



**STEP TOE &
JOHNSON**
P L L C
ATTORNEYS AT LAW

Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

May 25, 2018

**Cabell County Development District No. 3 -
Grand Patrician Tax Increment Financing District**


CERTIFIED MAIL

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

Dear Director:

Enclosed is a copy of the Notice of Public Hearing and TIF Application relating to the proposed creation of a Tax Increment Financing District to be known as the "Cabell County Development District No. 3 – Grand Patrician" (the "District") and the proposed "Grand Patrician Project No. 1 Plan" (the "Project Plan"). The Cabell County Commission plans to publish the Notice of Public Hearing regarding the proposed creation of the District and adoption of the Project Plan for the District in June, and the enclosed documents may be amended in the interim. As you can see from the Notice, the public hearing is scheduled for Thursday, July 12, 2018, at 10:00 a.m. Please feel free to call me if you have any questions regarding the Notice, the creation of the District or the proposed adoption of a Project Plan.

Very truly yours,


Craig Griffith

Enclosures

[TO BE PUBLISHED ON FRIDAY, JUNE 29, 2018 AND FRIDAY, JULY 6, 2018,
IN THE HERALD-DISPATCH]

CABELL COUNTY COMMISSION
NOTICE OF PUBLIC HEARING

APPLICATION REGARDING CREATION AND ESTABLISHMENT OF "THE
COUNTY COMMISSION OF CABELL COUNTY DEVELOPMENT DISTRICT
NO. 3 – GRAND PATRICIAN;" APPROVAL OF A PROJECT PLAN FOR
GRAND PATRICIAN PROJECT NO. 1 AND ISSUANCE OF TAX INCREMENT
FINANCING OBLIGATIONS

A public hearing will be held at a regular meeting of The County Commission of Cabell County, West Virginia (the "County Commission") on **Thursday, July 12, 2018, at 10:00 a.m.** prevailing time, in the Cabell County Courthouse, County Commission Chambers, Suite 300, 750 Fifth Avenue, Huntington, West Virginia, and at such public hearing any person interested may appear before the County Commission and present comments, protests and suggestions. All comments, protests and suggestions shall be heard by the County Commission and it shall then take such actions 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 "West Virginia Tax Increment Financing Act") of an application regarding the creation and establishment of The County Commission of Cabell County Development District No. 3 – Grand Patrician (the "TIF District") in Cabell County, West Virginia and the approval of a project plan pertaining to the TIF District. Following is a brief summary of such matters.

Creation and Establishment of TIF District

The County Commission of Cabell County, West Virginia (the "County Commission") has proposed creating a development district to be called The County Commission of Cabell County Development District No. 3 – Grand Patrician (the "TIF District"). The TIF District will include those certain tracts or parcels of real property situated adjacent to Route 60 in the city of Milton, Cabell County, West Virginia, being part of the property conveyed to the City of Milton by Morris Memorial Hospital in 1935. Grand Patrician Resort, LLC will act as developer of the TIF District. The TIF District will be referred to as the Grand Patrician. It is comprised of approximately 178 mostly undeveloped acres, and has no county zoning requirements. The project calls for the renovation of the former 88,000 square foot Morris Memorial Hospital building, vacant since 2009. The renovations include a 200-room hotel with extended stay suites, indoor and outdoor pool facilities, a grand ballroom and conference center, a 250-seat wedding chapel, a workout facility, soccer fields, a fountain in front of the hotel, horse stables and trails, a par 3 nine-hole golf course, a medical clinic and rehab center along with an assisted living facility, 68 independent living units and townhouses. The proposed

boundaries of the TIF District are more specifically set forth and shown on the following map:

[INSERT MAP OF PROPERTY]

Approval of TIF Project Plan

The project plan for the TIF District provides for the development of certain public infrastructure projects, including, without limitation, water lines, sanitary sewer lines, stormwater drainage, earthwork, land acquisition, walking and running paths and trails, new road construction and road improvements, including, without limitation, new intersections, intersection improvements, road widening, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and appurtenances and amenities relating thereto, all within or benefiting the TIF District (the "TIF Project").

Tax Increment Financing Obligations

To finance the costs of the TIF Project the County Commission proposes to issue tax increment revenue bonds or other obligations (the "Tax Increment Financing Obligations" or "TIF Obligations") in an amount not to exceed \$15,000,000 with maturities not to exceed 30 years from the date of 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 and expected to be used to (i) finance 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, including costs relating to the creation of the TIF District and preparation and approval of the TIF Project plan and related costs. A portion of the TIF Project plan may also be paid directly from tax increment revenues.

Further information regarding the proposed creation and establishment of the TIF District, the TIF Project plan and Tax Increment Financing Obligations is on file and available for inspection at the office of the Clerk of the County Commission of Cabell County, West Virginia during regular business hours, located at the County Clerk's office in the Cabell County Courthouse, 1st Floor, 750 Fifth Avenue, Huntington, West Virginia.

By: /s/ Phyllis Smith
County Clerk

Tax Increment Financing Application

The County Commission of Cabell County

**Development District No. 3 -
Grand Patrician**

and

Grand Patrician Project No. 1 Plan

July 12, 2018

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- D: Estimated Breakdown of Project Costs
- E: Financing
- F: Alternate Funding
- G: Tax Increment Financing (“TIF”) Obligations

Section III: Attachments

- Attachment 1: Map and aerial photograph showing existing conditions and land uses of the TIF District property.
- Attachment 2: A map showing proposed public improvements and uses of the land in the District and the boundaries of the property within the TIF District whose increment will be used for this project.
- Attachment 3: A resolution, order or ordinance finding the Project is not reasonably expected to occur without the use of tax increment financing.
- Attachment 4: Certification of the Base Assessed Value of the Real and Personal Property in the District.
- Attachment 5: If the Current Assessed Value is different from the Base Assessed Value, a copy of the certification by the County Assessor or the Current Assessed Value of the property in the District that will be used to help support TIF Obligations for the Project.
- Attachment 6: Verification and results of the public hearings.
- Attachment 7: Analysis of costs to other communities or areas in the State as a result of this development
- Attachment 8: Other information including the effect on the economy that may be necessary or useful to determine whether the Project is financially feasible.
- Attachment 9: A memorandum of understanding (“MOU”) between the Project Developer and the County Commission about how the competitive bidding process will be conducted.
- Attachment 10: A relocation plan for any displaced persons, businesses, or organizations.
- Attachment 11: Proposed changes to zoning ordinances, if any.

- Attachment 12: Appropriate cross-references to any master plan, map, building codes and Municipal ordinances affected by the Project.
- Attachment 13: Resolution showing approval of proposed project by County Commission
- Attachment 14: Board of Education and State may request further information, provide guidance, or make other formal requests. Copy of any communications from the Cabell County Commission or County Board of Education or State Agencies included.
- Attachment 15: Project Developer Information
- 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.
- Attachment 17: A letter from a bond counsel and investment banker stating that the proposed project could support tax increment financing bonds, or other obligations, and the terms and conditions of such offering.

11/26/2016 10:46:00 AM

TAX INCREMENT FINANCING APPLICATION

CREATION OF TIF DISTRICT AND ADOPTION OF PROJECT PLAN THE COUNTY COMMISSION OF CABELL COUNTY DEVELOPMENT DISTRICT NO. 3 – GRAND PATRICIAN

SECTION I.

APPLICATION

A. Applicant Information

County or Municipality: The County Commission of Cabell County, West Virginia
Contact Persons/Title: Beth Thompson, County Administrator
Address: Cabell County Courthouse
750 Fifth Avenue, Suite 300
Huntington, WV 25701
Telephone Number: 304-526-8634
Fax Number: 304-526-8648
Email Address: bthompson@cabellcounty.org

Name of Proposed Development Project: Grand Patrician Project No. 1 Plan

B. Authorized Representative of Applicant

Name/Title: Jeff Hoops
Company: Grand Patrician Resort, LLC
Address: 1149 Newmans Brand Rd
Milton, WV 25541
Telephone: 304-390-5920
Fax: 304-290-5975
Email: jeff.hoops@blackjewel.us

C. Project Area or District

Name of Development District in which Project will be located: The County Commission of Cabell County, Development District No. 3 – Grand Patrician. This application will establish the boundaries of the development district and set forth the project plan.

Base assessed value of the taxable property from which the increment will be drawn to finance this project: The base assessed value of the taxable property, excluding motor vehicles, personal trailers, personal boats, personal campers, personal motor homes, personal ATVs and personal motorcycles, having a tax situs within the TIF District as of July 1, 2017, as certified the Cabell County Assessor (the “Base Assessed Value”) is \$ 1,000,000. The property is owned by Grand Patrician Resort, LLC.

SECTION II.

PROJECT INFORMATION

A. DETAILED DESCRIPTION OF PROPOSED DISTRICT AND PROJECT PLAN

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, county, or region.

The TIF District

The County Commission of Cabell County, West Virginia (the “County Commission”) has proposed creating a development district to be called The County Commission of Cabell County Development District No. 3 – Grand Patrician (the “TIF District”). The TIF District will include those certain tracts or parcels of real property situated adjacent to Route 60 in the city of Milton, Cabell County, West Virginia, being part of the property conveyed to the City of Milton by Morris Memorial Hospital in 1935. Grand Patrician Resort, LLC will act as developer of the TIF District.

The TIF District will be referred to as the Grand Patrician. It is comprised of approximately 178 mostly undeveloped acres, and has no county zoning requirements. The project calls for the renovation of the former 88,000 square foot Morris Memorial Hospital building, vacant since 2009. The renovations include a 200-room hotel with extended stay suites. Indoor and outdoor pool facilities, a grand ballroom and conference center, a 250-seat wedding chapel, a workout facility, soccer fields, a fountain in front of the hotel, horse stables and trails, a par 3 nine-hole golf course, a medical clinic and rehab center along with an assisted living facility, 68 independent living units and townhouses.

Once completed, the various entities within the District will become one of the largest employers in Cabell County. The facility will provide new entertainment, recreational and life-style benefits to the residents of Cabell County. The combined recreational and entertainment aspects of the project should also draw tourists from a wide area, both near and far. In fact, the facility may well become a ‘destination’ similar to the Greenbrier located in the White Sulphur Springs, West Virginia. However, GPR is also planned to a residential community providing both independent and assisted living arrangements. These two aspects are very much in demand in the area

The TIF Project

Grand Patrician Resort, LLC (the “Developer”) will develop certain public infrastructure projects within the TIF District including, without limitation, water lines, sanitary sewer lines, stormwater drainage, earthwork, land acquisition, walking and running paths and trails, new road construction and road improvements, including, without limitation, new intersections, intersection improvements, road widening, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and appurtenances and amenities relating thereto, all within or benefiting the TIF District (the “TIF Project”).

Tax Increment Financing Obligations

To finance the costs of the TIF Project the County Commission proposes to issue tax increment revenue bonds or other obligations (the “Tax Increment Financing Obligations” or “TIF Obligations”) in an amount not to exceed \$15,000,000 with maturities not to exceed 30 years from the date of 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 and expected to be used to (i) finance 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, including costs relating to the creation of the TIF District and preparation and approval of the TIF Project plan and related costs. A portion of the TIF Project plan may also be paid directly from tax increment revenues. See **Section II.E** for more detailed financing information and **Section II.G** for additional information on the proposed TIF Obligations.

B: JOB CREATION ESTIMATES

B.1. Projected increase in assessed value of the taxable property in the TIF District upon successful completion of the project plan:

Estimated Increase in Assessed Value of the TIF District*

Assessment Year (July 1)	Tax Year (June 30)	Tax Due Date (April 1)	INCREMENTAL ASSESSED VALUE		
			Class II Real/Personal ^{1,2}	Class II/III Real/Personal ^{1,2}	Class II/III Total
2017	2018	Base Year			
2018	2019	2020	0	4,455,000	4,455,000
2019	2020	2021	0	17,906,400	17,906,400
2020	2021	2022	1,152,000	18,806,400	19,958,400
2021	2022	2023	5,472,000	58,766,400	64,238,400
2022	2023	2024	9,792,000	60,566,400	70,358,400
2023	2024	2025	14,112,000	60,566,400	74,678,400
2024	2025	2026	18,144,000	60,566,400	78,710,400
2025	2026	2027	20,520,000	60,566,400	81,086,400
2026	2027	2028	20,520,000	60,566,400	81,086,400
2027	2028	2029	20,520,000	60,566,400	81,086,400
2028	2029	2030	20,520,000	60,566,400	81,086,400
2029	2030	2031	20,520,000	60,566,400	81,086,400
2030	2031	2032	20,520,000	60,566,400	81,086,400
2031	2032	2033	20,520,000	60,566,400	81,086,400
2032	2033	2034	20,520,000	60,566,400	81,086,400
2033	2034	2035	20,520,000	60,566,400	81,086,400
2034	2035	2036	20,520,000	60,566,400	81,086,400
2035	2036	2037	20,520,000	60,566,400	81,086,400
2036	2037	2038	20,520,000	60,566,400	81,086,400
2037	2038	2039	20,520,000	60,566,400	81,086,400
2038	2039	2040	20,520,000	60,566,400	81,086,400
2039	2040	2041	20,520,000	60,566,400	81,086,400
2040	2041	2042	20,520,000	60,566,400	81,086,400
2041	2042	2043	20,520,000	60,566,400	81,086,400
2042	2043	2044	20,520,000	60,566,400	81,086,400
2043	2044	2045	20,520,000	60,566,400	81,086,400
2044	2045	2046	20,520,000	60,566,400	81,086,400
2045	2046	2047	20,520,000	60,566,400	81,086,400
2046	2047	2048	20,520,000	60,566,400	81,086,400

¹ Increases in Taxable Values Tax Year Totals (\$)	Assessment Year	Tax Year	Property Class	Number of Lots/Units	Appraised Values	Assessed Values
Land Acquisition & Improvements	2018-2019	2019-2020	3	50% per year	14,850,000	8,910,000
Independent Living Facility	2019	2020	3		11,000,000	6,600,000
Golf Course	2019	2020	3		2,894,000	1,736,400
Restaurant	2019	2020	3		1,100,000	660,000
Amphitheatre	2020	2021	3		1,500,000	900,000
Assisted Living Facility	2021	2022	3		41,500,000	24,900,000
Resort Hotel Complex	2021	2022	3		22,800,000	13,680,000
Ballpark Facilities	2021	2022	3		2,300,000	1,380,000
Indoor Sports Facility	2022	2023	3		3,000,000	1,800,000
Lot Sales	2020-2024	2021-2025	2	114 @ \$80,000	9,120,000	5,472,000
Residential Development	2021-2025	2022-2026	2	114 @ \$220,000	25,080,000	15,048,000
					135,144,000	81,086,400

¹Estimated Values provided by the Developer.

B.2. Number of jobs to be created by the project in the TIF District. Estimated jobs are as follows*:

JOB CATEGORY:	WAGES:	BENEFITS:	PERM.:	TEMP.:
Construction	<i>Construction wages will be paid in compliance with W. Va. Code § 7-11B-14; permanent job wages to be paid consistent with industry standards.</i>	<i>Benefits will be provided consistent with industry standards.</i>		TBA
Professional				
Clerical/Admin.				
Skilled				
Semi-Skilled				
Unskilled				
TOTALS:			246	

* Job estimates are based on anticipated commercial projects to be created upon establishment of the TIF District. Current plans are for the construction of a retirement facility, golf course, amphitheater, field complexes, hotel complex, medical clinic, commercial business, single family homes, condo units, resort villas, and duplex units, as shown on Attachment 2. The public infrastructure projects will relate to the retirement facility, amphitheater, field complexes, hotel complex, medical clinic and commercial businesses. The job types are not currently broken down based on category, and is instead currently based on the facility. Thirty-eight full-time employees will be employed, broken down as follows: Resort/Hotel – 13, Spa – 9, Restaurant -3, Retirement facility – 8, Golf course – 1, Theater – 2 and Miscellaneous – 2. Two hundred and eight part-time employees will be employed, broken down as follows: Resort/hotel – 77, Spa – 5, Restaurant – 50, Retirement facility – 27, Golf Course -26, Theater – 12, Horse trails – 5 and Miscellaneous – 6. The foregoing excludes the professional staff associated with the assisted living facility.

C. PUBLIC IMPROVEMENTS

Grand Patrician Resort, LLC will develop certain public infrastructure projects within the TIF District including, without limitation, water lines, sanitary sewer lines, stormwater drainage, earthwork, land acquisition, walking and running paths and trails, new road construction and road improvements, including, without limitation, new intersections, intersection improvements, road widening, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and appurtenances and amenities relating thereto, all within or benefiting the TIF District. All costs are estimates and the amounts listed are subject to change.

TYPE	ESTIMATED COST(1)	LOCATION(2)
Construction:		
Roadways	\$2,561,647	Throughout TIF District
Waterworks Improvements	\$135,729	Throughout TIF District
Sewer Improvements(3)	\$401,544	Throughout TIF District
Amphitheatre and Ballpark Facilities	\$4,100,000	Throughout TIF District
Entranceway Improvements	\$400,000	Throughout TIF District
Lighting	\$668,628	Throughout TIF District
Path and Trails	\$506,308	Throughout TIF District
Street Lights	<u>\$253,200</u>	Throughout TIF District
Total Construction of Public Works:	\$9,027,056	

(1) All figures are preliminary and subject to change, and include only construction costs. Costs for permits/mitigation, professional services (including architectural, engineering, consulting fees and other costs associated with the TIF Project), and contingency costs are not included in this estimate. Such costs are estimated to constitute 8-10% of the project.

(2) The maps included under Attachment 2 show the location within the District where the listed types of construction will occur.

(3) The City of Milton will finance sewer improvements to run sewer lines to the District. Sewer improvements within the District will be financed with TIF funds and encompass the \$401,544 estimate.

D. ESTIMATED BREAKDOWN OF PROJECT COSTS

The Estimated Breakdown of Project Costs below is anticipated to be fully financed from the TIF Obligations. See **Section II.G – Tax Increment Financing Obligations** and **Section II.E – Financing** for more detailed information.

	Estimated Amount	Proposed Financing Method
1. Capital Costs		
2. Financing Costs	\$475,944	See Footnote
3. Professional Services		See Footnote
4. Land		
5. Relocation Costs		See Footnote
6. Environmental Impact Studies		See Footnote
7. Public Information		
8. Construction of Public Works	\$9,027,056	TIF Obligations
9. Costs of the sale/lease of City property that results in a loss to City		
10. Obligations Capitalized Interest		
11. Obligations Reserve Funds		See Footnote
Total Project Costs:	\$9,503,000	

***Notes to Items 1 through 11:**

2) Estimated Financing Costs for the TIF Obligations as provided in **Section II.G**

3) See Footnote 1 in **Section II.C**

5) There will be some relocation costs related to public utilities

6) Environmental Impact Studies are underway, and will be categorized under Professional Services. See Footnote 1 in **Section II.C**

8) See **Section II.C** for estimated breakdown of Project costs

11) The TIF Obligations are initially planned to be privately placed with the Developer or Developer related party and should not require a Reserve Fund for the TIF Obligations. A Reserve Fund will likely be required for the TIF Obligations if the TIF Obligations are privately placed with a bank or publicly offered or refunded in the future.

E. FINANCING

Estimated Sources, Amounts, Rate and Term*

To finance the TIF Project, the County proposes to issue TIF Obligations with maturities not to exceed 30 years from the date of creation of the TIF District. Such obligations are planned to be issued in one or more tax-exempt series in a principal amount not to exceed \$15,000,000. A portion of the TIF Project may also be paid directly from tax increment revenues.

Sources	Amount (\$)	Interest Rate	Maturity	Anticipated Payoff	Status
Series 2018 TIF Obligations	9,503,000	5.00%	June 1, 2048	June 1, 2034 ⁽²⁾	Public Hearing on Project and District scheduled.
Total	9,503,000				

(1) Amounts and interest rates are preliminary and subject to change based on market conditions at the time of sale of the TIF Obligations.

(2) The TIF Obligations are planned to be issued with a final maturity in **2048**. To the extent Excess Funds (as defined in **Section II.G**) are used to redeem outstanding obligations, it is projected that the TIF Obligations could pay off as early as **2034**.

F . ALTERNATE FUNDING

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

The TIF Project consists of the design and construction public/private infrastructure. Due to the location of the TIF Project this infrastructure cannot be provided at the level demanded by the location from private funding. The Developer has explored alternative funding for the infrastructure but has been unable to secure suitable funding. The Developer represents that without TIF funds the TIF project is not reasonably expected to occur.

The City of Milton will finance sewer improvements to run sewer lines to the District. Sewer improvements within the District will be financed with TIF funds.

G. TAX INCREMENT FINANCING OBLIGATIONS

1. *Amount of TIF indebtedness that may be incurred:* Approximately \$9,503,000 but not to exceed \$15,000,000.
2. *Other revenues to be used to finance the debt (other than tax increments in the TIF Fund):* None
3. *Other monies to be deposited in TIF Fund for the development project area or district:* None
4. *If less than the full tax increment is to be used for debt service payments or directly for TIF Project costs and expenses on a pay-as-you-go basis, explain how the excess will be used or distributed:*

Any principal and interest on TIF Obligations issued by the County Commission 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 on a pay-as-you-go basis, shall be deemed "excess funds" at the end of each fiscal year.

"Excess funds" may be used for (i) the scheduled payment of the principal of and interest on additional TIF Obligations, (ii) payment of accrued but unpaid debt service due to insufficient TIF funds to make prior debt service payments on additional TIF Obligations, (iii) funding reserve funds established by the issuance of additional TIF Obligations, (iv) payment of annual administrative costs and expenses for servicing additional TIF Obligations, (v)) funding for "pay as you go" projects in the TIF District approved in a Project Plan or Project Plans pursuant to the Act, (vi) distribution into current funds of the appropriate levying bodies, (vii) 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 (viii) 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 thereof.

5. *Terms for early repayment of the TIF Obligations:*

TIF Obligations are planned to be issued in one or more series with an initial final maturity 30 years from the date of the creation of the TIF District. The TIF Obligations are planned to initially be privately placed with the Developer and would be subject to redemption at any time. If the TIF Obligations are privately placed with a bank or publicly offered or refunded in the future, it is anticipated that the TIF Obligation would

be subject to optional redemption within 10 years or less 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 County Commission shall dissolve the TIF District; provided, however, that if the County Commission has not completed all of the approved TIF Project set forth in this application or has approved a new Project Plan or Project Plans subsequent to the issuance of the TIF Obligations, the TIF District shall not be dissolved prior to its statutorily mandated termination 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.*

A letter by Steptoe & Johnson, PLLC, Bond Counsel to the County, is also provided in **Attachment 17**. In addition, a preliminary term sheet prepared Piper Jaffray & Co., Investment Bank/Placement Agent for the TIF Project is provided in **Attachment 17** stating that the TIF Project could support the issuance of TIF Obligations within the limitations and subject to the assumptions stated therein.

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Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 – Grand Patrician Project No. 1 Plan)

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BOND PRICING

*Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)*

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Series 2018 Bonds:	06/01/2048	9,503,000	5.000%	4.810%	100.000
		9,503,000			

Dated Date	09/13/2018	
Delivery Date	09/13/2018	
First Coupon	12/01/2018	
Par Amount	9,503,000.00	
Original Issue Discount		
Production	9,503,000.00	100.000000%
Underwriter's Discount		
Purchase Price	9,503,000.00	100.000000%
Accrued Interest		
Net Proceeds	9,503,000.00	

Notes:

All figures herein are preliminary, subject to change.
Interest rate is for planning purposes only.
Computed Yield based on Project Fund Draw Down Schedule herein.

SOURCES AND USES OF FUNDS

Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)

Dated Date	09/13/2018
Delivery Date	09/13/2018

Sources:

Bond Proceeds:	
Par Amount	9,503,000.00
	<hr/>
	9,503,000.00
	<hr/>

Uses:

Project Fund Deposits:	
TIF Project Fund	9,027,056.00
Delivery Date Expenses:	
Cost of Issuance	475,944.00
	<hr/>
	9,503,000.00
	<hr/>

Notes:

All figures herein are preliminary, subject to change.
Estimated Costs of Issuance of 5% of the Par Amount of Bonds.

PRELIMINARY DRAW DOWN SCHEDULE

*Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)*

TIF Project Fund

Date	Starting Balance	Principal	Scheduled Draws	Balance
09/13/2018	9,027,056	275,000	275,000	8,752,056
10/01/2018		550,000	550,000	8,202,056
11/01/2018		550,000	550,000	7,652,056
12/01/2018		550,000	550,000	7,102,056
01/01/2019		550,000	550,000	6,552,056
02/01/2019		550,000	550,000	6,002,056
03/01/2019		550,000	550,000	5,452,056
04/01/2019		550,000	550,000	4,902,056
05/01/2019		550,000	550,000	4,352,056
06/01/2019		550,000	550,000	3,802,056
07/01/2019		550,000	550,000	3,252,056
08/01/2019		550,000	550,000	2,702,056
09/01/2019		550,000	550,000	2,152,056
10/01/2019		550,000	550,000	1,602,056
11/01/2019		550,000	550,000	1,052,056
12/01/2019		550,000	550,000	502,056
01/01/2020		502,056	502,056	
	9,027,056	0	9,027,056	9,027,056

Notes:

All figures herein are preliminary, subject to change.
Preliminary Draw Down Schedule as provided by the Developer.

PROJECTED DEBT SERVICE WITH MANDATORY REDEMPTION OF BONDS

Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)

Series 2018 Bonds

Period Ending	Projected Principal	Coupon	Projected Interest	Debt Service	Annual Debt Service
12/01/2018			15,010.23	15,010.23	
06/01/2019			94,398.60	94,398.60	109,408.83
12/01/2019			176,898.60	176,898.60	
06/01/2020			235,483.10	235,483.10	412,381.70
12/01/2020			237,575.00	237,575.00	
06/01/2021			237,575.00	237,575.00	475,150.00
12/01/2021			237,575.00	237,575.00	
06/01/2022			237,575.00	237,575.00	475,150.00
12/01/2022			237,575.00	237,575.00	
06/01/2023			237,575.00	237,575.00	475,150.00
12/01/2023			237,575.00	237,575.00	
06/01/2024	497,000	5.000%	237,575.00	734,575.00	972,150.00
12/01/2024			225,150.00	225,150.00	
06/01/2025	725,000	5.000%	225,150.00	950,150.00	1,175,300.00
12/01/2025			207,025.00	207,025.00	
06/01/2026	797,000	5.000%	207,025.00	1,004,025.00	1,211,050.00
12/01/2026			187,100.00	187,100.00	
06/01/2027	857,000	5.000%	187,100.00	1,044,100.00	1,231,200.00
12/01/2027			165,675.00	165,675.00	
06/01/2028	900,000	5.000%	165,675.00	1,065,675.00	1,231,350.00
12/01/2028			143,175.00	143,175.00	
06/01/2029	944,000	5.000%	143,175.00	1,087,175.00	1,230,350.00
12/01/2029			119,575.00	119,575.00	
06/01/2030	992,000	5.000%	119,575.00	1,111,575.00	1,231,150.00
12/01/2030			94,775.00	94,775.00	
06/01/2031	1,041,000	5.000%	94,775.00	1,135,775.00	1,230,550.00
12/01/2031			68,750.00	68,750.00	
06/01/2032	1,093,000	5.000%	68,750.00	1,161,750.00	1,230,500.00
12/01/2032			41,425.00	41,425.00	
06/01/2033	1,147,000	5.000%	41,425.00	1,188,425.00	1,229,850.00
12/01/2033			12,750.00	12,750.00	
06/01/2034	510,000	5.000%	12,750.00	522,750.00	535,500.00
	9,503,000		4,953,190.53	14,456,190.53	14,456,190.53

Begin Date	End Date	Projected Interest Rate
09/13/2018	10/01/2018	0.395%
10/01/2018	11/01/2018	0.684%
11/01/2018	12/01/2018	0.974%
12/01/2018	01/01/2019	1.263%
01/01/2019	02/01/2019	1.553%
02/01/2019	03/01/2019	1.842%
03/01/2019	04/01/2019	2.131%
04/01/2019	05/01/2019	2.421%
05/01/2019	06/01/2019	2.710%
06/01/2019	07/01/2019	3.000%
07/01/2019	08/01/2019	3.289%
08/01/2019	09/01/2019	3.578%
09/01/2019	10/01/2019	3.868%
10/01/2019	11/01/2019	4.157%
11/01/2019	12/01/2019	4.446%
12/01/2019	01/01/2020	4.736%
01/01/2020	06/01/2048	5.000%

PROJECTED DEBT SERVICE WITH MANDATORY REDEMPTION OF BONDS

Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)

Notes:

All figures herein are preliminary, subject to change.

Interest rate is for planning purposes only.

Actual Interest payable will be calculated based on the Principal amount advanced and outstanding under the Bonds.

PROJECTED PAYOFF WITH MANDATORY REDEMPTION OF BONDS

*Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)*

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Projected Revenue	Projected Annual Surplus	Cumulative Projected Annual Surplus
06/01/2020		521,791	521,791	72,800	-448,990	-448,990
06/01/2021		475,150	475,150	307,610	-167,540	-616,530
06/01/2022		475,150	475,150	333,284	-141,866	-758,396
06/01/2023		475,150	475,150	1,068,747	593,597	-164,798
06/01/2024	497,000	972,150	972,150	1,137,797	165,647	849
06/01/2025	725,000	1,175,300	1,175,300	1,175,410	110	959
06/01/2026	797,000	1,211,050	1,211,050	1,210,506	-544	415
06/01/2027	857,000	1,231,200	1,231,200	1,231,140	-60	356
06/01/2028	900,000	1,231,350	1,231,350	1,231,026	-324	31
06/01/2029	944,000	1,230,350	1,230,350	1,230,908	558	590
06/01/2030	992,000	1,231,150	1,231,150	1,230,789	-361	229
06/01/2031	1,041,000	1,230,550	1,230,550	1,230,667	117	346
06/01/2032	1,093,000	1,230,500	1,230,500	1,230,543	43	389
06/01/2033	1,147,000	1,229,850	1,229,850	1,230,416	566	954
06/01/2034	510,000	535,500	535,500	1,230,287	694,787	695,741
06/01/2035				1,230,155	1,230,155	1,925,896
06/01/2036				1,230,020	1,230,020	3,155,916
06/01/2037				1,229,883	1,229,883	4,385,798
06/01/2038				1,229,743	1,229,743	5,615,541
06/01/2039				1,229,600	1,229,600	6,845,141
06/01/2040				1,229,454	1,229,454	8,074,595
06/01/2041				1,229,306	1,229,306	9,303,901
06/01/2042				1,229,154	1,229,154	10,533,055
06/01/2043				1,228,999	1,228,999	11,762,054
06/01/2044				1,228,842	1,228,842	12,990,896
06/01/2045				1,228,681	1,228,681	14,219,577
06/01/2046				1,228,517	1,228,517	15,448,093
06/01/2047				1,228,349	1,228,349	16,676,443
06/01/2048				1,228,179	1,228,179	17,904,622
	9,503,000	14,456,191	14,456,191	32,360,812	17,904,622	

Notes:

All figures herein are preliminary, subject to change.

See Projection of Net Property Tax Increment for Projected Revenue.

Actual interest payable will be calculated based on the Principal amount advanced and outstanding under the Bonds.

The County Commission of Cabell County Development District No. 3 - Grand Patrician
PROJECTION OF NET PROPERTY TAX INCREMENT*

Assessment Year (July 1)	Tax Year (June 30)	Tax Due Date (April 1)	ESTIMATED ASSESSED VALUE			INCREMENTAL ASSESSED VALUE			PROPERTY TAX INCREMENT						
			Property ¹	Class II	Class III	Class I/III	Property ¹	Class II	Class III	Class I/III	Class II Levy ²	Class III Levy ²	Gross Total	Discount ³	Admin Expense ⁴
2017	2018	BASE													
2018	2019	2020	0	4,455,000	4,455,000		0	4,455,000	4,455,000	0.891%	1.782%	79,388	(1,588)	(5,000)	72,800
2019	2020	2021	0	17,906,400	17,906,400		0	17,906,400	17,906,400	0.891%	1.782%	319,092	(6,382)	(5,100)	307,610
2020	2021	2022	1,152,000	18,806,400	19,958,400		1,152,000	18,806,400	19,958,400	0.891%	1.782%	345,394	(6,908)	(5,202)	333,284
2021	2022	2023	5,472,000	58,766,400	64,238,400		5,472,000	58,766,400	64,238,400	0.891%	1.782%	1,095,973	(21,919)	(5,306)	1,068,747
2022	2023	2024	9,792,000	60,566,400	70,358,400		9,792,000	60,566,400	70,358,400	0.891%	1.782%	1,166,540	(23,331)	(5,412)	1,137,797
2023	2024	2025	14,112,000	60,566,400	74,678,400		14,112,000	60,566,400	74,678,400	0.891%	1.782%	1,205,031	(24,101)	(5,520)	1,175,410
2024	2025	2026	18,144,000	60,566,400	78,710,400		18,144,000	60,566,400	78,710,400	0.891%	1.782%	1,240,956	(24,819)	(5,631)	1,210,506
2025	2026	2027	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(5,743)	1,231,140
2026	2027	2028	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(5,858)	1,231,026
2027	2028	2029	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(5,975)	1,230,908
2028	2029	2030	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,095)	1,230,789
2029	2030	2031	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,217)	1,230,667
2030	2031	2032	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,341)	1,230,543
2031	2032	2033	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,468)	1,230,416
2032	2033	2034	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,597)	1,230,287
2033	2034	2035	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,729)	1,230,155
2034	2035	2036	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(6,864)	1,230,020
2035	2036	2037	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,001)	1,229,883
2036	2037	2038	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,141)	1,229,743
2037	2038	2039	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,284)	1,229,600
2038	2039	2040	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,430)	1,229,454
2039	2040	2041	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,578)	1,229,306
2040	2041	2042	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,730)	1,229,154
2041	2042	2043	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(7,884)	1,228,999
2042	2043	2044	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(8,042)	1,228,842
2043	2044	2045	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(8,203)	1,228,681
2044	2045	2046	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(8,367)	1,228,517
2045	2046	2047	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(8,534)	1,228,349
2046	2047	2048	20,520,000	60,566,400	81,086,400		20,520,000	60,566,400	81,086,400	0.891%	1.782%	1,262,126	(25,243)	(8,705)	1,228,179

(1) Increases in Taxable Values⁵ (2) Current Rates of Levy for 2017 Tax Year:

Tax Year Totals (\$)	Assessment Year	Tax Year	Property Class	Number of Lots/Units	Appraised Values	Assessed Values
Land Acquisition & Improvements	2018-2019	2019-2020	3	50% per year	14,850,000	8,910,000
Independent Living Facility	2019	2020	3		11,000,000	6,600,000
Golf Course	2019	2020	3		2,894,000	1,736,400
Restaurant	2019	2020	3		1,100,000	660,000
Amphitheatre	2020	2021	3		1,500,000	900,000
Assisted Living Facility	2021	2022	3		41,500,000	24,900,000
Resort Hotel Complex	2021	2022	3		22,800,000	13,680,000
Ballpark Facilities	2021	2022	3		2,300,000	1,380,000
Indoor Sports Facility	2022	2023	3		3,000,000	1,800,000
Lot Sales	2020-2024	2021-2025	2	114 @ \$80,000	9,120,000	5,472,000
Residential Development	2021-2025	2022-2026	2	114 @ \$220,000	25,080,000	15,048,000
⁵ Estimated Values provided by the Developer. Assessed Values are 60% of Appraised Values.					135,144,000	81,086,400

(3) Estimated Property Tax Discount:

Early payment discount and Assessor's fees, if any.

(4) Estimated Administrative Expenses:

Estimated annual expenses of the TIF District.

*All figures are preliminary, subject to change.

DISCLAIMER

*Cabell County Commission (West Virginia)
Tax Increment Revenue Bonds, Series 2018
(Development District No. 3 - Grand Patrician Project No. 1 Plan)*

Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a 'recommendation' or 'advice' within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as described in Section 15B of the Exchange Act.

Note: All figures herein are preliminary, subject to change.

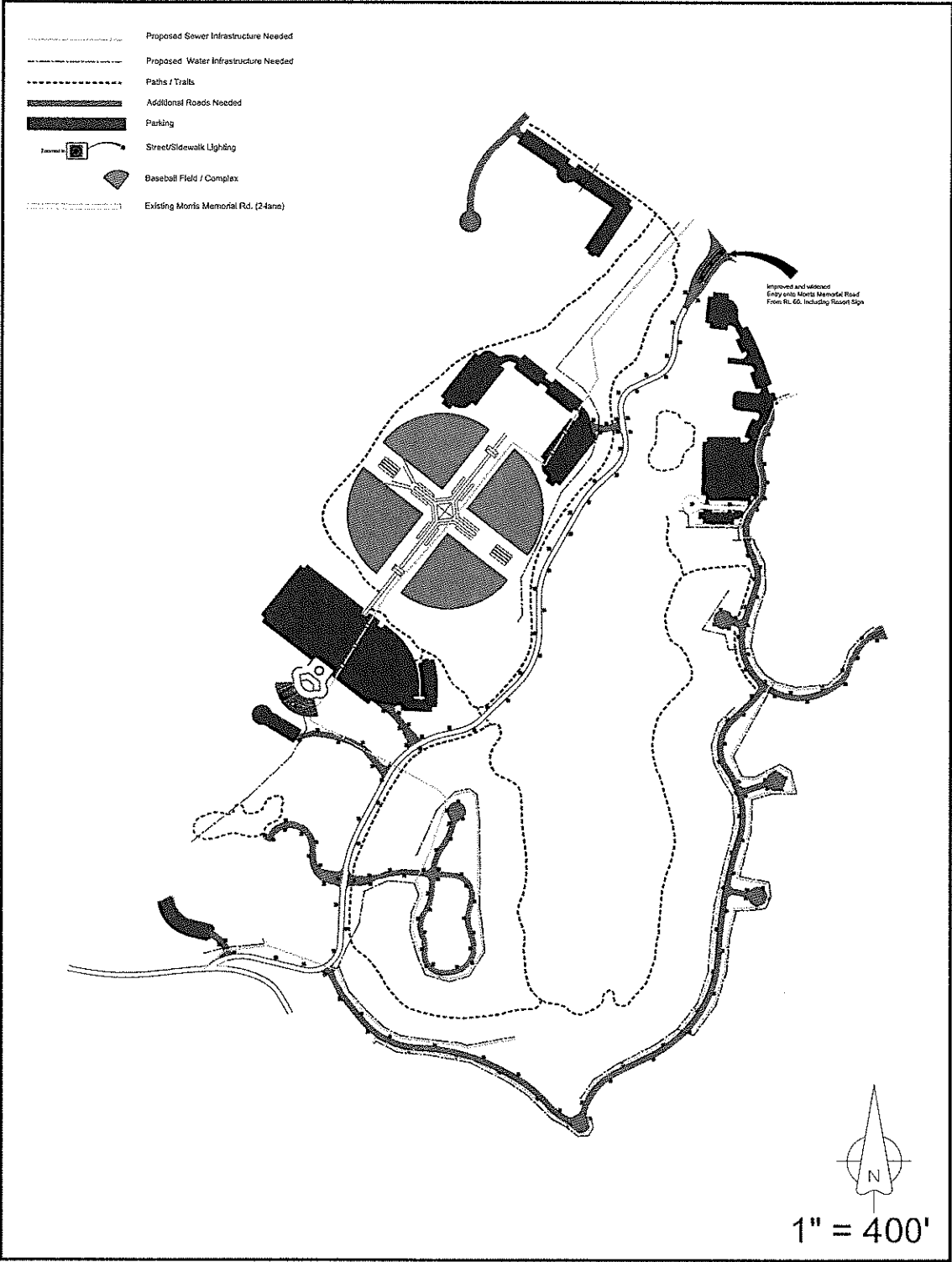
SECTION III.




ATTACHMENTS

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

A map and aerial view of the TIF District is attached.

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

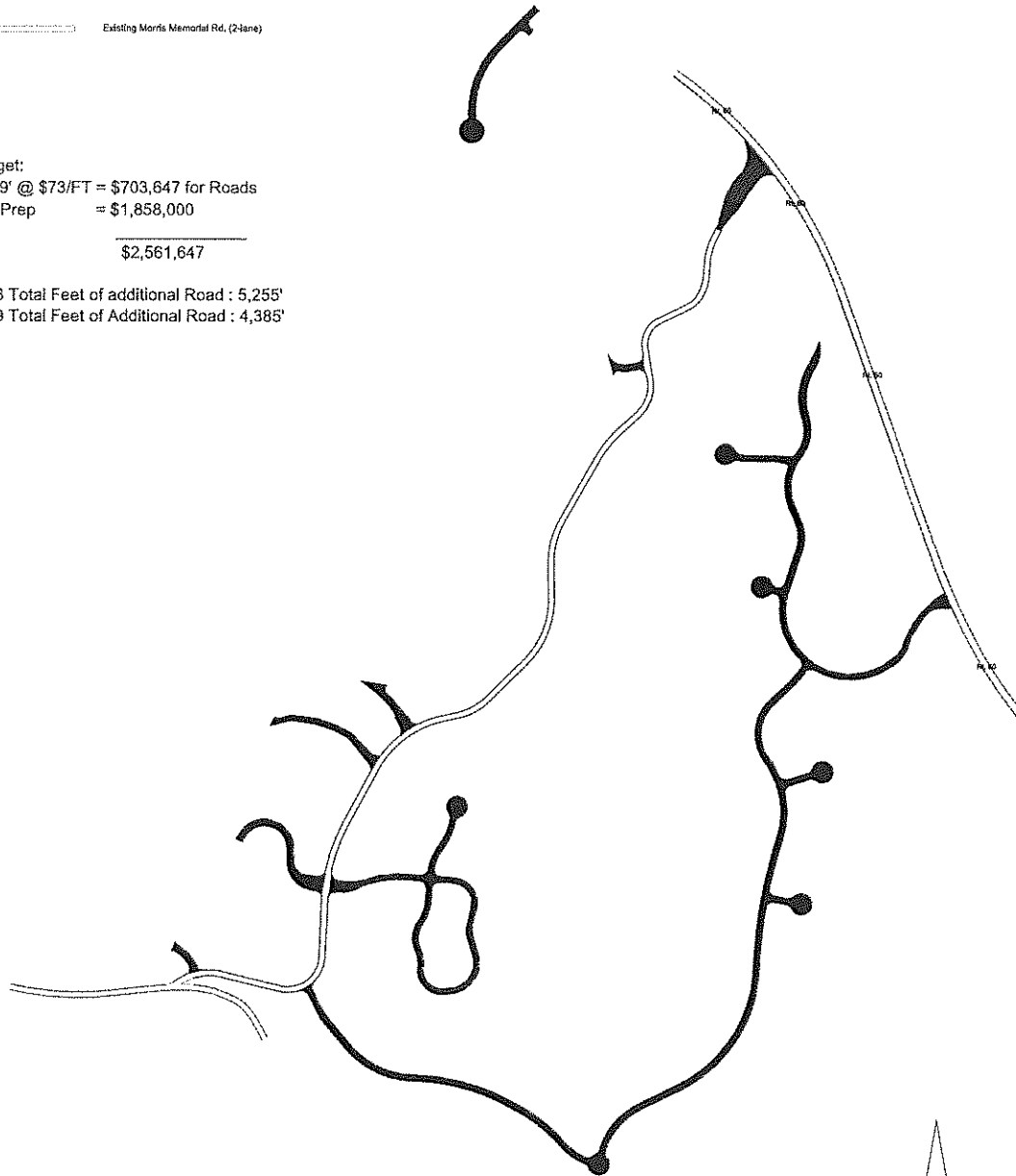


 Additional Roads, 2018
 Additional Roads, 2019
 Existing Morris Memorial Rd, (2-lane)

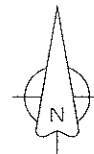
Budget:
 9,639' @ \$73/FT = \$703,647 for Roads
 Site Prep = \$1,858,000

 \$2,561,647

2018 Total Feet of additional Road : 5,255'
 2019 Total Feet of Additional Road : 4,385'



Est. 9,639 ft of Additional Roads



1" = 400'

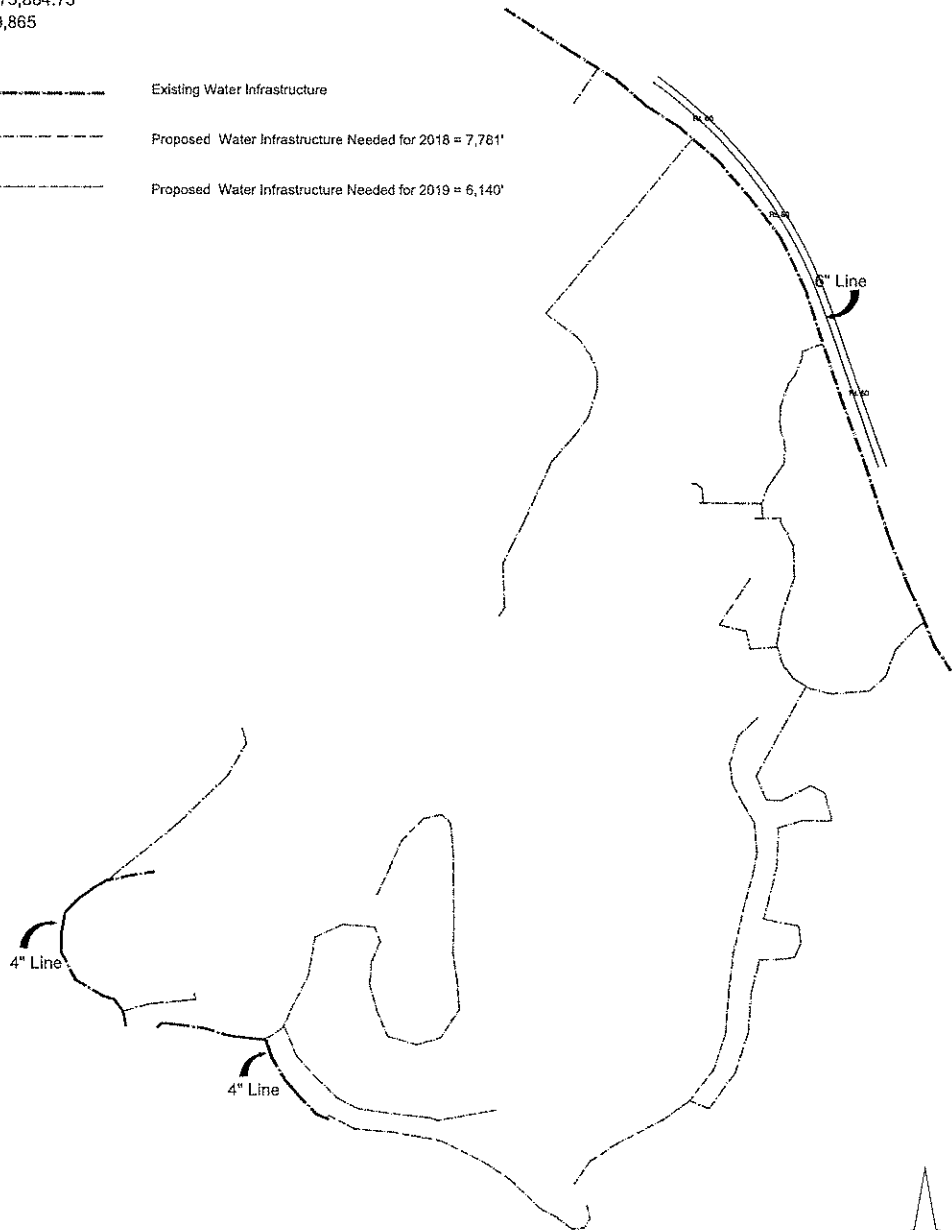
Budget:

13,921' @ \$9.75/FT = \$135,729

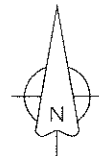
2018 = \$ \$75,864.75

2019 = \$59,865

- Existing Water Infrastructure
- Proposed Water Infrastructure Needed for 2018 = 7,781'
- Proposed Water Infrastructure Needed for 2019 = 6,140'



Est. 13,921 ft of Water Main



1" = 400'

Budget:

13,612' @ \$29.50/FT = \$401,544

2018 = \$ \$215,025.50

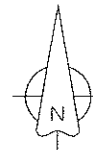
2019 = \$186,528.50

----- Proposed Sewer Infrastructure Needed for 2018 = 7,289'

----- Proposed Sewer Infrastructure Needed for 2019 = 6,324'



Est. 13,612 ft of Sewer Line



1" = 400'

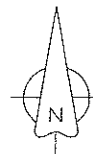
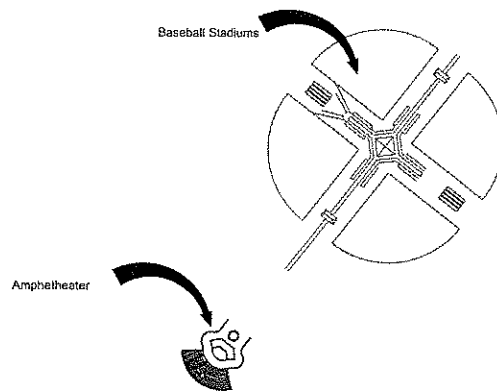
Budget:

(4) Multi Purpose Baseball Stadiums : \$2,200,000

(1) 4,000 Seat Amphitheater w/ Skyboxes \$1,900,000

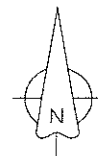
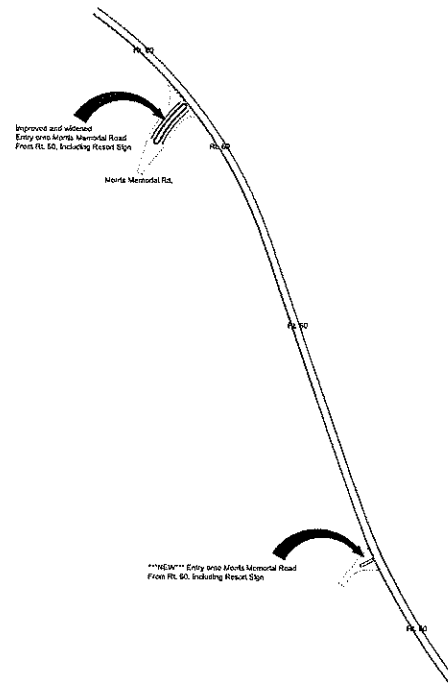
2018 : \$1,000,000

2019 : \$3,100,000



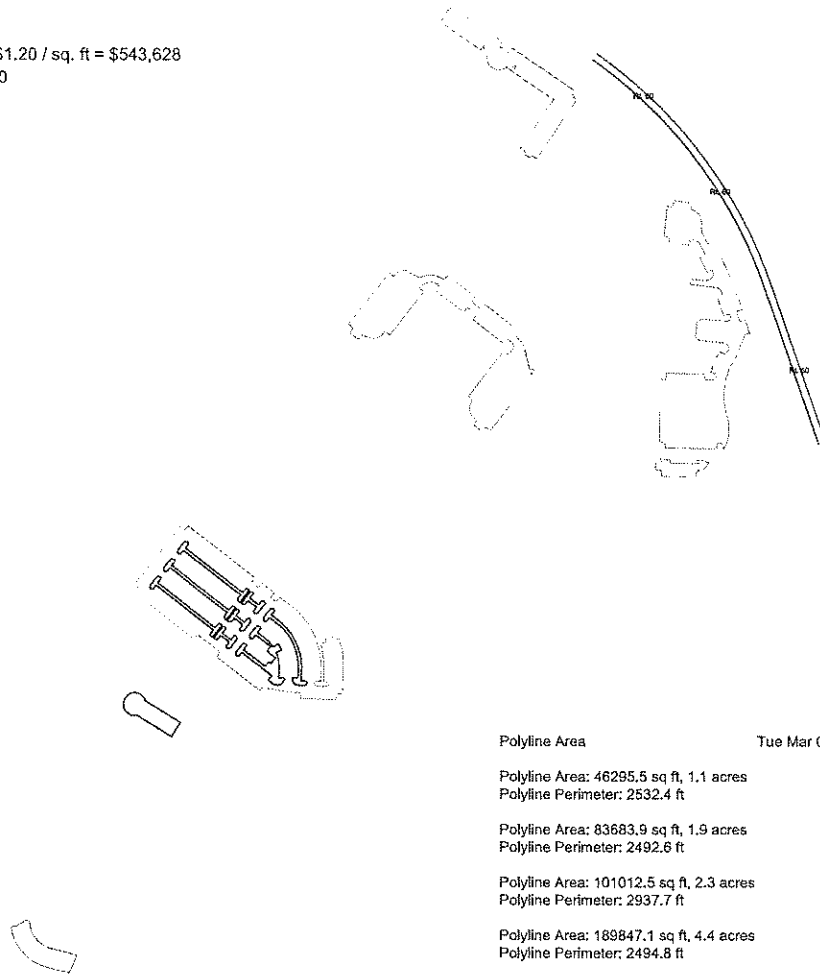
1" = 400'

Budget:
Two Entrances to Resort = \$400,000
2019 = \$400,000



1" = 400'

Budget:
453,024 sq. ft. @ \$1.20 / sq. ft = \$543,628
Lighting = \$125,000
2019 : \$668,628



Polyline Area Tue Mar 06 14:38:54 2018

Polyline Area: 46295.5 sq ft, 1.1 acres
Polyline Perimeter: 2532.4 ft

Polyline Area: 83683.9 sq ft, 1.9 acres
Polyline Perimeter: 2492.6 ft

Polyline Area: 101012.5 sq ft, 2.3 acres
Polyline Perimeter: 2937.7 ft

Polyline Area: 189847.1 sq ft, 4.4 acres
Polyline Perimeter: 2494.8 ft

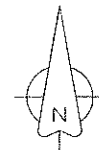
Polyline Area: 11669.8 sq ft, 0.3 acres
Polyline Perimeter: 503.9 ft

Polyline Area: 15442.1 sq ft, 0.4 acres
Polyline Perimeter: 613.2 ft

Polyline Area: 6893.2 sq ft, 0.2 acres
Polyline Perimeter: 491.8 ft

Total Area: 454844.1 sq ft, 10.4 acres
Total Perimeter: 12066.4 ft

Est. 10.4 Acres of Parking



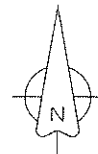
1" = 400'

Budget:
13,864' @ \$37.00/FT = \$506,308
2019 = \$186,528.50

----- Path and Trail Construction for 2019 = 13,864'

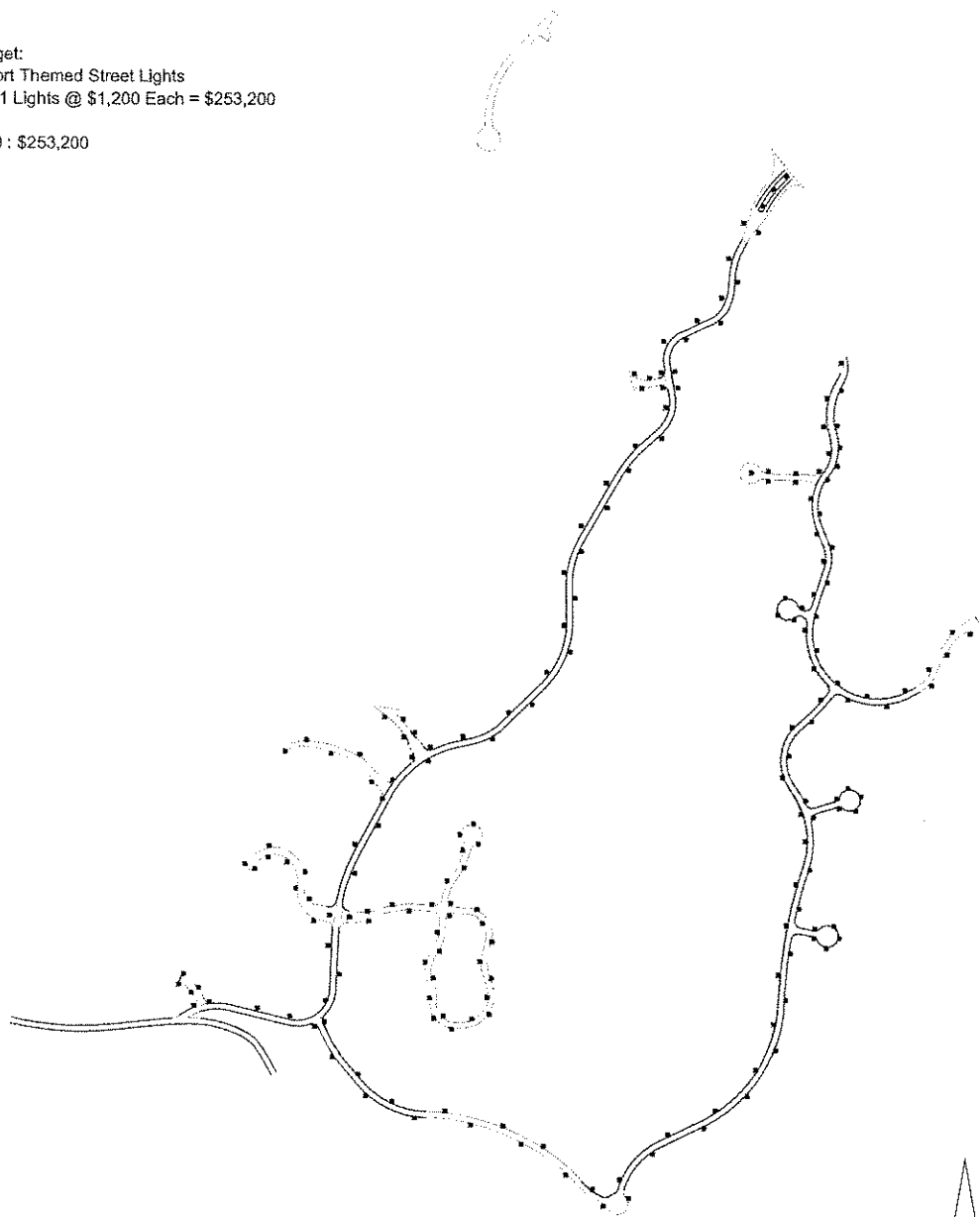


Est. 13,864 ft of Paths/Trails

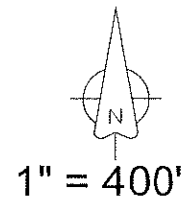


1" = 400'

Budget:
Resort Themed Street Lights
211 Lights @ \$1,200 Each = \$253,200
2019 : \$253,200



Est. 211 Street Lights



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

Attached hereto is a resolution adopted by the Cabell County Commission on June 28, 2018 with respect to the Grand Patrician Project No. 1 Plan, finding that the project is not reasonably expected to occur without the use of tax increment financing.

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, certified by the County Assessor, is attached.

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 is the same as the base-assessed value.

Attachment 6: Verification and results of the public hearings.

The County's public hearing on the TIF District and the TIF Project Plan is scheduled for July 12, 2018.

The following are provided in this attachment:

1. A Resolution that was approved by the County on June 28, 2018, establishing the public hearing date and other matters in connection with the Development District No. 3 – Grand Patrician and Grand Patrician Project No. 1 Plan.
2. The Affidavit of Publication of Notice of Public Hearing in the Herald Dispatch
3. Minutes of the Public Hearing conducted on July 12, 2018

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

There are no known costs to other communities as a result of this project. See **Attachment 16** for the Preliminary Cost/Benefit Analysis.

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

See the attached Economic Impact Report prepared by representatives of the Lewis College of Business for Marshall University.

ECONOMIC IMPACT ASSESSMENT

THE GRAND PATRICIAN RESORT

Prepared for
Blackjewel L.L.C.

By

Marshall University
Lewis College of Business



May 2018

THE GRAND PATRICIAN RESORT

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THE GRAND PATRICIAN RESORT

Executive Summary

The proposed Grand Patrician Resort (GPR) project slated for development in the city of Milton, situated in Cabell County, West Virginia, presents a shining example of private deployment providing significant positive impact upon a local economy. The project is slated to develop many new entertainment, recreational and life-style benefits to the residents of the county. The combined recreational and entertainment aspects of the project should also draw tourists from a wide area, both near and far. In fact, the facility may well become a 'destination' similar to the Greenbrier located in the White Sulphur Springs, West Virginia. However, GPR also plans to be a residential community providing both independent and assisted living arrangements.

The project will have a significant impact upon the area's economy. As with any project of this magnitude, there will be periods of inconvenience and disruption for the local residents. However, the long-term benefits of this project far outweigh any of the near-term inconveniences. It is estimated that over the 10-year projection period the project will generate in excess of \$655 million in direct labor benefits for the region. While a portion of this number is a result of the construction activities in the early phases, the project will generate more than 250 new employment opportunities in the area. Additionally, the project will generate more than \$2.8 million in tax revenue benefiting Cabell County and the City of Milton directly.

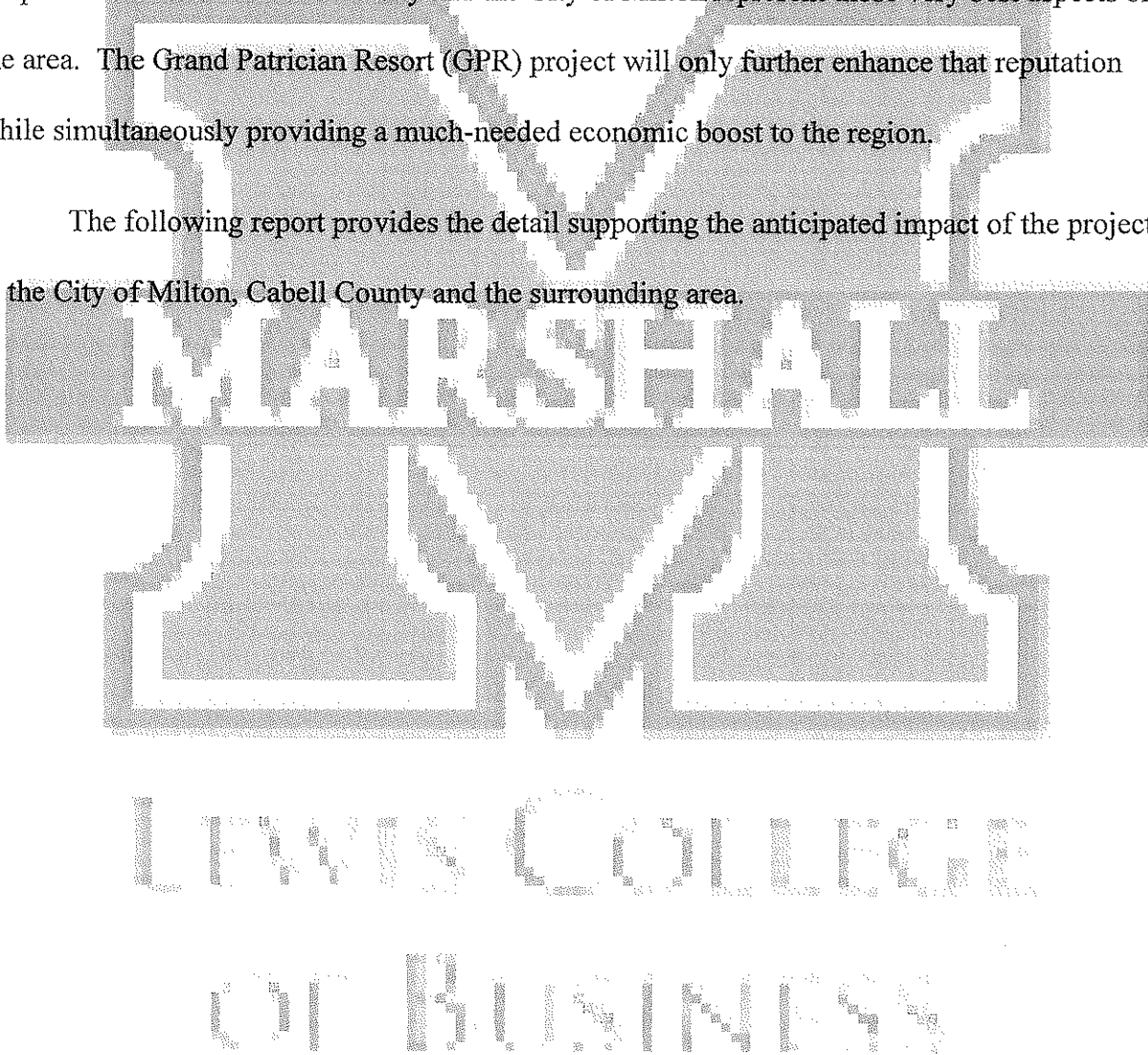
While the direct impacts are impressive unto themselves, the indirect impacts are equally impressive and even more significant. These benefits include: improvements in the area's infrastructure, enhanced employment and business opportunities beyond those directly associated with the project, and arguably establishing the area of Cabell County and the City of Milton

THE GRAND PATRICIAN RESORT

specifically as a destination location within the state of West Virginia and the surrounding Tri-state area.

West Virginia has long been known for its beautiful country side, and friendly and hospitable residents. Cabell County and the City of Milton represent those very best aspects of the area. The Grand Patrician Resort (GPR) project will only further enhance that reputation while simultaneously providing a much-needed economic boost to the region.

The following report provides the detail supporting the anticipated impact of the project to the City of Milton, Cabell County and the surrounding area.



THE GRAND PATRICIAN RESORT

Introduction

The Lewis College of Business at Marshall University has been asked by Mr. Jeff Hoops and Blackjewel L.L.C to assess the economic impact of a proposed development project in the City of Milton, situated in Cabell County, West Virginia. Cabell County encompasses 288.1 square miles with 41,180 households, comprising 25,474 families. The per capita income for the county is \$29,580. Cabell County is home to Marshall University and Cabell Huntington Medical Center. Currently, two of the largest employers in the county, with over 500 employees each.

The project, the Grand Patrician Resort (GPR), is a multi-million-dollar project that seeks to rehabilitate and develop the former Morris Memorial Hospital in Milton, WV. The site encompasses 178 acres off U.S. 60 in Milton. The project calls for the renovation of the former 88,000 square foot Morris Memorial Hospital building, vacant since 2009. The renovations include a 200-room hotel with extended stay suites. The project will include indoor and outdoor pool facilities, a grand ballroom and conference center, a 250-seat wedding chapel, a workout facility, soccer fields, a fountain in front of the hotel, horse stables and trails, a par 3 nine-hole golf course, a medical clinic and rehab center along with an assisted living facility, and 68 independent living units and townhouses.

Once completed, the GPR project will become one of the largest employers in the county. The facility will provide many new entertainment, recreational and life-style benefits to the residents of the county. The combined recreational and entertainment aspects of the project should also draw tourists from a wide area, both near and far. In fact, the facility may well

THE GRAND PATRICIAN RESORT

become a 'destination' similar to the Greenbrier located in the White Sulphur Springs, West Virginia. However, GPR is also planned to a residential community providing both independent and assisted living arrangements. These two aspects are very much in demand in the area.

All projections concerning the economic impact of the project are based upon the information provided by Mr. Jeff Hoops and Blackjewel L.L.C. Insufficient information was provided to accurately assess the total impact of the construction phase of the project. It is safe to predict there will be significant impact, both positive and negative, during the construction / renovation phase of the project. On the positive side, there will be an increase in employment directly attributable to the construction. Estimates place the direct impact at more than \$44 million, with a multiplier effect equal to more than \$83 million, (see Table 1) during the anticipated 4-year construction phase. Additionally, approximately \$ 1.2 million in Business and Occupation Tax revenue should accrue to the city because of the construction (see Table 2). This revenue will undoubtedly positively impact surrounding business, particularly food related and the like. The negative impacts, while also financial in nature, are more difficult to assess, but include such factors as disruption of existing traffic flows and by extension local commerce. The remainder of the assessment is derived directly for operating assumptions and projections provided by Blackjewel L.L.C.

On-going Employment Impact

Projections provide for annual increase of 246 jobs supporting the operation of GPR. This excludes the professional staff associated with the assisted living facility. The staffing is comprised of 208 hourly or part-time workers and 38 salaried or full-time workers. The total

THE GRAND PATRICIAN RESORT

annual payroll, once full operations commence in 2019, is estimated at approximately \$3.5 million.

Payroll alone does not adequately assess the impact upon the local economy. In fact, every dollar earned in pay, that remains in the local area, positively impacts the entire area multiple times. While this multiplier affect varies, it traditionally ranges anywhere from 2 to 5 times or more. It also need to be recognized that 100% of the payroll dollars will not be spent in the local area. For the purpose of this study, we assume that approximately 75% of the payroll dollars will remain in the greater Milton area and that each dollar will have a conservative multiplier effect of 2.5 times. Both the direct payroll and its resulting multiplier should also experience some reasonable growth in the years following initial operations. The anticipated impact is more than \$ 51 million. Tables 3 and 4 below present the breakdown of the employment picture for the project.

The overall anticipated impact from the increase in labor participation in the region from both the initial construction and on-going operations exceeds \$ 655 million (Table 5). This figure is derived by estimating the total payroll, from both the construction phase and on-going operations. A conservative multiplier effect of 2.5 times was applied to the payroll figure. This multiplier expresses the total potential impact that could be expected from changes in economic activity. In essence, this is the 'ripple effect' of the new payroll dollars being redeployed / dispersed within the community. We conservatively estimate that 75% of the dollars will remain in the local area.

THE GRAND PATRICIAN RESORT

Tax and Direct Revenue Impact

The GPR project is a multi-use facility comprised of a number of different businesses. Each of these business operations provides tax generating revenue from the project. The types of taxes include: sales tax at 1% for the local municipality, a 6% hospitality tax, a restaurant tax of 27 basis points (bps) and an amusement tax of 50 bps, in addition to the 1% sales tax. The resort portion of the project will generate a 6% hospitality tax in addition to the 1% sales tax. Income associated with Food and Beverage sales will generate additional tax revenue at 27bps and 50bps in amusement related activities. During the first ten (10) years of operations, the projected revenue of approximately \$39 million will generate tax revenue of approximately \$2million. Table 6 presents the breakout of the revenue and associated tax flows.

Since the resort will have 200 guest rooms in operation, the economic impact of these overnight tourists can also be estimated. Using figures from the West Virginia Tourism Office, it is anticipated that GPR's impact could also include approximately \$89 million, over the ten (10) year period, in direct new sales revenue into the area. This would also result in an additional \$2.1 million in tax revenue during the same period. Table 6 presents the details of how these amounts are derived.

Many of the facilities being incorporated into the project will result in an increase of the number of tourists into Milton and the surrounding area. Many of these tourists will stay at the facility (Overnight Users) and their impact is accounted for in Table 7. In addition, the nature of many of the facilities within the project will also attract both local residents and outside 'Day Trippers' or users. These Day Trippers are from areas within a reasonable traveling distance from the project who will avail themselves of some specific activity and then return to their home location.

THE GRAND PATRICIAN RESORT

Both the local residents and the Day Trippers will not avail themselves of all of the amenities of the complex. They will be contributing to the local economy in any number of ways. Many of their respective contributions may well be captured in the calculations used for the complex's restaurants and other facilities. However, there is still a positive economic impact to be derived for the local area.

Information collected in fiscal year 2015 by the State of West Virginia identified the following spending categories and segments for these Day Trippers.

Spending Category	Local Day User	Non-Local Day User	Non-Resident Day User
Restaurants and Bars	\$7.96	\$17.23	\$27.52
Groceries and convenience items	\$6.44	\$12.59	\$12.36
Gas and Oil related	\$5.30	\$12.82	\$13.22
Other Transportation Expenses	\$4.23	\$4.44	\$4.09
Clothing	\$1.88	\$4.72	\$2.91
Souvenirs and other Expenditures	\$4.00	\$10.11	\$20.14
Overall per Visitor	\$29.81	\$61.91	\$80.24

In addition to the Hotel, the proposed complex is also comprised of other operating entities that will have a positive impact on the economic wellbeing of the area. These include the 9 hole / par 3 golf course, the 2,500 to 4,000 seat amphitheater, the replica baseball stadium, the indoor sports facility and the sports themed steakhouse restaurant. Each of these entities further contributes in multiple ways to the economic benefit to the City of Milton and the surrounding area. The specific entities and their impacts, over the ten (10) year period, spanning 2017 through 2026, are presented below:

- The par 3 golf course is anticipated to generate in excess of \$ 5.6 million in direct revenue and more than \$95,000 in tax related benefits. See Table 8.

THE GRAND PATRICIAN RESORT

- The amphitheater is anticipated to generate in excess of \$17 million in direct revenue resulting in \$306,000 in tax related benefits. Table 9 presents the specifics.
- The replica baseball stadium and associated concessions is anticipated to generate more than \$780,000 in direct revenue and \$16,000 in tax related benefits. See Table 10.
- The indoor sports facility should generate in excess of \$1.3 million in direct revenue and more than \$24,000 in tax benefits. See Table 11.
- The sports themed steakhouse looks to generate more than \$15.5 million in direct revenue and more than \$239,000 in taxes. See Table 12.

Others Related Facilities

In addition to the above specifically identified entities, the overall project is also slated to include 114 buildable residential lots generating \$ 9.1 million in direct revenue, 68 independent living units generating \$10.2 million in one-time sales revenue, plus more than \$ 5.9 million in on-going revenue resulting from monthly fees. See Table 13 for more details. Additionally, these units should generate additional tax revenue in the form of property tax. The exact amount is a function of the assessed value ascribed to the units. Given the nature of these properties, it can conservatively be calculated that this will bring an additional 340 new residents into the City of Milton. These new residents will contribute to the local economy in a number of ways, including interacting with local merchants.

The anticipated Healthcare / Assisted living facility will also benefit the area in a positive manner. The scheduled 336 assisted living units will generate \$31.5 million in direct sales plus \$70.2 million in monthly fees. Additionally, the facility will generate an additional \$5.5 million

THE GRAND PATRICIAN RESORT

in lease income (See Table 14). Given the demographics of the surrounding region, there is an increasing demand for these types of facilities. This will provide a positive economic effect as a result of the additional employment of high skill/high demand professionals to run the facility. The multiplier effect of the combined payroll with this facility should be on par with the payroll impact associated with the operation of the resort and spa.

Summary

When taken in its totality, the proposed project will provide a significant positive economic impact on the City of Milton and the surrounding area. The capital expenditure to develop the project is projected to be \$121 million (see Table 15). In addition to the initial capital expenditure and benefits to be derived in the form of payroll and associated taxes derived from the construction, the project is projecting more than \$210 million in direct revenue to the area. This will be accompanied by more than \$2.8 million in tax revenue benefits to the City of Milton and the surrounding area. In addition, the impact of the on-going employment associated with the project is estimated to be more than \$51 million.

THE GRAND PATRICIAN RESORT

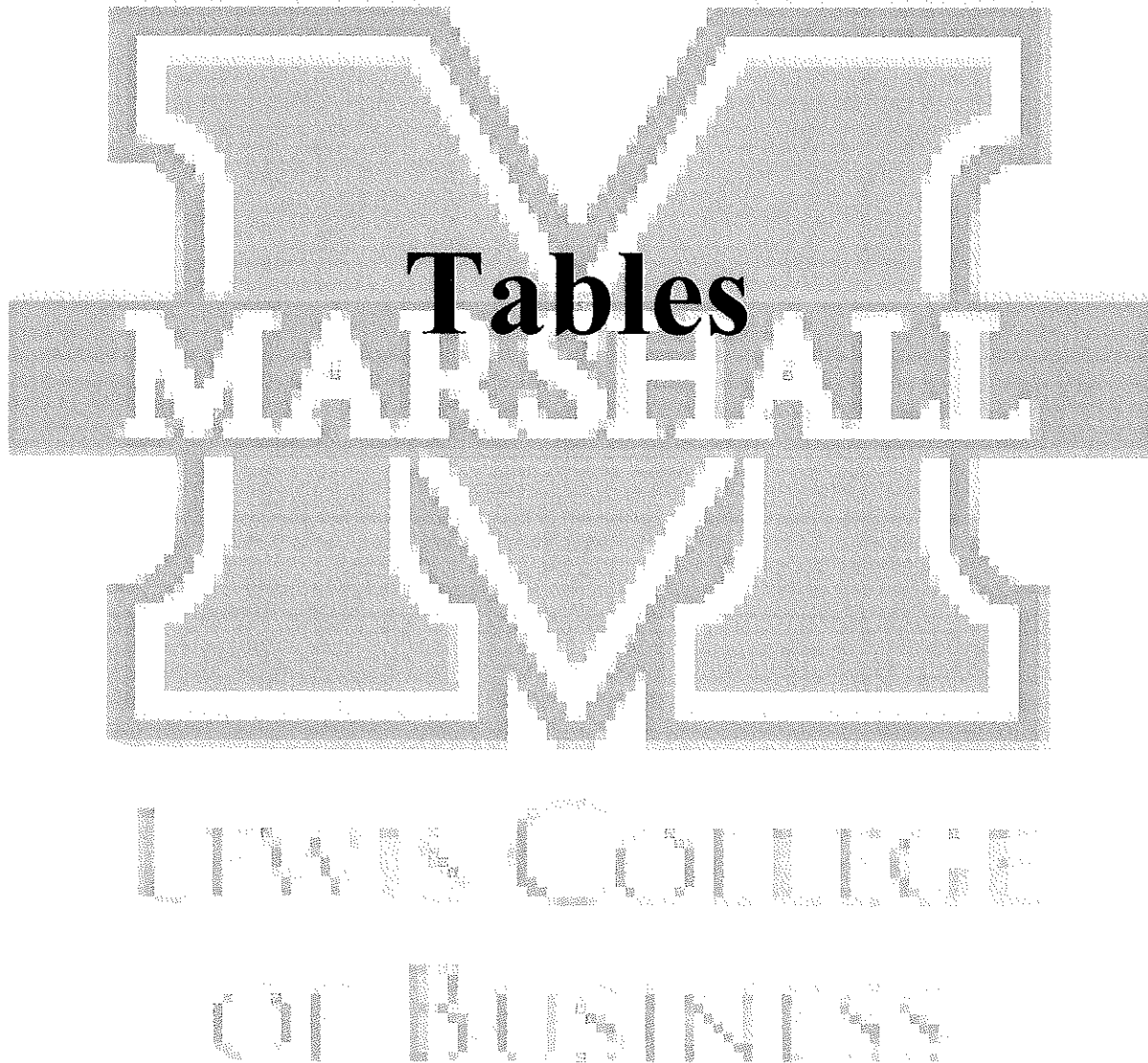


Table 1- Construction Related Labor - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Plan
LAND ACQUISITION VALUATION	\$8,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$8,850
Preliminary Engineering & Legal Work	\$50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50
Asbestos Removal	\$ -	\$20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$20
Consultants - Design & Historical Credits	\$20	\$55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$75
THE OAKS INDEPENDENT LIVING FACILITY											
Construction Increased for furnishings and equipment	\$ -	\$6,500	\$5,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$12,200
GOLF COURSE PROJECT											
Design	\$ -	\$72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$72
Field Layout and Final Master Plan	\$ -	\$72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$72
Rough Excavation for entire site	\$ -	\$800	\$50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$850
Green Installation and Final Sodding	\$ -	\$600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$600
Construction of Clubhouse & Grill	\$ -	\$200	\$700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900
ROADS, POWER, WATER, SEWER, PARKING, ETC	\$ -	\$2,400	\$3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400
AMPHITHEATRE (2,500 - 4000 SEATS)	\$ -	\$200	\$1,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,450
SPORTS THEMED STEAKHOUSE	\$ -	\$350	\$750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,100

HEALTHCARE/ASSISTED LIVING FACILITY	\$ -	\$300	\$27,900	\$24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$52,200
200 UNIT RESORT HOTEL COMPLEX	\$ -	\$ -	\$4,000	\$26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$30,000
Wedding Chapel	\$ -	\$ -	\$700	\$700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,400
Equestrian Center	\$ -	\$ -	\$ -	\$400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$400
REPLICA BASEBALL STADIUMS	\$ -	\$ -	\$ -	\$2,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,300
INDOOR SPORTS FACILITY	\$ -	\$ -	\$ -	\$100	\$2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,000
TOTAL CONSTRUCTION RELATED EXPENSES	\$ -	\$11,350	\$44,050	\$53,500	\$2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$111,800
Total Estimated Labor/Payroll @ 40%	\$ -	\$4,540	\$17,620	\$21,400	\$1,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$44,720
Retention rate of 75%	\$ -	\$3,405	\$13,215	\$16,050	\$870	\$ -	\$ -	\$ -	\$ -	\$ -	\$33,540
Multiplier Of 2.5 times	\$ -	\$8,513	\$33,038	\$40,125	\$2,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$83,850

Table 2- Construction Related Business & Occupancy Tax

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Plan
Total Construction Related Business and Occupation Related Tax	\$8,920	\$11,728	\$44,050	\$53,500	\$2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$121,098
	\$89	\$117	\$441	\$535	\$29	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,211

Table 3- Staffing and Payroll Estimates

Labor Impact					Total	Total
	Full-Time	Full-Time	Part-Time	Part-Time	Employment	Employment
	Numbers	Dollars	Numbers	Dollars	Numbers	Payroll
Resort/Hotel	13	\$ 341,000	77	\$ 893,608	90	\$ 1,234,608
Spa	9	\$ 133,870	5	\$ 87,360	14	\$ 221,230
Restaurant	3	\$ 136,000	50	\$ 531,791	53	\$ 667,791
Retirement	8	\$ 343,000	27	\$ 438,152	35	\$ 781,152
Golf Course	1	\$ 40,000	26	\$ 201,600	27	\$ 241,600
Theater	2	\$ 48,800	12	\$ 110,872	14	\$ 159,672
Horse Trails	0	\$ -	5	\$ 65,760	5	\$ 65,760
Misc. Additional	2	\$ 59,296	6	\$109,824	8	\$ 169,120
Total	38	\$ 1,101,966	208	\$2,438,967	246	\$ 3,540,933
Income Multiplier effect			2.5:1			
Payroll impact			\$ 8,852,333			
Assume 75% annual payroll is spent within the greater Milton area.						
Total Annual Payroll	Retention 75%	Income Multiplier				
\$ 3,540,933	\$ 2,655,700	\$ 6,639,249				

Table 4 – On-going Operating Payroll Economic Impact – \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Resort/ Hotel	\$ -	\$ -	\$ -	\$ 1,235	\$ 1,259	\$ 1,284	\$ 1,310	\$ 1,336	\$ 1,363	\$ 1,390	\$ 9,178
Spa	\$ -	\$ -	\$ -	\$ 221	\$ 226	\$ 230	\$ 235	\$ 239	\$ 244	\$ 249	\$ 1,645
Restaurant	\$ -	\$ -	\$ 668	\$ 681	\$ 695	\$ 709	\$ 723	\$ 737	\$ 752	\$ 767	\$ 5,732
Retirement	\$ -	\$ -	\$ -	\$ 781	\$ 797	\$ 812	\$ 829	\$ 846	\$ 862	\$ 880	\$ 5,807
Golf Course	\$ -	\$ -	\$ 242	\$ 246	\$ 251	\$ 256	\$ 262	\$ 267	\$ 272	\$ 278	\$ 2,074
Theater	\$ -	\$ -	\$ -	\$ 160	\$ 163	\$ 166	\$ 169	\$ 173	\$ 176	\$ 180	\$ 1,187
Horse Trails	\$ -	\$ -	\$ -	\$ 66	\$ 67	\$ 68	\$ 70	\$ 71	\$ 73	\$ 74	\$ 489
Misc. Additional	\$ -	\$ -	\$ -	\$ 169	\$ 173	\$ 176	\$ 179	\$ 183	\$ 187	\$ 190	\$ 1,257
Total	\$ -	\$ -	\$ 909	\$ 3,559	\$ 3,630	\$ 3,703	\$ 3,777	\$ 3,853	\$ 3,930	\$ 4,008	\$ 27,369
Income Multiplier Effect @ 2.5:1	\$ -	\$ -	\$ 2,273	\$ 8,898	\$ 9,076	\$ 9,257	\$ 9,442	\$ 9,631	\$ 9,824	\$ 10,020	\$ 68,422
Retention Rate @ 75%	\$ -	\$ -	\$ 1,705	\$ 6,673	\$ 6,807	\$ 6,943	\$ 7,082	\$ 7,223	\$ 7,368	\$ 7,515	\$ 51,317
Economic Impact to Greater Milton Area	\$ -	\$ -	\$ 1,705	\$ 6,673	\$ 6,807	\$ 6,943	\$ 7,082	\$ 7,223	\$ 7,368	\$ 7,515	\$ 51,317

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Table 5 - Total Payroll Impact-All Sources - \$(000)

TOTAL PAYROLL INTO THE AREA	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Plan
Construction	\$ -	\$14,755	\$58,276	\$71,192	\$7,857	\$1,581	\$1,593	\$1,612	\$1,625	\$1,645	\$160,137
Operation	\$ -	\$14,755	\$59,565	\$73,867	\$11,667	\$5,787	\$5,862	\$5,903	\$5,979	\$6,047	\$189,432
Total Payroll	\$ -	\$29,510	\$117,840	\$145,060	\$19,525	\$7,368	\$7,456	\$7,515	\$7,605	\$7,691	\$349,569
Multiplier Effect at 2.2:1	\$ -	\$73,775	\$294,600	\$362,649	\$48,809	\$18,420	\$18,639	\$18,788	\$19,012	\$19,229	\$873,921
Retention rate of 75%	\$ -	\$55,331	\$220,950	\$271,986	\$36,607	\$13,815	\$13,979	\$14,091	\$14,259	\$14,421	\$655,441

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OF BUSINESS

Table 6- 200 Unit Resort Hotel Complex - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Room Revenue (40% 1st Year - Ramping up 70% Year t)	\$ -	\$ -	\$ -	\$ 942	\$ 4,002	\$ 4,944	\$ 5,191	\$ 5,451	\$ 5,723	\$ 6,009	\$ 32,262
Food & Beverage	\$ -	\$ -	\$ -	\$ 105	\$ 420	\$ 420	\$ 441	\$ 463	\$ 486	\$ 511	\$ 2,846
(2) Weddings & Events	\$ -	\$ -	\$ -	\$ 60	\$ 360	\$ 490	\$ 515	\$ 540	\$ 567	\$ 596	\$ 3,128
Equestrian Center	\$ -	\$ -	\$ -	\$ 4	\$ 144	\$ 144	\$ 151	\$ 159	\$ 167	\$ 175	\$ 943
Hospitality Tax @ 6%	\$ -	\$ -	\$ -	\$ 57	\$ 240	\$ 297	\$ 311	\$ 327	\$ 343	\$ 361	\$ 1,936
Sales Tax @ 1%	\$ -	\$ -	\$ -	\$ 2	\$ 9	\$ 11	\$ 11	\$ 12	\$ 12	\$ 13	\$ 69
Amusement Tax @ 50bps	\$ -	\$ -	\$ -	\$ 0.1	\$ 3	\$ 3	\$ 3	\$ 3	\$ 4	\$ 4	\$ 20
Restaurant and Food Tax @ 27bps	\$ -	\$ -	\$ -	\$ 0.1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 8
Business & Occupation	\$ -	\$ -	\$ -	\$ 3	\$ 13	\$ 16	\$ 17	\$ 18	\$ 19	\$ 20	\$ 106
Total Tax Revenue	\$ -	\$ -	\$ -	\$ 62	\$ 266	\$ 327	\$ 344	\$ 361	\$ 379	\$ 399	\$ 2,109

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OF BUSINESS

Table 7 - Over Night Tourism Impact - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Total Number of Hotel Rooms	0	0	0	200	200	200	200	200	200	200	
Total Number of Room Days	0	0	0	73,000	73,000	73,000	73,000	73,000	73,000	73,000	
Percent Occupancy	0	0	0	40%	50%	60%	70%	70%	70%	70%	
Average Available Occupancy	0	0	0	29,200	36,500	43,800	51,100	51,100	51,100	51,100	
Total Guests (average of 1.5 per available occupancy)	0	0	0	43,800	54,750	65,700	76,650	76,650	76,650	76,650	
Average per capita Expenditure beyond Lodging & Food ⁽¹⁾											
Retail	\$ -	\$ -	\$ -	\$ 2,847	\$ 3,559	\$ 4,271	\$ 4,982	\$ 4,982	\$ 4,982	\$ 4,982	\$ 30,605
Recreation & Sightseeing	\$ -	\$ -	\$ -	\$ 2,803	\$ 3,504	\$ 4,205	\$ 4,906	\$ 4,906	\$ 4,906	\$ 4,906	\$ 30,134
Transportation	\$ -	\$ -	\$ -	\$ 2,628	\$ 3,285	\$ 3,942	\$ 4,599	\$ 4,599	\$ 4,599	\$ 4,599	\$ 28,251
Total Direct Infusion into the Local Economy:	\$ -	\$ -	\$ -	\$ 8,278	\$ 10,348	\$ 12,417	\$ 14,487	\$ 14,487	\$ 14,487	\$ 14,487	\$ 88,991
Additional Tax Revenue Related											
Sales Tax @ 1%	\$ -	\$ -	\$ -	\$ 83	\$ 103	\$ 124	\$ 145	\$ 145	\$ 145	\$ 145	\$ 890
Amusement Tax @ 50bps	\$ -	\$ -	\$ -	\$ 14	\$ 18	\$ 21	\$ 25	\$ 25	\$ 25	\$ 25	\$ 151
Total Tax Revenue	\$ -	\$ -	\$ -	\$ 97	\$ 121	\$ 145	\$ 169	\$ 169	\$ 169	\$ 169	\$ 1,041
Total Other Revenue Impact of Over Night Tourists	\$ -	\$ -	\$ -	\$ 8,375	\$ 10,469	\$ 12,562	\$ 14,656	\$ 14,656	\$ 14,656	\$ 14,656	\$ 90,031
⁽¹⁾ Source WV Tourism Commission											

Table 8 - Golf Course related - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Green Fees	\$ -	\$ -	\$ 200	\$ 409	\$ 409	\$ 409	\$ 430	\$ 451	\$ 474	\$ 497	\$ 3,279
Clubhouse, Bar & Grill	\$ -	\$ -	\$ 150	\$ 300	\$ 300	\$ 300	\$ 315	\$ 331	\$ 347	\$ 365	\$ 2,408
Sales Tax @ 1%	\$ -	\$ -	\$ 4	\$ 7	\$ 7	\$ 7	\$ 7	\$ 8	\$ 8	\$ 9	\$ 57
Amusement Tax @ 50bps	\$ -	\$ -	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 16
Restaurant and Food Tax @ 27bps	\$ -	\$ -	\$ 0.4	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.9	\$ 0.9	\$ 0.9	\$ 1	\$ 7
Business & Occupation	\$ -	\$ -	\$ 0.9	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 15
Total Tax Revenue	\$ -	\$ -	\$ 6	\$ 12	\$ 12	\$ 12	\$ 12	\$ 13	\$ 14	\$ 14	\$ 95

Table 9 – Amphitheatre - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
(6) Major Events Per Month April - October	\$ -	\$ -	\$ -	\$ 1,800	\$ 2,100	\$ 2,100	\$ 2,205	\$ 2,315	\$ 2,431	\$ 2,553	\$ 15,503
(12) Corporate Luxury Boxes	\$ -	\$ -	\$ -	\$ 360	\$ 210	\$ 210	\$ 220	\$ 232	\$ 243	\$ 255	\$ 1,730
Sales Tax @ 1%	\$ -	\$ -	\$ -	\$ 22	\$ 23	\$ 23	\$ 24	\$ 25	\$ 27	\$ 28	\$ 172
Amusement Tax @ 50bps	\$ -	\$ -	\$ -	\$ 11	\$ 12	\$ 12	\$ 12	\$ 13	\$ 13	\$ 14	\$ 86
Business & Occupation	\$ -	\$ -	\$ -	\$ 6	\$ 6	\$ 6	\$ 7	\$ 7	\$ 7	\$ 8	\$ 47
Total Tax Revenue	\$ -	\$ -	\$ -	\$ 38	\$ 41	\$ 41	\$ 43	\$ 45	\$ 47	\$ 50	\$ 306

Table 10- Replica Baseball Stadiums & Concessions - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Concessions & Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ 120	\$ 120	\$ 126	\$ 132	\$ 139	\$ 146	\$ 783
Sales Tax @ 1%	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 8
Amusement Tax @ 50bps	\$ -	\$ -	\$ -	\$ -	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 4
restaurant and Food Tax @ 27bps	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 2
Business & Occupation	\$ -	\$ -	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.4	\$ 0.4	\$ 0.4	\$ 2
Total Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 16

Table 11 - Indoor Sports Facility - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Revenue	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ 235	\$ 247	\$ 259	\$ 272	\$ 286	\$ 1,314
Sales Tax @ 1%	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 13
Amusement Tax @ 50bps	\$ -	\$ -	\$ -	\$ -	\$ 0.1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 7
Business & Occupation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 4
Total Tax Revenue	\$ -	\$ -	\$ -	\$ -	\$ 0.0	\$ 4.6	\$ 4.7	\$ 4.7	\$ 4.7	\$ 4.8	\$ 24

Table 12 - Sports Themes Steakhouse - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Food & Beverage	\$ -	\$ -	\$ 1,170	\$ 1,920	\$ 1,920	\$ 1,920	\$ 2,016	\$ 2,117	\$ 2,223	\$ 2,234	\$ 15,519
Sales Tax @ 1%	\$ -	\$ -	\$ 11	\$ 19	\$ 19	\$ 19	\$ 20	\$ 21	\$ 22	\$ 22	\$ 155
Restaurant and Food Tax @ 27bps	\$ -	\$ -	\$ 3	\$ 5	\$ 5	\$ 5	\$ 5	\$ 6	\$ 6	\$ 6	\$ 42
Business & Occupation	\$ -	\$ -	\$ 0.3	\$ 0.50	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.6	\$ 42
Total Tax Revenue	\$ -	\$ -	\$ 15.3	\$ 24.5	\$ 24.5	\$ 24.5	\$ 26.5	\$ 27.6	\$ 28.6	\$ 28.6	\$ 239

Table 13- Independent Living Facility & Residential Lot Sales - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Independent Living Units											
68 Unit Sales (Starting Pre-Sales July 2017)	\$ -	\$ -	\$ 7,800	\$ 2,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,200
68 Unit Net Income Per Month \$1,000	\$ -	\$ -	\$ 342	\$ 760	\$ 816	\$ 816	\$ 816	\$ 816	\$ 816	\$ 816	\$ 5,998
Residential Lot Sales											
Residential Lot Sales (114 Lots (2) per month	\$ -	\$ -	\$ 960	\$ 1,920	\$ 1,920	\$ 1,920	\$ 1,920	\$ 480	\$ -	\$ -	\$ 9,120

Table 14- Healthcare / Assisted Living Facility - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
Sale of 336 Assisted Living Units (Pre- Sell 25%)	\$ -	\$ -	\$ -	\$ 12,600	\$ 18,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,500
Monthly Fee for Assisted Living Facilities	\$ -	\$ -	\$ -	\$ 290	\$ 6,303	\$ 11,520	\$ 12,096	\$ 12,700	\$ 13,335	\$ 14,002	\$ 70,246
30,000 SQ FT Triple Net Lease on Health Clinic	\$ -	\$ -	\$ -	\$ 35	\$ 420	\$ 420	\$ 441	\$ 463	\$ 486	\$ 510	\$ 2,776
30,000 Sq. Ft. Triple Net Lease on Office Space	\$ -	\$ -	\$ -	\$ 35	\$ 420	\$ 420	\$ 441	\$ 463	\$ 486	\$ 510	\$ 2,776

LEWIS COLLEGE
OF BUSINESS

Table 15- Total Capital expenditures - \$(000)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	10 Year Total
LAND ACQUISITION											
VALUATION	\$ 8,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,850
Preliminary Engineering & Legal Work	\$ 50	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70
Asbestos Removal	\$ -	\$ 159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159
Consultants - Design & Historical Credits	\$ 20	\$ 55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75
THE OAKS INDEPENDENT LIVING FACILITY											
Construction	\$ -	\$ 6,500	\$ 5,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$12,200
GOLF COURSE PROJECT											
Design	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72
Field Layout & Final Master Plan	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72
Rough Excavation entire site	\$ -	\$ 800	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 850
Green Installation & Final Sodding	\$ -	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600
Construction-Clubhouse & Grill	\$ -	\$ 200	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 900
ROADS, POWER, WATER, SEWER, PARKING, ETC	\$ -	\$ 2,400	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,400
AMPHITHEATRE	\$ -	\$ 200	\$ 1,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,450
SPORTS THEMED STEAKHOUSE	\$ -	\$ 350	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,100
HEALTHCARE/ASSISTED LIVING FACILITY	\$ -	\$ 300	\$ 27,900	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,200
200 UNIT HOTEL COMPLEX	\$ -	\$ -	\$ 4,000	\$ 26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000
Wedding Chapel	\$ -	\$ -	\$ 700	\$ 700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,400
Equestrian Center	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400
REPLICA BASEBALL STADIUM	\$ -	\$ -	\$ -	\$ 2,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,300
INDOOR SPORTS FACILITY	\$ -	\$ -	\$ -	\$ 100	\$ 2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
CAPITAL EXPENDITURES	\$ 8,920	\$ 11,728	\$ 44,050	\$ 53,500	\$ 2,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,098

Attachment 9: A memorandum of understanding (MOU) between the Project Developer and the County about how the competitive bidding process will be conducted.

A copy of the MOU is attached hereto.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (the “MOU”), is made and entered into as of this July 12, 2018, by and between **THE COUNTY COMMISSION OF CABELL COUNTY**, a public corporation of the State of West Virginia, (the “County Commission”), and **GRAND PATRICIAN RESORT, LLC**, a West Virginia limited liability company (the “Company”).

WHEREAS, the County Commission has, on the date hereof, held a public hearing regarding approval of an application for the creation of “The County Commission of Cabell County Development District No. 3 – Grand Patrician” (the “TIF District”) and approval of a Project Plan for the TIF District (the “Application”) and issuance of tax increment financing bonds or other obligations, as more fully described in the Application;

WHEREAS, the County Commission and the Company have agreed to jointly develop and finance through the issuance of tax increment financing bonds or other obligations to provide for the payment of costs associated with the construction of public works in the TIF District, including, without limitation, water lines, sanitary sewer lines, stormwater drainage, earthwork, land acquisition, walking and running paths and trails, new road construction and road improvements, including, without limitation, new intersections, intersection improvements, road widening, curbing, traffic control, lighting and other related infrastructure and utilities improvements, and appurtenances and amenities relating thereto, and to pay additional costs incurred in connection with the establishment of the TIF District and adoption of the Project Plan (“the TIF Project”);

WHEREAS, a memorandum of understanding between the Company and the County Commission regarding the competitive bidding process for construction of TIF-financed projects is required to be submitted to the West Virginia Development Office as a condition to such Office’s approval of the Application;

ACCORDINGLY, the Company and the County Commission have determined to proceed in the following manner;

1. The bid specifications for design and/or construction of the TIF Project or any portion thereof will be prepared by or on behalf of the Company and provided to the County Commission for review at least two weeks prior to publication of the advertisement for bids.

2. The bid specifications will comply with Chapter 5G, Article 1, Chapter 5, Article 22 and Chapter 5, Article 22A of the West Virginia Code (collectively, the “Bidding Statutes”), as applicable. In addition, the bid specifications for construction will include provisions with respect to local labor market utilization and other provisions of the “West Virginia Jobs Act,” Chapter 21,

Article 1C of the West Virginia Code, all in accordance with the West Virginia Tax Increment Financing Act, Chapter 7, Article 11B of the West Virginia Code.

3. Upon approval by the County Commission, the Company will be responsible for the publication of the advertisement for bids.

4. Bid opening will be held at a mutually agreeable location in the presence of representatives of the County Commission and the Company.

5. The County Commission and the Company will, in accordance with the provisions of the applicable Bidding Statutes, select from those bids offered the appropriate bidder, subject to the right of the County Commission and the Company to reject any and all bids.

6. The Company will be responsible for all costs in connection with the preparation and advertisement of bids, provided however, that all such costs may be reimbursable from proceeds of tax increment financing obligations to be issued by the County Commission.

WITNESS the following signatures:

THE COUNTY COMMISSION OF
CABELL COUNTY

By: _____
Its President

Grand Patrician Resort, LLC

By: _____
Its Manager or Member

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

There will be no displaced persons, businesses, or organizations.

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

There are no proposed changes to zoning ordinances related to the TIF Project.

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

None.

Attachment 13: Board of Education and State review.

Copies of all correspondence with the Board of Education, the City of Milton, the Cabell County Library, and the West Virginia Development Office are provided in this attachment. The County will supplement this application with any resulting future communications with these entities.

1. Letter dated May 25, 2018 to the Board of Education
2. Letter dated May 25, 2018 to the Milton City Council and Mayor.
3. Letter dated May 25, 2018 to the Cabell County Public Library.
4. Letter dated May 25, 2018 to the West Virginia Development Office



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

May 25, 2018

Cabell County Development District No. 3 -
Grand Patrician Tax Increment Financing District

CERTIFIED MAIL


The Honorable Mary Neely
President
Cabell County Board of Education
2850 Fifth Avenue
Huntington, West Virginia 25702

Ryan S. Saxe
Superintendent
Cabell County Schools
2850 Fifth Avenue
Huntington, West Virginia 25702

Dear President Neely and Superintendent Saxe:

Enclosed is a copy of the Notice of Public Hearing and TIF Application relating to the proposed creation of a Tax Increment Financing District to be known as the "Cabell County Development District No. 3 – Grand Patrician" (the "District") and the proposed "Grand Patrician Project No. 1 Plan" (the "Project Plan"). The Cabell County Commission plans to publish the Notice of Public Hearing regarding the proposed creation of the District and adoption of the Project Plan for the District in June, and the enclosed documents may be amended in the interim. As you can see from the Notice, the public hearing is scheduled for Thursday, July 12, 2018, at 10:00 a.m. Please feel free to call me if you have any questions regarding the Notice, the creation of the District or the proposed adoption of a Project Plan.

Very truly yours,


Craig Griffith

Enclosures



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoehjohnson.com

Writer's Contact Information

May 25, 2018

**Cabell County Development District No. 3 -
Grand Patrician Tax Increment Financing District**

CERTIFIED MAIL

Judy K. Rule, Director
Cabell County Public Library
455 Ninth Street Plaza
Huntington, WV 25701

Dear Ms. Rule:

Enclosed is a copy of the Notice of Public Hearing and TIF Application relating to the proposed creation of a Tax Increment Financing District to be known as the "Cabell County Development District No. 3 – Grand Patrician" (the "District") and the proposed "Grand Patrician Project No. 1 Plan" (the "Project Plan"). The Cabell County Commission plans to publish the Notice of Public Hearing regarding the proposed creation of the District and adoption of the Project Plan for the District in June, and the enclosed documents may be amended in the interim. As you can see from the Notice, the public hearing is scheduled for Thursday, July 12, 2018, at 10:00 a.m. Please feel free to call me if you have any questions regarding the Notice, the creation of the District or the proposed adoption of a Project Plan.

Very truly yours,


Craig Griffith

Enclosures



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P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

May 25, 2018

Cabell County Development District No. 3 -
Grand Patrician Tax Increment Financing District

CERTIFIED MAIL

Mayor Tom Canterbury
City of Milton
1139 Smith Street
Milton, WV 25541

Dear Mayor Canterbury:

Enclosed is a copy of the Notice of Public Hearing and TIF Application relating to the proposed creation of a Tax Increment Financing District to be known as the "Cabell County Development District No. 3 – Grand Patrician" (the "District") and the proposed "Grand Patrician Project No. 1 Plan" (the "Project Plan"). The Cabell County Commission plans to publish the Notice of Public Hearing regarding the proposed creation of the District and adoption of the Project Plan for the District in June, and the enclosed documents may be amended in the interim. As you can see from the Notice, the public hearing is scheduled for Thursday, July 12, 2018, at 10:00 a.m. Please feel free to call me if you have any questions regarding the Notice, the creation of the District or the proposed adoption of a Project Plan.

Very truly yours,


Craig Griffith

LFW/mgb

Enclosures

cc: Milton City Council



Chase Tower, 17th Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.stepToe-johnson.com

Writer's Contact Information

May 25, 2018

Cabell County Development District No. 3 -
Grand Patrician Tax Increment Financing District

CERTIFIED MAIL

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

Dear Director:

Enclosed is a copy of the Notice of Public Hearing and TIF Application relating to the proposed creation of a Tax Increment Financing District to be known as the "Cabell County Development District No. 3 – Grand Patrician" (the "District") and the proposed "Grand Patrician Project No. 1 Plan" (the "Project Plan"). The Cabell County Commission plans to publish the Notice of Public Hearing regarding the proposed creation of the District and adoption of the Project Plan for the District in June, and the enclosed documents may be amended in the interim. As you can see from the Notice, the public hearing is scheduled for Thursday, July 12, 2018, at 10:00 a.m. Please feel free to call me if you have any questions regarding the Notice, the creation of the District or the proposed adoption of a Project Plan.

Very truly yours,


Craig Griffith

Enclosures

Attachment 14: **The Board of Education may request further information, provide guidance, or make other formal requests. The County must include any such communications from the Board of Education in this application.**

All written communications between the City of Milton, the Board of Education, and the West Virginia Development Office, and the County Commission, if applicable, will be provided in this section.

Attachment 15: Project Developer Information

Grand Patrician Resort, LLC

a. Secretary of State Certificate of Authority

Certificate of Organization from the West Virginia Secretary of State is also attached hereto.

b. Brickstreet Mutual Insurance Certificate of Coverage/Good Standing

Not applicable as of date of application as Grand Patrician Resort, LLC is a newly created entity.

c. Unemployment Compensation Certificate of Good Standing (as applicable)

Not applicable as of date of application as Grand Patrician Resort, LLC is a newly created entity.

d. Cabell County Sheriff Certificate of Good Standing respecting local property tax status (as applicable)

Not applicable as of date of application as Grand Patrician Resort, LLC is a newly created entity.

e. State Tax Department Certificate of Good Standing

The West Virginia State Tax Department Business Registration Certificate is attached hereto.

f. Information about the project developer, including corporation, partnership, limited partnership, limited liability company or limited liability partnership papers, if applicable:

Grand Patrician Resort, LLC is a West Virginia limited liability company.

g. Copies of audited financial statements or federal income tax returns of the developer for the most recent five years.

Not applicable as of date of application as Grand Patrician Resort, LLC is a newly created entity.

h. Information on similar projects the company has done in the past and the relevant experience of individuals who will be working on this project.

Grand Patrician Resort, LLC is a newly created West Virginia limited liability company.

Jeff and Patricia Hoops, the members of the developer, have extensive experience in project development:

- Top 100 real estate land holders in the US with over 120,000 acres owned in more than 7 states
- Top 10 mineral holders in the United States with more than 2 billion tons of reserves under control in 5 states
- Employ over 2,000 people in 5 states
- Move more than 100M bank cubic yards of overburden each year utilizing more than \$200M in mobile equipment in 5 states

- Have constructed multi-family housing projects in Bluefield
- Involved with funding and planning the Hoops Family Soccer Field at Marshall University
- Constructed multiple single family homes with our construction company in the Teays Valley area
- Have reclaimed more than 40,000 acres of disturbed land in 5 states



Certificate

*I, Mac Warner, Secretary of State of the
State of West Virginia, hereby certify that*

GRAND PATRICIAN RESORT, LLC

Control Number: 9AJQT

has filed its "Articles of Organization" in my office according to the provisions of West Virginia Code §§31B-2-203 and 206. I hereby declare the organization to be registered as a limited liability company from its effective date of September 27, 2017 until the expiration of the term or termination of the company.

Therefore, I hereby issue this

CERTIFICATE OF A LIMITED LIABILITY COMPANY



*Given under my hand and the
Great Seal of the State of
West Virginia on this day of
September 27, 2017*

Mac Warner

Secretary of State

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.

(a) Preliminary Cost/Benefit Analysis

The tax increment from current levies from the State, the County, the City and the 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
Benefits:			
Excess Levy	No	Yes	Yes
B/O taxes	Yes	No	No
Jobs / Economic Development	Yes	Yes	Yes
Excess Funds (1)	Yes	Yes	Yes
Costs :			
Water / Sewer (2)	Yes	No	No
Roads (3)	Yes	No	No
Fire / Police	Yes	No	No
Trash	No	No	No
Education (4)	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) A portion of the sewer project that leads to the TIF District will be financed by the City of Milton. However, Water/Sewer within the TIF District will be financed using TIF Funds.
- (3) The Developer will construct all roads according to the City's requirements. The roads will be owned by the City of Milton, which will maintain the roads.
- (4) Over time, it is anticipated that the District will result in increased enrollment. The school aide formula will address any costs to the Board of Education resulting from increased enrollment.

**Current Class II and Class III Levy Rates
City, State, County and the Board of Education**

Tax Year 2017

Levying Body	Class II	Class III
City	24.20	48.40
State	0.50	1.00
County	28.60	57.20
School	35.80	71.60
Total	89.10	184.20

School Aide Formula

The Board of Education current levy is set, statewide, by the Legislature and for Tax Year 2018 was: Class I: 17.90 cents/\$100; Class II: 35.80 cents/\$100; and Class III & IV: 71.60 cents/\$100 for the Cabell County Board of Education. 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 aide 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 four property tax levies (Current School, County, Municipal and State) will revert back to these levying bodies. Anticipated tax collections for the TIF District for Tax Year 2048, when compared to of taxes collected for tax year 2018 from the current levy rates, represent an increase of \$397,024 in taxes paid to the County, \$496,975 to the Board of Education, \$335,944 to the City and \$6,941 to the State. Note that the foregoing estimates do not include any inflation factor.

(b) Estimated Increase in Excess Levy Tax Collections

The estimated increase in excess levies paid to the County and Board of Education based on the estimated taxable incremental property value in the TIF District as provided in **Section II.B** is as follows:

Levying Body	Class II	Class III
County Excess Levy	13.58	27.16
Board of Education Excess Levy	45.90	91.80

Estimated Increase in Excess Levy Tax Collections

Tax Year	Tax Due Date (April 1)	County (\$)	Board of Education (\$)
2019	2020	11,858	40,079
2020	2021	47,661	161,093
2021	2022	51,590	174,372
2022	2023	163,700	553,300
2023	2024	174,240	588,926
2024	2025	179,989	608,358
2025	2026	185,355	626,495
2026	2027	188,517	637,183
2027	2028	188,517	637,183
2028	2029	188,517	637,183
2029	2030	188,517	637,183
2030	2031	188,517	637,183
2031	2032	188,517	637,183
2032	2033	188,517	637,183
2033	2034	188,517	637,183
2034	2035	188,517	637,183
2035	2036	188,517	637,183
2036	2037	188,517	637,183
2037	2038	188,517	637,183
2038	2039	188,517	637,183
2039	2040	188,517	637,183
2040	2041	188,517	637,183
2041	2042	188,517	637,183
2042	2043	188,517	637,183
2043	2044	188,517	637,183
2044	2045	188,517	637,183
2045	2046	188,517	637,183
2046	2047	188,517	637,183
2047	2048	188,517	637,183

*Based on the "CALCULATION OF PROJECTED NET PROPERTY TAX INCREMENT"
analysis attached to Section II.G – Tax Increment Financing Obligations.

Attachment 17: 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.

Letter by Steptoe & Johnson, PLLC, Bond Counsel to the County is also provided in this attachment. In addition, attached hereto is a letter prepared by Piper Jaffray & Co., as Investment Bank/Placement Agent to the County Commission. We have also provided the engagement letter between Piper Jaffray & Co. and the Cabell County Commission.



[405 CAPITOL STREET, SUITE 613, CHARLESTON, WV 25314

P (304) 343-7102 | (304) 343-7101 F (304) 551-0228 | (304) 551-0229

Piper Jaffray & Co. Since 1895. Member SIPC and NYSE.

May 23, 2018

The Honorable Bob Bailey
President
Cabell County Commission
Suite 300 - Courthouse
750 - 5th Avenue Huntington, WV 25701-2072

Dear Mr. Bailey:

As investment banker for the proposed issuance of tax increment financing obligations for "Grand Patrician Project No. 1 Plan" (the "Project Plan") located within the "Development District No. 3" (the "TIF District"), we have prepared a preliminary bond structure and tax increment analysis for the proposed issuance of approximately \$9,503,000 in tax increment revenue bonds (the "TIF Obligations"), as provided in the TIF Application to be filed with the County Clerk.

Based on projected assessed values of the TIF District, as provided by Blackjewel, LLC (the "Developer"), and the preliminary TIF Obligations structure and cashflow analysis attached to "Section II.G - TIF Obligations" of the TIF Application, the preliminary Projection of Net Property Tax Increment of the TIF District is sufficient to support the proposed issuance of TIF Obligations.

- **Issuer** – The County Commission of Cabell County, West Virginia
- **Par Amount of TIF Obligations** – Approximately \$9,503,000
- **Maturity** – June 1, 2048 or approximately 30 years from the creation of the TIF District.
- **Projected Payoff** – To the extent projected Excess Funds (as defined in Section II.G of the TIF Application) are used to redeem outstanding bonds, it is anticipated that the TIF Obligations could be paid off as early as on June 1, 2034.
- **Interest Rates** – The planning interest rate on the TIF Obligations is 5.00% (subject to market conditions at the time of sale of the TIF Obligations).
- **Method of Offering** – The TIF Obligations are planned to be privately placed with the Developer or Developer-affiliate.
- **Uses of Funds** – Proceeds of the TIF Obligations are planned to be used (i) to fund projects described in the Project Plan in the approximate amount of \$9,027,056, and (ii) pay estimated costs of issuance of \$475,944.

- **Debt Service Reserve Fund** – A Debt Service Reserve Fund will not be required for the TIF Obligations since the TIF Obligations are be privately placed with the Developer or Developer-affiliate.
- **Security** – The TIF Obligations are assumed to have a senior lien on the projected net property tax increment of the TIF District, which are deposited into the tax increment fund (the “TIF Fund”) for the TIF District;
- **Redemption** – Based on a private placement of the TIF Obligations with the Developer or Developer-affiliate, the TIF Obligations are planned to be issued in \$100,000 denominations or any integral multiple of \$0.01 in excess thereof. The TIF Obligations would likely be subject to optional redemption at any time after the date of issuance.
- **Projection of Net Property Tax Increment** – Based on the projected assessed values of the TIF District, as provided by the Developer. See Section II.G TIF Obligations of the TIF Application for the preliminary Projection of Net Property Tax Increment.

If you have any questions, please do not hesitate to contact us.

Sincerely,



Joseph E. Nassif
Managing Director
West Virginia Public Finance
Public Finance Investment Banking



[405 CAPITOL STREET, SUITE 613, CHARLESTON, WV 25314

P (304) 343-7102 | (304) 343-7101 F (304) 551-0228 | (304) 551-0229

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DISCLAIMER

Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a 'recommendation' or 'advice' within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

March 9, 2018

The Honorable Bob Bailey
President
Cabell County Commission
Suite 300 - Courthouse
750 - 5th Avenue Huntington, WV 25701-2072

Re: Underwriter/Placement Agent Engagement Letter
The County Commission of Cabell County
Tax Increment Financing Development District – City of Milton
Tax Increment Revenue Bonds

Dear Mr. Bailey:

On behalf of Piper Jaffray & Co. ("Piper Jaffray"), we would like to thank you for the opportunity to provide underwriting or placement agent services to The County Commission of Cabell County (the "Issuer") for the potential issuance of the above referenced bonds (the "Bonds"). We understand that the decision to either sell the Bonds in a private placement to a single or limited number of investors or conduct a public sale of the Bonds will be made by you sometime in the future. This letter is intended to describe our engagement for either method of sale.

1. **Scope of Services.** The Issuer hereby engages Piper Jaffray to serve as an underwriter or placement agent for the Bonds and in such capacity Piper Jaffray agrees to provide the following services:
 - a. Developing a financing plan for the Bonds.
 - b. Advice concerning structure, timing, terms and other similar matters concerning the Bonds, including recommendations as to maturities, interest rates, structure, security, timing, and amount of proceeds needed to implement your project.
 - c. Reviewing and making comments with respect to sale documents, as applicable, including bond authorizing ordinances and other resolutions, bond indentures and other underlying documents relating to the issuance of the Bonds.
 - d. Developing a sale schedule that incorporates all aspects of bringing Bonds to market and arranging for a successful closing of the transaction.
 - e. Assisting the Issuer in determining whether to pursue a public sale or a private placement to a bank or other financial institution, based upon the facts and circumstances in evidence at that time.
 - f. For a public sale, assisting in the preparation of the preliminary and final Official Statements to be issued by the Issuer relating to Bonds for final approval by the Issuer and its agents, including bond counsel regarding same.
 - g. For a private placement, preparation of a preliminary transaction summary or term sheet to be shared with potential investors of the Bonds for final approval by the Issuer and its agents, including bond counsel regarding the same.
 - h. Assisting in making presentations to rating agencies with respect to the Bonds, if applicable.
 - i. Evaluating and making recommendations to the Issuer concerning the use of bond insurance and any other available credit enhancements, if applicable.

- j. For a public sale, distributing preliminary and final Official Statements and other documents to a broad list of institutions, banks, trusts, insurance companies, investment counselors, and other prospective investors in Bonds.
 - k. For a public sale, forming, if deemed appropriate by Piper Jaffray and the Issuer, an underwriting group for the purpose of underwriting the Bonds, and informing the Issuer as to the membership of any group so formed.
 - l. For a public sale, developing a marketing plan for the offering, including identification of potential investors.
 - m. Contacting potential investors, including those that might be considering a private placement, providing them with offering-related information, responding to their inquiries and, if requested, coordinating their due diligence sessions.
 - n. Negotiating the pricing, including the interest rate, and other terms of Bonds.
 - o. For a public sale, obtaining CUSIP number(s) for Bonds and arranging for their DTC book-entry eligibility.
 - p. Providing a final schedule of debt service payments for Bonds.
 - q. Reviewing and making comments with respect to closing documents prepared by Bond Counsel.
 - r. Planning and arranging for the closing and settlement of the issuance and the delivery of Bonds.
 - s. Preparation of bond statistics which are necessary for the Issuer and bond counsel to prepare IRS Form 8038-G with respect to the issuance of the Bonds.
 - t. Other activities which are integral to the purchase and distribution of the Bonds and activities integral to fulfilling the role of an placement agent or underwriter including under the antifraud provisions of the federal securities laws and the obligations of Piper Jaffray under MSRB rules.
2. **Term and Termination.** The term of this engagement shall begin on the date of this letter until the earlier of: the termination by either party as described below or until the end of the underwriting period or date of sale for each series of Bonds. Either party may terminate Piper Jaffray's engagement at any time without liability or penalty upon at least 30 days' prior written notice to the other party. Both parties agree that with respect to any specific series of Bonds, this letter will be replaced and superseded by any bond purchase or placement agreement entered into by the parties (the "Purchase Agreement" or "Placement Agent Agreement") if and when the Bonds are priced.
3. **Miscellaneous.** You agree that the advice provided pursuant to this engagement should not be construed as advice as to whether you should approve or authorize the Bonds. The parties agree that we are not making a final commitment to underwrite or place securities until certain events have occurred including among other things, a successful authorizing bond election and, satisfactory completion and execution of all final documentation for an offering and credit approval. This Agreement is therefore not a final commitment by us express or implied, to underwrite, place or purchase any securities. This Agreement will be governed by, and construed in accordance with, the laws of the State of West Virginia, without regard to conflicts of law principals to the extent that the application of the laws of another jurisdiction would be required thereby. The Issuer and Piper Jaffray each hereby irrevocably waive any right they may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby. This Agreement may not be assigned by either party without the prior written consent of the other party. This Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect or any other provision of this Agreement, which will remain in full force and effect. This Agreement may not be amended or otherwise modified or waived except by an instrument in writing signed by both Piper Jaffray and the Issuer.

4. **MSRB Disclosures.** As required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012) we are providing you with certain disclosures relating to the issuance of the Bonds. Under new federal regulations, all underwriters and placement agents are now required to send the following disclosures to you (as the Issuer of the Bonds) in order to clarify with you the role of a placement agent or underwriter and other matters relating to an underwriting or placement of the Bonds.

Piper Jaffray intends to serve as a placement agent or underwriter respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as a placement agent or underwriter, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing.

Our Role as Placement Agent:

If we are serving as a placement agent or underwriter for the Bonds, these are some important disclosures that clarify our role and responsibilities:

- (i) MSRB Rule G-17 requires a placement agent or underwriter to deal fairly at all times with both municipal issuers and investors;
- (ii) Unlike a municipal advisor, the placement agent or underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.

Our Role as Underwriter:

If we are serving as an underwriter for the Bonds, these are some important additional disclosures that clarify our role as an underwriter:

- (i) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriter has financial and other interests that differ from those of the Issuer.
- (ii) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (iii) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction¹.

Our Compensation:

We will be compensated by a fee and/or an underwriting discount that will be set forth in the agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter or placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest:

If the Bonds are sold via a public sale, the following additional disclosures apply:

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

We have entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. If a public offering of the Bonds is made, we could share with Charles Schwab & Co., a portion of the fee or commission paid to us as underwriter.

Risk Disclosures:

In accordance with the requirements of MSRB Rule G-17, attached to this letter as Appendix A is a description of the material aspects of a typical fixed rate offering, including the Bonds. This letter may be later supplemented if the material terms of the Bonds change from what is described here.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with your own financial, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate. It is our understanding that you are authorized or are expected to be authorized to sign the bond purchase agreement with us. If our understanding is incorrect, please notify the undersigned immediately.

Thank you.

Sincerely,



Joseph Nassif, Managing Director
Public Finance Investment Banking
Piper Jaffray & Co.

Acknowledgement and Approval of Engagement
and Receipt of Appendix A Disclosures

Bob Bailey, President
Cabell County Commission, West Virginia

Date: _____

Appendix A – G-17 Disclosure

We are providing you with certain disclosures relating to the captioned bond issue (the Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012). Under new federal regulations, all underwriters and placement agents are now required to send the following disclosures to you (as the Issuer of the Bonds) in order to clarify with you the role of an underwriter or placement agent and other matters relating to an underwriting or placing of the Bonds.

Piper Jaffray intends to serve as an underwriter or placement agent respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as an underwriter or placement agent, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing.

If Piper Jaffray is engaged to act as your underwriter in a negotiated underwriting, and by engaging Piper Jaffray as your underwriter, you determined to sell the Bonds by negotiated sale. A negotiated sale is the sale of a new issue of municipal securities by an issuer directly to an underwriter or underwriting syndicate selected by the issuer. A negotiated sale is distinguished from a sale by competitive bid, which requires public bidding by the underwriters. Piper Jaffray did not advise you as to what method of sale (competitive or negotiated sale) you used for this issuance of municipal securities.

Our Role as Underwriter:

In serving as underwriter for the Bonds, these are some important disclosures that clarify our role and responsibilities:

- (iii) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (iv) The underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;
- (v) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
- (vi) The underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and
- (vii) The underwriter will review the official statement for the Issuer's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.²

² Under federal securities law, an issuer of securities has the primary responsibility for disclosure for investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Our Role as Placement Agent:

In serving as placement agent for the Bonds, these are some important disclosures that clarify our role and responsibilities:

- (i) MSRB Rule G-17 requires us to deal fairly at all times with both municipal issuers and investors;
- (ii) Our primary role in this transaction is to facilitate the sale and purchase of municipal securities between you and one or more investors for which we will receive compensation;
- (iii) Unlike a municipal advisor, we do not have a fiduciary duty to you under the federal securities laws and are, therefore, not required by federal law to act in your best interests without regard to our own financial or other interests;
- (iv) We have a duty to arrange the purchase securities from you at a fair and reasonable price, but must balance that duty with our duty to arrange the sale to investors at prices that are fair and reasonable; and
- (v) In the event an official statement is prepared, we will review the official statement for your securities in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.

Our Compensation:

As underwriter, compensation will be by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. As placement agent, compensation will be by a fee that was negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee, discount or placement agent fee will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter or placement agent may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflict of Interest for Underwritings Only:

We have entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under that agreement, we will share with Charles Schwab & Co., a portion of the fee or commission paid to us.

Risk Disclosures:

In accordance with the requirements of MSRB Rule G-17, attached as Appendix B is a description of the material aspects of a typical fixed rate offering. This letter may be later supplemented if the material terms of the Bonds change from what is described here.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with your own financial, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

Appendix B – Risk Disclosures

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds ("Fixed Rate Bonds"), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity), one or more term maturities (specified principal amounts are payable on each term maturity date), a combination of serial and term maturities, or bullet maturities, in which all the Bonds mature on a single maturity date. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

Other Financial Characteristics Specific to Direct Purchases of Bonds. Purchasers of bonds in a direct purchase, private placement context sometimes ask for certain financial terms not typically included in publically offered bonds. These could include provisions that raise your interest rate during the term of the bonds. For example, a margin rate clause (also known as "gross up" or "increased cost") triggers an automatic interest rate increase should federal corporate tax rates be reduced, allowing the purchaser to offset the decreased value of the bonds. Other potential interest rate increases could include a higher rate triggered by an event of default (a "default rate"), an increase in the interest rate if there is a determination that interest on the bonds is includable in gross income for federal income tax purposes or a higher interest rate if the instrument fails to be bank-qualified. For any of these scenarios, the resulting interest rate may or not be capped by a maximum interest rate. If a rate cap applies, purchasers may ask that any interest that would have accrued but for a rate cap be deferred and paid out in later years. Another example of terms that may apply in a private placement include acceleration clauses, which may permit the bank purchaser to request immediate payment of outstanding principal in an event of default or otherwise force a restructuring of the bonds to a more accelerated amortization schedule. Lenders may also seek provisions requiring that any interest that would have accrued but for legal maximum rate restrictions to be deferred and paid if and when the applicable rate goes below such maximum rate (commonly known as a "clawback" or "recapture provision").

These features could impact your liquidity, debt service coverage ratios or force you to divert funds to pay debt service on the Bonds that were intended for other purposes. Unexpected increases in interest rates could also impact your outstanding credit rating.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security, some of which are described below.

General Obligation Bonds

"General obligation bonds" are debt securities to which your full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term "limited" tax is used when such limits exist.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest or principal, the holders of general obligation bonds have certain rights under state law to compel you to impose a tax levy.

Revenue Bonds

"Revenue bonds" are debt securities that are payable only from a specific source or sources of revenues. Revenue bonds are not a pledge of your full faith and credit and you are obligated to pay principal and interest on your revenue bonds only from the revenue source(s) specifically pledged to the bonds. Revenue bonds do not permit the bondholders to compel you to impose a tax levy for payment of debt service. Pledged revenues may be derived from operation of the financed project or system, grants or excise or other specified taxes. Generally, subject to state law or local charter requirements, you are not required to obtain voter approval prior to issuance of revenue bonds. If the specified source(s) of revenue become inadequate, a default in payment of principal or interest may occur. Various types of pledges of revenue may be used to secure interest and principal payments on revenue bonds. The nature of these pledges may differ widely based on state law, the type of issuer, the type of revenue stream and other factors.

General Fund Obligations

"General Fund Obligations" are debt securities that are payable from an issuer's general fund and are not secured by a specific tax levy like a general obligation bond or a specific revenue pledge like a revenue bond. General fund obligations come in many varieties and may be a continuing obligation of the general fund or may be subject to annual appropriation. Often general fund obligations are issued in the form of certificates of participation in a lease obligation of the issuer.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following:

Risk of Default and Fiscal Stress

You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious for you and may include the exercise of available remedies against you on behalf of the holders of the bonds. Depending on state law, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes or other budgetary adjustments may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If the bonds are revenue bonds, subject to applicable state law and the terms of the authorizing documents, you may be required to take steps to increase the available revenues that are pledged as security for the bonds.

Bonds payable from the general fund, particularly bonds without a defined revenue stream identified to pay debt service, reduce your flexibility to balance the general fund. Because a fixed debt service payment is required to be paid regardless of how your general fund is impacted by revenue losses or by increased expenses, you have less flexibility in the options available to you in assuring a balanced budget for your general fund.

General Fund Obligations that are Project Based. Some general fund obligations are issued for projects which are expected to generate revenues that will pay for some or all of the debt

service on the bonds. In the event the project does not generate the anticipated levels of revenues available for debt service, or, in the extreme case, does not create any revenue available for debt service, you may need to make payments from other available general fund revenues. This may force you to reduce other expenditures or to make difficult decisions about how to pay your debt service obligation while meeting other expenditure needs.

General Fund Obligations that are Subject to Annual Appropriation. Some general fund obligations require that debt service is subject to annual appropriation by your governing body. If your governing body decides not to appropriate payments for debt service, your credit ratings may be negatively impacted and you may be forced to pay a higher interest rate on future debt issuance or may be unable to access the market for future debt issuance.

For all bonds, a default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rate levels. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, it may be necessary for you to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

Redemption Risk

Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service.

Refinancing Risk

If the financing plan contemplates refinancing some or all of the bonds at maturity (for example, if there are term maturities, bullet maturities or if a shorter final maturity is chosen than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent the refinancing of those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be retired) may restrict the ability to refund the bonds to take advantage of lower interest rates.

Reinvestment Risk

You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest those proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as "negative arbitrage".

Tax Compliance Risk

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

July 12, 2018

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

RE: Cabell County Development District No. 3 – Grand Patrician

Dear Director:

This letter is to notify you that we have reviewed the proposed creation of the Tax Increment Financing District known as “The County Commission of Cabell County Development District No. 3 – Grand Patrician” (the “TIF District”) and the project plan relating to the TIF District (the “Project Plan”) and it is our opinion that the proposed TIF District could support tax increment obligations in an amount not to exceed \$15,000,000 based on the terms of such obligations as set forth in the Cabell County Commission’s application regarding the TIF District and the Project Plan to the West Virginia Development Office.

Very truly yours,

Craig Griffith
Steptoe & Johnson PLLC