

TIF District/Project Status Report
Fiscal Year Ending June 30, 2005
(Pursuant to WV Code 7-11B-15)

Municipality: City of Morgantown
389 Spruce Street
Morgantown, WV 26505

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District: Falling Run Development/Redevelopment District #1
Project: Phase 1 of the Square at Falling Run

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|--|--------------------|
| 1) Aggregate amount and amount by source of revenue | |
| Property taxes | \$ 2,712.68 |
| Interest and penalties on taxes | 3.16 |
| Interest on deposits | 9.68 |
| | <u>2,725.52</u> |
| 2) Amount and purpose of expenditures: | |
| Legal fees | \$55,701.00 |
| Demolition costs | 510.30 |
| Bank charges | 43.75 |
| | <u>\$56,255.05</u> |
| 3) Amount of any pledge of revenues, including principal and interest on any outstanding tax increment financing indebtedness: | \$ 0 |
| 4) Base-assessed value of the development/redevelopment project area: | \$6,778,455 |
| 5) Assessed value for the current year of the taxable property having a tax situs in the development/redevelopment project area: | \$6,907,080 |
| 6) Assessed value added to base-assessed value of the taxable property having a tax situs in the development/redevelopment project area: | \$ 128,625 |
| 7) Payments made in lieu of taxes received and expended: | \$ 0 |

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|--|---|
| 8) Contracts made incidental to the implementation and furtherance of a development/redevelopment project: | Attachment 1 |
| 9) Copy of any development/redevelopment plan, including required findings and cost-benefit analysis: | Attachment 2 |
| 10) Cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired, or remodeled: | \$ 0 |
| 11) Number of parcels of land acquired by or through the initiation of eminent domain proceedings: | None |
| 12) Number and types of jobs projected by the project developer to be created, estimated annualized wages and benefits to be paid to persons filling those jobs: | Attachment 3 |
| 13) Number, type and duration of jobs created and annualized wages and benefits paid: | None |
| 14) Amount of disbursements from the tax increment financing fund during the most recently completed fiscal year: | \$ 56,255.05 |
| 15) Annual statement showing payments made in lieu of taxes received and expended during the fiscal year: | None |
| 16) Status of the development/redevelopment project: | Attachment 4 |
| 17) Amount of outstanding tax increment financing obligations: | \$ 0 |
| 18) Additional information: | \$56,311.30 of the expenditures listed in 2) and 14) above were paid with advances from the City of Morgantown to the TIF Fund.
Total due the City of Morgantown Capital Escrow Fund at June 30, 2005 is \$71,503.72 |

I hereby certify that the information contained in this report, including all attachments, is true and accurate to the best of my knowledge.

Sept 30 '05
Date


Dan Boroff, City Manager

No new contracts were made during the fiscal year ended June 30, 2005.

One contract made during previous fiscal year on file with prior year report.

Section II.A: Detailed Description of Project

Project Plan

The City's Project Plan for Phase 1 of SFR and Phase 2 of The Square at Falling Run ("Phase 2 of SFR") centers around (i) the construction and equipping of a multi-level parking garage, consisting of approximately 1,750 parking spaces, (ii) the acquisition of land upon which the parking garage is to be constructed and equipped, (iii) the widening of and improvement to existing public roads within the TIF District, and (iv) the acquisition and construction of infrastructure within the TIF District. The parking garage may be constructed in a manner to permit the City to lease or otherwise convey air space above the parking garage for commercial development by the Project Developer. The Project Plan includes expected land acquisition and/or easements from West Virginia University ("WVU"). The City is seeking approval for the Phase 1 of SFR Project Plan only.

Tax Increment Revenue Bonds

The City plans to issue two series of tax-exempt revenue bonds to complete the Project Plan. Proceeds of the first series of tax increment revenue bonds ("Phase 1 TIF Bonds") are to be used, among other things (i) for the widening of and improvement to existing public roads within the TIF District, (ii) to provide for the acquisition and construction of infrastructure within the TIF District, (iii) to acquire real property within the TIF District for development, redevelopment and/or rehabilitation in accordance with the Project Plan, (iv) to fund reserves for the bonds, (v) to fund capitalized interest on the bonds, and (vi) to pay costs of issuance of the bonds.

Proceeds of the second series of tax-exempt revenue bonds ("Phase 2 TIF Bonds") are planned to be used, among other things to (i) construct and equip the above described parking garage, (ii) acquire additional land upon which the parking garage is to be constructed and equipped, (iii) to fund reserves for the Phase 2 TIF Bonds, (v) to fund capitalized interest on the Phase 2 TIF Bonds, and (vi) to pay costs of issuance of the Phase 2 TIF Bonds.

Land Acquisition and Easements

The City plans to acquire land from proceeds of the Phase 1 TIF Bonds and Phase 2 TIF Bonds for construction and equipping of the parking garage. Should the Project Plan not be developed substantially as planned, any land acquired by the City will revert to the original owners.

Boundaries of the Phase 1 of SFR Project Plan Area

A map highlighting the land parcels of the proposed Boundaries of the Phase 1 of SFR Project Plan Area is provided in Attachment 1. The boundaries include a total of 62 land parcels, comprising of approximately 7 acres within the TIF District. A general description of the Boundaries of the TIF District is provided in Attachment 1 of the **Application for Creation of a Development/Redevelopment District**.

Section IILB: Estimates**Projected Increase in Taxable Property within the TIF District**

The Base Assessed Value of the real and personal property within the TIF District will be certified by the Monongalia County Assessor prior to the publication of the first notice of the public hearing. Upon completion of Phase 1 of SFR, the value of the taxable real property within the TIF District (as of July 1, 2006) is projected to increase at least \$25,390,376. The construction of The Augusta (see description below under **Job Creation within the TIF District**) is expected to account for the projected increase in taxable real property within the TIF District as follows:

Construction cost	\$24,397,000	
Less Site-Related Costs	\$ 772,000	
Less Demolition Costs	\$ 70,004	
Plus Interest During Construction	<u>\$ 800,172</u>	
Total Building Value	\$24,355,160	
Plus Appraised Value of Land	<u>\$ 1,035,208</u>	(42,689 sq ft @ \$24.25 per sq ft)
Total Building and Land Value	\$25,390,376	

Job Creation within the Boundaries of the Project Plan Area

There will be job creation within the Boundaries of the Phase of SFR Project Plan Area as a result of the planned Public Improvements (detailed in Section IILC) to be made from proceeds of the Phase 1 TIF Bonds. Most of the jobs to be created are anticipated to be construction related, though the City may create full or part-time jobs to operate and maintain a surface parking lot if constructed from proceeds of the Phase 1 TIF Bonds.

Job Creation within the TIF District

When overall development within the TIF District is completed it is estimated to generate approximately 2,200 jobs. During the three phases of construction within the TIF District, an estimated 1,029 construction jobs and an estimated 350 construction-related jobs will be created. The construction-related jobs are generated by the demands on equipment and supplies and the income generated by the construction workers. The permanent jobs will include many high-paying, technical jobs associated closely with the biometrics, forensic identification, and other WVU-oriented fields.

The Augusta will be constructed during Phase 1 development within the TIF District. The Augusta will be a 15-story apartment house (outside of the Boundaries of the Phase 1 of SFR Project Plan Area but within the TIF District) and will include approximately 176 units of housing, which have been designed to be university oriented and appealing to the general market in the City. The Project Developer estimates that 100 to 200 workers will be required to complete construction. These are classified as full-time temporary jobs. The chart on the next page details the estimated job creation from The Augusta.

Estimated Job Creation from The Augusta

Job Category	Professional
Wages:	\$75,000 to \$150,000
Benefits:	Industry Standards
Construction Jobs:	3
Permanent:	1
Subtotal:	4
2. Job Category	Clerical & Administration
Wages:	\$25,000 to \$75,000
Benefits:	Industry Standards
Construction Jobs:	5
Permanent:	2
Subtotal:	7
3. Job Category	Skilled
Wages:	\$40,000 to \$75,000
Benefits:	Industry Standards
Construction Jobs:	30
Permanent:	3
Subtotal:	33
4. Job Category	Semi-Skilled
Wages:	\$20,000 to \$40,000
Benefits:	Industry Standards
Construction Jobs:	Est. 85 -117
Permanent:	1
Subtotal:	86-118
5. Job Category	Unskilled
Wages:	\$15,000 to \$20,000
Benefits:	Industry Standards
Construction Jobs:	Est. 27-45
Permanent:	3
Subtotal:	29-47
Full Time Subtotals	
Construction:	100-200
Permanent:	10
Total:	110-210

Section II.C: Public Improvements

The following is a preliminary description and estimated cost of public improvements to be completed within the Boundaries of the Project Plan Area from proceeds of the Phase 1 TIF Bonds:

<u>Anticipated Public Improvements</u>	<u>Estimated Cost</u>
Streets Widening of and/or improvement to streets in the Boundaries of the Project Area	\$ 545,000
Public Infrastructure Acquisition of and/or improvements to public infrastructure, including sewer, storm water, fire safety, erosion and sediment control, sidewalks, and/or lighting	\$ 116,000
Parking Acquisition of real property for purposes of construction and equipping of parking facilities. Demolition of existing buildings.	\$2,113,000
Total:	\$2,774,000

Section II.D: Estimated Breakdown of Project Costs

The City plans to issue Phase 1 TIF Bonds to finance the costs of public improvements described in Section II.C. An estimate of the sources and uses of funds from the issuance of Phase 1 TIF Bonds is provided below.

The City of Morgantown (West Virginia) Tax Increment Revenue Bonds, Series 2003	
Source of Funds:	
Estimated Par Amount of Phase 1 TIF Bonds	\$3,835,000
Uses of Funds:	
Deposit to Debt Service Reserve Fund	\$383,500
Deposit to Capitalized Interest Fund	\$427,500
Deposit to Project Fund (see Section II.C)	\$2,774,000
Estimated Costs of Issuance (1)	\$250,000
Estimated Uses of Funds	\$3,835,000
<p>(1) Costs of Issuance of the Phase 1 TIF Bonds include (but are not necessarily limited to): underwriter's discount, legal fees (Bond Counsel, Underwriter's Counsel, Issuer's Counsel), accounting fees, appraisal fees, feasibility study fees, and/or printing.</p>	

Section 5. Job Creation Information

This section needs to be completed only if the project will create new jobs. The Square at Falling Run will generate a significant number of temporary construction jobs as well as a number of full time jobs. The Full-Time equivalents listed below represent the Construction and building related jobs in the years 1 and 2, and year 3 represents jobs created to maintain and operate the facilities.

A. FULL-TIME OR FULL-TIME EQUIVALENTS (FTE) TO BE CREATED

CATEGORY	Number of FTE Employees for the West Virginia Project after				SALARY/WAGE RANGE	HEALTH BENEFITS Yes or No
	Current	1 YR.	2 YR.	3 YR.		
Professional	0	25	51	123	\$40-\$55K	Yes
Clerical & Admin.	0	34	36	212	\$25-\$35K	Yes
Skilled	5	896	923	75	\$20-\$30K	Yes
Semi-Skilled	0	749	770	285	\$17-\$25K	Yes
Unskilled	0	498	4222	128	\$17-\$25K	Yes
TOTAL	0	2202	2202	823		

B. DESCRIBE BENEFIT PACKAGES

The Square at Falling Run, LLC. Commits to the Committee that our benefit package will be competitive with benefit packages offered by similar projects.

C. IF APPLICABLE, EXPLAIN HOW THE PROJECT WILL RETAIN EXISTING JOBS

NOT APPLICABLE

