and expanding the Charleston Civic Center, including creating a walking trail connected to the Charleston Civic Center, running from the Kanawha Boulevard to Spring Street along the Elk River; and (ii) parking engineering, administrative and other professional costs related to the aforementioned, and to be designated as the "Charleston Civic and Convention Center Project" (the "Project"). Following is a brief summary of such matters.

## Creation of Development District

The proposed Development District includes real and certain personal properties along the Kanawha Boulevard, Virginia Street, Quarrier Street, Washington Street, Lee Street, Castle Street, Court Street and Clendenen Street. The proposed boundaries of the Development District are shown on the map set forth below:

## See Attachment A

## Approval of Project Plan

The City of Charleston, proposes a project consisting of (i) renovating, equipping and expanding the Charleston Civic Center, including creating a walking trail connected to the Charleston Civic Center, running from the Kanawha Boulevard to Spring Street along the Elk River; and (ii) parking engineering, administrative and other professional costs related to the aforementioned, and to be designated as the "Charleston Civic and Convention Center Project," which will be within the District.

## Tax Increment Financing Obligations

To finance the Project, the City Council proposes to issue tax increment revenue bonds or other obligations (the "Tax Increment Financing Obligations") in an amount not to exceed \$20 million with maturities not to exceed 30 years from the date of the creation of the District. Such obligations may be issued from time to time in one or more series. Proceeds of the Tax Increment Financing Obligations are generally planned to be used to (i) finance a portion of the costs of the Project, (ii) fund reserves for the obligations, (iii) and capitalized interest on the obligations, and (iv) to pay costs of issuance of the obligations and related costs. To the extent that surplus tax increment funds are available, portions of the Project may be financed directly with such surplus.

Further information regarding the proposed Development District, the Project, the Project Plan and the Tax Increment Financing Obligations are on file and available for inspection at the office of the City Clerk of the City of Charleston during regular business hours, located at City Hall, 501 Virginia Street, East, Charleston, West Virginia 25301.

Dated: November 23, 2001

By: St. James M. Robinson  
City Clerk

(722205)



**Attachment 7:     Analysis of costs to other communities or areas in West Virginia as a result of this development.**

There should not be any costs to other communities or areas in West Virginia as a result of the TIF Project.

**Attachment 8: Other information including the effect on the economy that may be necessary or useful to determine whether the project is financially feasible.**

The City of Charleston, capitol of the State of West Virginia and County seat of Kanawha County, is the center of government and commercial activity in the state. While Charleston is the location of significant convention and conference activity in the state, many opportunities for more activity of this type are lost due to the Center's outdated facilities and lack of banquet/ballroom space. This problem has several economic consequences, which would be addressed by the TIF Project.

The construction of the Boy Scout camp at Summit Bechtel Reserve in Fayette County and the Youth Science Center in Tucker County has the potential of significantly increasing interest in having conferences in Charleston. The increase in activity in the Marcellus Shale and the potential location of an Ethane Cracker in Charleston also could significantly increase the demand for conventions in Charleston. In order for Charleston to be able to take advantage of this potential increase in demand for conferences and the related economic benefits, the City must significantly upgrade the Center.

The Charleston Convention and Civic Center Project will create additional meeting space and update existing convention space. These improvements, along with convenient access to three major interstates, will allow Charleston to be a contender for both regional and national conferences, which will allow for additional economic development opportunities as well as increase economic activity for existing businesses in the area. This economic development will greatly enhance Charleston's future tax base and ability to deliver essential City services. Another attractive element of the Project, lending to its financial feasibility, is that the City already owns the Center and the land upon which it is located, which would eliminate acquisition costs and uncertainty related thereto.

The benefits to local businesses, especially retail, hospitality, and restaurants cannot be understated. With increased downtown activity resulting from convention attendees, not only will hotels stay occupied throughout the week, but restaurants and retail shops will enjoy increased patronage.

Several other plans for redevelopment of downtown Charleston have been announced lending further evidence to the necessity of improvements to the Center to ensure no opportunities for revitalization are lost. Some of the development plans already underway include: (i) the Downtown Marriott undertaking \$8 million in updates to occur over the next 18 months; (ii) the Charleston House undertaking \$20 million in renovations to occur over the next 18 months; (iii) Chase Tower undertaking \$2 million in immediate updates and an additional \$13 million in renovations over the next several years; (iv) the Holiday Inn Express currently undergoing \$8 million in renovations; (v) the construction of a Marriott Courtyard, expected to cost \$13.5 million, along the Elk River between the Kanawha Boulevard and Virginia Street, by 2014; (vi) the Charleston Town Center undertaking \$10 million in upgrades and renovations to occur over the next two years; and (vii) construction of new Class A office space along the Kanawha Boulevard, expected to cost \$3 million, by 2014. Further, a number of other downtown businesses are looking to improve their properties in anticipation of improvements to the Center and the other planned developments.

The construction of a walking trail connected to the Center will also help to reduce vehicle traffic problems during events, and allow convenient access for event and convention attendees staying in the several hotels conveniently located nearby. Attendees of events in the planned additions to the Center will also enjoy more scenic views of the Elk River. Additionally, the walking trail will increase public safety by providing a route to access the Center without the need to cross the numerous busy streets surrounding the facility.

The economic impact of this development would be a boon to the local economy. The potential payroll increase of new Class A office space and hotel facilities would necessitate the need for housing, retail services/goods, durable goods, food and other consumable products.

**Attachment 9: A memorandum of understanding (MOU) about how the competitive bidding process will be conducted.**

The proposed District is a City proposed district which does not involve a Developer and a MOU is not required. The City is required to comply with all state laws regarding competitive bidding and fair wages.

**Attachment 10: A relocation plan for any displaced persons, businesses, or organizations.**

It is not anticipated that any persons, businesses or organizations will be displaced as a result of the proposed TIF Project.

**Attachment 11: Proposed changes to zoning ordinances, if any.**

No changes to zoning ordinances.

**Attachment 12: Appropriate cross-references to any master plan, map, building codes and County orders affected by the project.**

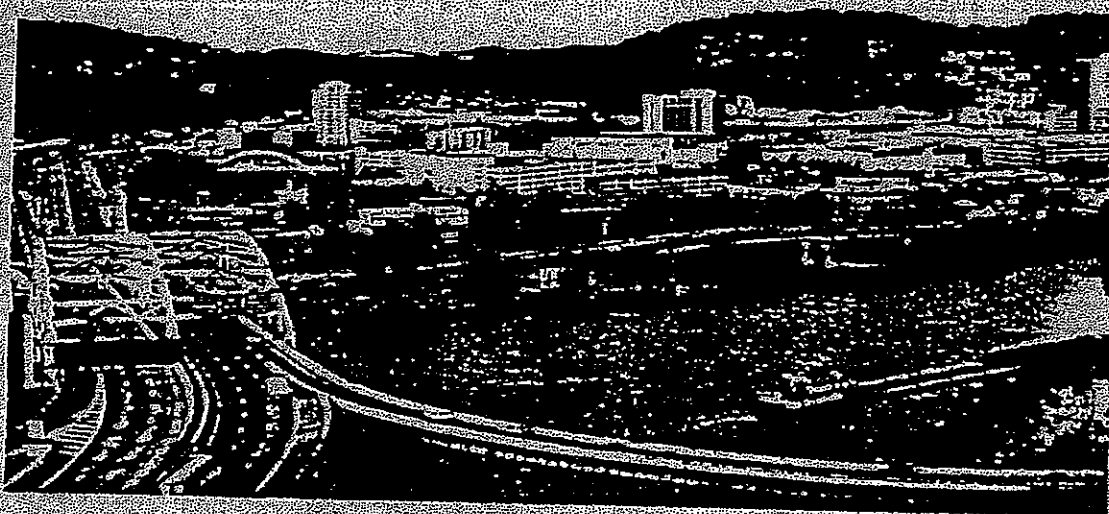
The last comprehensive plan for the City was established in 1996. Attached are excerpts from the Master Plan regarding convention center needs at the time.

The City is currently in the process of developing a new comprehensive master plan. It is anticipated that the comprehensive master plan will be completed in 18 months.

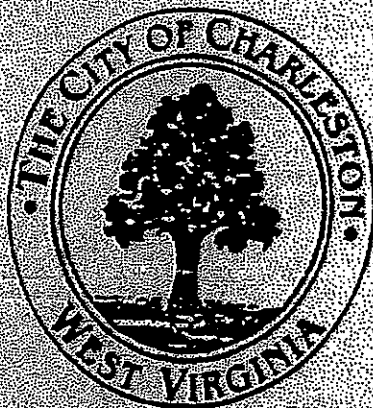
City of  
Charleston, West Virginia

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1996 Comprehensive Plan



"Bridges To Tomorrow"



## **G. HOTEL MARKET AND CONVENTION FACILITY ANALYSIS**

Charleston's beauty, charm and central location make it a very attractive location for tourists and conventions. Charleston offers the amenities of an urban center as well as an atmosphere of relaxation.

Downtown Charleston is a short 8 minute drive from the airport. It is also one of the most accessible cities from all regions, by having three interstate highways, I-64, I-77 and I-79 converge in the City near the downtown. Amtrak provides rail service to Charleston three times a week. The Amtrak station is conveniently located on the Kanawha River across from the central business district.

Charleston also offers bus service with a terminal located in the downtown, one block from the Civic Center and other major convention facilities. The Kanawha Valley Regional Transportation Authority (KVRTA) provides 65 buses which cover over 25 daily routes, including shuttle buses and trolleys.

Charleston offers 2,258 hotel/motel rooms (with another 353 to be constructed in the near future). Over 65% of these rooms (1,503) are within walking distance of the Charleston Civic Center Convention facility.

The occupancy rates for the hotels in the downtown area are 80% to 90%. Room rates for the facilities in the downtown area range from \$50 to \$134 per night. There is a need for year round service accommodation as opposed to seasonal.

Accommodations located within the corporate limits but out of the central business district tend to be more limited service and budget facilities that offer smaller rooms, average furnishings and cater to the "overnight traveler" clientele. These rates range from \$29 to \$49 per night.

Facilities located in the downtown area tend to have larger rooms with interior corridors for room access as well as conference room facilities.

Charleston attracts approximately 40 conventions a year. The size of the conventions vary from 75 to 5,000. There is over 130,000 square feet of meeting space available. Generally, conventions are held at the following locations:

- ▶ *Charleston Civic Center - (Offers 18 meeting rooms, accommodating 25-500 people.)*
- ▶ *Charleston Civic Center Little Theater - (Offers a seating capacity of 750 - appropriate for panel or general sessions.)*



- ▶ *Charleston Civic Center Grand Hall - (Offers 186 exhibit booths with an additional 30,500 square feet in the coliseum.)*
- ▶ *Municipal Auditorium - (Offers a seating capacity of 3,500.)*
- ▶ *University of Charleston - (Includes a 4,000 square foot ballroom and a 900 seat auditorium, with smaller meeting rooms available.)*
- ▶ *Capitol Plaza Music Hall - (Offers an 8,000 square foot theater with a capacity for 1,200 people.)*
- ▶ *Charleston Town Center Marriott - (Offers 9,100 square feet of meeting space.)*
- ▶ *Charleston House Holiday Inn - (Offers 11,000 square feet of meeting space.)*
- ▶ *Holiday Inn Heart of Town - (Offers 5,300 square feet of meeting space.)*
- ▶ *Holiday Inn Civic Center - (Offers 702 square feet of meeting space.)*

At the current time, there are adequate facilities available to serve the demands of hotel/motel accommodations and meeting space needs.

However, the city should encourage new development that will include additional sleeping accommodations as well as facilities for conventions. The City receives approximately \$687,716.02 a year from the hotel/motel tax. In turn, the City provides 50% of its monthly revenue from the hotel/motel tax to the Convention and Visitors Bureau.

#### H. AESTHETIC ISSUES

The City should establish stringent landscaping and green space requirements for all retail commercial and office establishments. In identifying the commercial centers within the City development guidelines should be created to ensure that parking areas and signs are compatible with adjoining land uses.

The main entrance corridors to the City shall be defined and close attention paid as to how these areas are developed. To ensure that development is done in a cohesive manner, design guidelines should be established. The commercial centers located within the City could also be studied to incorporate the possibility of making them not only an automobile destination but a community friendly destination. Creating pedestrian and bicycled access and establishing defined areas for loading and unloading activities should be explored.

**Attachment 13: Board of Education and County Commission and State review of the proposed project and written correspondence.**

Attached are letters to the Kanawha County Board of Education, the County Commission of Kanawha County and the West Virginia Development Office notifying such bodies of the City's intent to create the TIF District.

**CITY OF CHARLESTON**  
**OFFICE OF THE CITY MANAGER**

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November 21, 2011

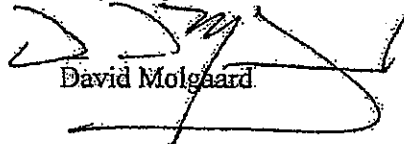
Ronald Duerring, Superintendent  
Kanawha County Board of Education  
200 Elizabeth Street  
Charleston, WV 25311

Dear Mr. Duerring:

Pursuant to W. Va. Code § 7-11B-7(b)(3) and § 7-11B-8(e)(2), please find enclosed a copy of the Notice of Public Hearing relating to the proposed creation of "The City of Charleston Development District No. 1 – Charleston Civic and Convention Center" (the "TIF District") and approval of "Charleston Civic and Convention Center Project" (the "TIF Project"). The City of Charleston plans to publish the enclosed Notice of Public Hearing in *The Charleston Gazette* on December 8, 2011 and December 15, 2011, as a Class II legal advertisement. As stated in the enclosed Notice of Public Hearing, the City of Charleston has scheduled the public hearing for 7:00 p.m. on Monday, December 19, at Council Chambers, at City Hall, Charleston, West Virginia, located at 501 Virginia Street, East.

Please feel free to contact me if you have any questions regarding the Notice of Public Hearing or tax increment financing in general.

Very truly,

  
David Molgaard

Enclosure

**CITY OF CHARLESTON**  
**OFFICE OF THE CITY MANAGER**

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November 21, 2011

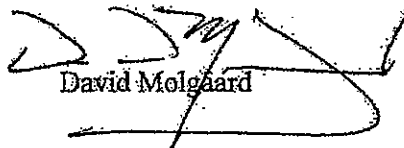
Kent Carper, Commission President  
Kanawha County Commission  
409 Virginia Street, East  
Charleston, WV 25301

Dear Mr. Carper:

Pursuant to W. Va. Code § 7-11B-7(b)(3) and § 7-11B-8(e)(2), please find enclosed a copy of the Notice of Public Hearing relating to the proposed creation of "The City of Charleston Development District No. 1 – Charleston Civic and Convention Center" (the "TIF District") and approval of "Charleston Civic and Convention Center Project" (the "TIF Project"). The City of Charleston plans to publish the enclosed Notice of Public Hearing in *The Charleston Gazette* on December 8, 2011 and December 15, 2011, as a Class II legal advertisement. As stated in the enclosed Notice of Public Hearing, the City of Charleston has scheduled the public hearing for 7:00 p.m. on Monday, December 19, at Council Chambers, at City Hall, Charleston, West Virginia, located at 501 Virginia Street, East.

Please feel free to contact me if you have any questions regarding the Notice of Public Hearing or tax increment financing in general.

Very truly,

  
David Molgaard

Enclosure

**CITY OF CHARLESTON**  
**OFFICE OF THE CITY MANAGER**

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November 21, 2011

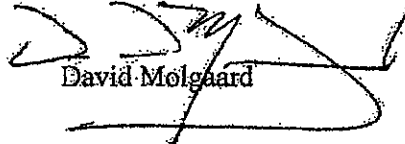
Keith Burdette, Executive Director  
West Virginia Development Office  
Capitol Complex, Bldg. 6, Room 553  
1900 Kanawha Boulevard, East  
Charleston, West Virginia 25305-0311

Dear Mr. Burdette:

Pursuant to W. Va. Code § 7-11B-7(b)(3), please find enclosed a copy of the Notice of Public Hearing relating to the proposed creation of "The City of Charleston Development District No. 1 – Charleston Civic and Convention Center" (the "TIF District") and approval of "Charleston Civic and Convention Center Project" (the "TIF Project"). The City of Charleston plans to publish the enclosed Notice of Public Hearing in *The Charleston Gazette* on December 8, 2011 and December 15, 2011, as a Class II legal advertisement. As stated in the enclosed Notice of Public Hearing, the City of Charleston has scheduled the public hearing for 7:00 p.m. on Monday, December 19, at Council Chambers, at City Hall, Charleston, West Virginia, located at 501 Virginia Street, East.

Please feel free to contact me if you have any questions regarding the Notice of Public Hearing or tax increment financing in general.

Very truly,

  
David Molgaard

Enclosure

CC: Todd Hooker (via email)

**Attachment 14: Board of Education and County Commission and State requests for further information, guidance, or other formal requests. The City must include any such communications with this application.**

None received.

**Attachment 15: If the project was proposed by an entity other than the county or municipality submitting this application, the following, as applicable, must also be submitted:**

The TIF Project is the City's project. No one other than the City Manager or Mayor, or the City's financial or legal advisors, is authorized to make representations regarding the TIF Project. Accordingly, this Attachment is not applicable to the creation of the proposed TIF District and proposed TIF Project.

- a. Information about the project developer, including corporation, partnership, limited partnership, limited liability company or limited liability partnership papers, if applicable.**
- b. Copies of audited financial statements or federal income tax returns of the developer for the most recent five years. In the event the developer is a partnership, limited liability company or other pass-through entity that does not file federal income tax returns, copies of federal forms 1065, including all schedules filed, or federal form 1120S and all schedules filed, and federal form 8825 shall be filed in lieu of audited financial statements.**
- c. Information on similar projects the company has done in the past and the relevant experience of individuals who will be working on this project.**
- d. Certificates from the Executive Director of the Workers' Compensation Commission, the Commissioner of the Bureau of Employment Programs and the State Tax Commissioner that the project developer is in good standing with the Workers' Compensation Commission, the Bureau of Employment Programs and the State Tax Division.**
- e. A certificate from the sheriff of the county in which the TIF District is located that the project developer is not delinquent on payment of any real and personal property taxes in such county.**

**Attachment 16:** Analysis showing the fiscal impact on each local levying body. The analysis will consider the costs incurred by the local levying bodies and how those costs will be offset or funded. Possible costs include the effect on schools, public services, utilities, etc.

### Preliminary Cost/Benefit Analysis

The tax increment from current levies from the State, the City, the County and Board of Education will be deposited in the TIF Fund. The benefits and costs on levying bodies as a result of current and planned development within the TIF District are highlighted in the table below.

Benefits and Costs	City	County	Board of Education
<b>Benefits:</b>			
Excess Levy	Yes	Yes	Yes
B/O taxes	Yes	No	No
Jobs / Economic Development	Yes	Yes	Yes
Excess Funds (1)	Yes	Yes	Yes
<b>Costs :</b>			
Water / Sewer / Stormwater	No	No	No
Roads	No	No	No
Fire / Police	No	No	No
Trash	No	No	No
Education (2)	No	No	No

- (1) There will be a benefit to the levying bodies to the extent Excess Funds are available in the TIF Fund and if such funds are paid to the appropriate levying body.
- (2) The proposed redevelopment in the TIF District should result in minimum costs to the County and the Board of Education.

### Current Levy Rates for Kanawha County and the City of Charleston

Tax Year 2012	Class I	Class II	Class IV
State	0.25	0.50	1.00
City	8.17	16.34	32.68
County	14.30	28.60	57.20
School	<u>19.40</u>	<u>38.80</u>	<u>77.60</u>
Current Total	<b>42.12</b>	<b>84.24</b>	<b>168.48</b>

### School Aide Formula

The Board of Education current levy is set, statewide, by the Legislature. Public schools also are funded by the school aide formula that allows a certain dollar amount per pupil. For purposes of the local share calculation in the school aide formula, the aggregate incremental assessed value is not included. As the school boards are not charged for the tax increment, the state aid to schools formula makes up the difference. Therefore, TIFs do not have a negative effect on funding that is made available to the local Boards of Education.

### Estimated Increase in Tax Collections from Current Levy Rates after Expiration of the TIF District

Much of the development in the TIF District is expected to have a life of over 30 years; consequently the three property-tax levies (Current School, City, County and State) will revert back to these levying bodies. Tax collections for Tax Year



2042, when compared to taxes collected for Tax Year 2012, represent an increase of \$264,153 in taxes paid to the City, \$462,349 to the County, \$627,243 to the Board of Education and \$8,083 to the State.

### **Estimated Increase in Tax Collections from Excess Levy Rates**

The City, County and Board of Education have excess levies as follows (cents per \$100 valuation):

<b>Excess Levy Rates</b>			
<b>Tax Year 2012</b>	<b>Class I</b>	<b>Class II</b>	<b>Class IV</b>
City Excess	5.03	10.06	20.12
County Excess	6.09	12.18	24.36
Board of Education Excess	16.96	33.92	67.84

The estimated increase in excess levies paid to the City, County and Board of Education based on the estimated taxable incremental property value in the TIF District as provided in **Section II.B(1)** and **Section II.G** are as follows:

### **Estimated Increase in Excess Levy Tax Collections\***

<b>Tax Year</b>	<b>Tax Due Date (April 1)</b>	<b>City (\$)</b>	<b>County (\$)</b>	<b>Board of Education (\$)</b>
2014	2015	20,643	24,993	69,604
2015	2016	47,594	57,624	160,476
2016	2017	76,722	92,890	258,688
2017	2018	79,763	96,572	268,944
2018	2019	82,836	100,292	279,303
2019	2020	85,939	104,049	289,765
2020	2021	89,072	107,843	300,332
2021	2022	92,238	111,675	311,004
2022	2023	95,435	115,546	321,784
2023	2024	98,664	119,455	332,671
2024	2025	101,925	123,404	343,667
2025	2026	105,219	127,392	354,773
2026	2027	108,545	131,420	365,989
2027	2028	111,905	135,488	377,319
2028	2029	115,299	139,596	388,761
2029	2030	118,726	143,746	400,318
2030	2031	122,188	147,938	411,990
2031	2032	125,685	152,171	423,779
2032	2033	129,216	156,446	435,687
2033	2034	132,783	160,765	447,713
2034	2035	136,385	165,126	459,859
2035	2036	140,023	169,531	472,127
2036	2037	143,698	173,981	484,517
2037	2038	147,410	178,474	497,032
2038	2039	151,158	183,013	509,671
2039	2040	154,945	187,597	522,437
2040	2041	158,769	192,227	535,331
2041	2042	162,631	196,903	548,353

\*Based on projected appraised values in the TIF District as provided in **Section II.B1**

**Attachment 17:** Letter from a bond counsel and/or financial underwriter stating that the proposed project could support tax increment financing bonds, or other obligations, and the terms and conditions of such offering.

Attached.



500 LEE STREET EAST • SUITE 1600 • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130  
www.jacksonkelly.com

December 22, 2011

The Honorable Danny Jones  
Mayor  
The City of Charleston  
501 Virginia Street, E.  
Charleston, WV 25301

Re: Proposed The City of Charleston Development District No. 1 –  
Charleston Convention and Civic Center Project

Dear Mayor Jones:

As bond counsel for The City of Charleston (the “City”), for the above-referenced proposed tax increment financing project, we have reviewed and examined such records and documents as we have deemed necessary as a basis for the opinions hereinafter expressed, including W. Va. Code § 7-11B-1, et seq. (the “Act”) and the application for approval of the above-referenced tax increment financing district and project (the “TIF Application”), as filed with the City of Charleston Clerk on December 8, 2011. Regarding questions of fact material to our opinion, we have relied upon the representations of the City and Raymond James & Associates, Inc. contained in the TIF Application and the representations and preliminary assumptions contained in the letter dated December 8, 2011, of Raymond James & Associates, Inc., without undertaking to verify the same by independent investigation.

Based upon the foregoing and subject to the assumptions, limitations and qualifications expressed herein and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The proposed The City of Charleston Development District No. 1 – Charleston Convention and Civic Center Project district and project plan can be legally approved and established for the purposes contemplated in the TIF Application.
2. The project, if developed and constructed as proposed and contemplated in the TIF Application, is capable of producing the increased ad valorem property tax values to generate the tax increment financing funds estimated in the TIF Application for the proposed \$7,930,000 in tax increment revenue bonds, as detailed in the TIF Application.

The opinions given are based upon the laws, regulations, facts and circumstances as they exist or have been represented to us as of the date hereof. This opinion is furnished by us solely for the benefit of and may be relied upon only by The City of Charleston. We assume no obligation to update or supplement this opinion to reflect any

{C2217109.1}

The Honorable Danny Jones

December 22, 2011

Page 2

facts or circumstances that may change or come to our attention or any changes in law that may occur. This opinion may not be used, referred to nor may be assigned or relied upon by any other parties without our prior written consent.

Very truly yours,

  
JACKSON KELLY PLLC

# RAYMOND JAMES

December 8, 2011

Mr. David Molgaard, City Manager  
City of Charleston  
501 Virginia Street East, Room 101  
Charleston, WV 25301

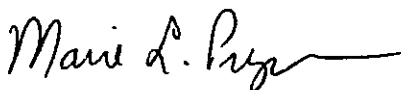
Dear Mr. Molgaard:

As investment banker for the proposed issuance of tax increment financing obligations "Charleston Civic and Convention Center Project No. 1" (the "TIF Project") to be located within the "The City of Charleston Development District No. 1 – Charleston Civic and Convention Center Project" (the "TIF District"), we have completed a preliminary tax increment analysis. We estimate that issuance of approximately \$7,930,000 in tax increment revenue bonds (the "TIF Bonds") could initially be supported by projected revenues to pay debt service on the TIF Bonds, as detailed in the Tax Increment Financing Application to be filed with the City on or about December 19, 2011.

Preliminary assumptions to the analysis include, but are not necessarily limited to:

- ☐ **Par Amount of Bonds** – Approximately \$7,930,000 of TIF Bonds could be supported through the issuance of TIF Bonds on or about December 1, 2012, based on the Projection of Net Property Tax Increment estimated from a development schedule provided by the City for the TIF District;
- ☐ **Term** – Final maturity of TIF Bonds on June 1, 2042 or 30 years from the creation of the TIF District. To the extent excess TIF Funds (defined herein) are used to redeem outstanding bonds, it is anticipated that the TIF Bonds could be paid off as early as 2032;
- ☐ **Interest Rates** – The planning interest rate on the TIF Bonds is 6.00% (subject to market conditions at the time of sale of the TIF Bonds);
- ☐ **Security** – The TIF Bonds are assumed to have a senior lien on tax increment revenues deposited into the tax increment fund (the "TIF Fund") for the TIF District;
- ☐ **Capitalized Interest** – Interest on the TIF Bonds is assumed to be capitalized to June 1, 2015 based on the Projection of Net Property Tax Increment;
- ☐ **Redemption**: The TIF Bonds would be subject to mandatory extraordinary redemption and payment in increments of \$5,000 from surplus TIF Funds;
- ☐ **Optional Redemption** – If the TIF Bonds are privately placed with an Accredited Investor, the TIF Bonds could be subject to optional redemption at any time. If a portion or all of the TIF Bonds are publicly marketed, the bonds could be callable 10 years from the date of issuance;
- ☐ **Flexibility** – The City will need flexibility in structuring the terms of the TIF Bonds to obtain the lowest possible interest rate on the bonds and maximize the amount of bond proceeds.

Sincerely,



Marie L. Prezioso  
Director, Manager of WV Public Finance



Joseph E. Nassif  
Director, Public Finance Investment Banking