

Pursuant to W. Va. Code § 8-38-1, *et seq.* (the “Act”), economic opportunity development district boards are to report annually on activities within the economic opportunity development district and upon proposed activities for the upcoming year. This report is offered to report on the activities within the South Charleston Park Place Economic Opportunity Development District (the “EOD District”). As this is the first report on the EOD District, the Economic Opportunity Development District Board (the “EOD District Board”) created on July 2, 2020, by the City of South Charleston (the “City”) will cover the history of the EOD District and the South Charleston Park Place Economic Opportunity Development Project (hereinafter defined more particularly as the “Approved Projects”) in some detail. This report shall also list the likely developments in the EOD District and financing that will take place prior to the end of the 2020-2021 fiscal year, and thus, prior to the next required report.

### **A Recap of the Application for and Creation of the EOD District and Projects**

On February 23, 2017, at a properly noticed public meeting, the City Council adopted a Resolution approving the submission of an application for the creation of the EOD District and approval of the Approved Projects (the “Application”) to the West Virginia Development Office (the “WVDO”) pursuant to the Act. The City submitted the Application to the WVDO, pursuant to the Act, on February 24, 2017. The ultimate goal as stated in the Application was to finance infrastructure improvements within the EOD District so the construction materials could be used in the companion project of remediating property containing a fly ash pond so this property could be commercially developed for retail businesses. The purchase and remediation of the subject property was also the subject of a companion application for a real estate TIF district and project, discussed *infra*.

The WVDO approved the Application in a certification and letter dated December 1, 2017 (attached hereto as **Exhibit A**), approving several projects for the EOD District, including: (i) improving and expanding Jefferson Road-WV 601 from U.S. 60 (MacCorkle Avenue) to WV 214 (U.S. 119 Corridor); (ii) constructing an extension to RHL Boulevard from the South Charleston Memorial Ice Arena to Jefferson Road; (iii) site development and public improvements at the West Virginia Regional Technology Park; and (iv) paying engineering, administrative and other professional costs related to the aforementioned projects (together, the “Approved Projects”), granting a financing cap of \$90 million, and establishing the base consumer sales and service tax revenue amount of \$87,100.00. The City further found that all or part of the Approved Projects may be financed in the future with special district excise tax obligations.

The City is a Class II municipality, and as such is qualified and enabled by the Act to create an economic opportunity development district, to create project plans within that economic opportunity development district, to levy a special district excise tax, to issue special district excise tax obligations, to appoint a district board to oversee the operation of the district, and to take other actions to facilitate the orderly development and economic stability of the City.

By Ordinance enacted July 2, 2020 (the “Ordinance”), the City created and approved the EOD District and the Approved Projects. The EOD District and the Approved Projects shall remain in existence for a term of thirty (30) years. The EOD District boundaries are described in

**EXHIBIT B**, attached hereto and incorporated herein by reference, and as set forth in the map in **EXHIBIT C**, attached hereto and incorporated herein by reference.

The City found that the EOD District and the Approved Projects will benefit the City and its residents by facilitating the orderly development and economic stability of the City; that development therein will encourage investing in job-producing, private development and expand the public tax base of the City; that services will be provided and capital improvements will be made in the EOD District; and that future improvements will result in the increase of the value of property located in the EOD District, will result in an increase of excise taxes generated, will encourage increased employment and business activity within such area, and will serve a public purpose of the City.

**The City Creates the South Charleston EOD District Board.**

On July 2, 2020, as part of the Ordinance, the City created the EOD District Board. The EOD District Board is comprised of: (1) the City's Mayor; (2) the City Council President; (3) the City Council Finance Committee Chairperson; (4) the City Engineer; (5) the City Public Works Director; (6) the City Treasurer; and (7) two property owners that live within the EOD District. If any of the aforementioned City employees, the City Engineer, the City Public Works Director, or the City Treasurer, are not residents of the City, then the City Council shall appoint one of its own members to fill that position on the EOD District Board, and the aforementioned City employee who is not a resident of the City shall assist the EOD District Board in his or her professional capacity; provided, that if the City employee shall thereafter become a City resident, the City employee shall replace the appointed City Council member on the EOD District Board. The two EOD District property owners (or their representatives designated in writing) shall be appointed by the City Council. The City Manager shall serve as the Executive Director of the EOD District Board but not as a voting member. The terms of the City's officials and employees shall be as long as the official serves in his or her elected position or as long as the employee is employed by the City in the position identified. The term for the property owners or their representatives shall be four years from the date of the Ordinance, and such board member may be reappointed by the Council for two more consecutive terms. The EOD District Board is granted all powers described in the Act and related provisions. The current members are: Mayor Frank Mullens, Jr.; City Council President Kathleen Walker; Councilman Jamie Sibold (chairperson of the City Council Finance Committee); Councilman David DiFilippo (City Council appointee); City Engineer Steve Debarr; City Public Works Director Gerald Burgy; Resident LJ Fairless; and Resident David Broyles. City Treasurer Hannah Parsons, who is not a resident of the City, serves as a consultant and in the role of Treasurer to the Board. South Charleston City Manager Rick Atkinson serves as Executive Director.

**The City Levies the Special District Excise Tax and Creates the Economic Opportunity Development District Fund.**

The City is authorized by the West Virginia Legislature in Section 9(b) of the Act to levy a special district excise tax. On July 2, 2020, as part of the Ordinance, the City levied a special district excise tax on the privilege of selling tangible personal property and rendering select services in the EOD District in accordance with the Act (the "South Charleston excise tax"). The

South Charleston excise tax rate is set at 6% (six percent), identical to the consumers sales and service tax imposed in W. Va. Code § 11-15-1, *et seq.*, as of the date of the enactment of the Ordinance; provided, however, that such rate may change if the Legislature modifies W. Va. Code § 11-15-1, *et seq.* The South Charleston excise tax imposed by the Ordinance became effective on October 1, 2020.

As provided in the Act, the State Treasurer shall withhold from the EOD Fund (defined below) and shall deposit in the General Revenue Fund of the State, on or before the 20th day of each calendar month following the effective date of the South Charleston excise tax, a sum equal to one twelfth (1/12) of the base tax revenue amount last certified by the WVDO, which amount is \$7,258.33.

Also on July 2, 2020, as part of the Ordinance, the City created, pursuant to the requirements of the Act, an economic opportunity development district fund for the benefit of the EOD District (the “EOD Fund”), as a subaccount to the Economic Opportunity Development District Fund in the State Treasury as authorized by the Act, into which all South Charleston excise tax revenues and other revenues designated by the City for the benefit of the EOD District shall be deposited, and from which “development expenditures,” as defined in the Act, may be paid, and which may be assigned to and held by a trustee for the benefit of bondholders if special district excise tax obligations are issued by the City for development expenditures, as defined in the Act, related to the development in the EOD District.

As provided in the Act, any principal and interest on special district excise tax obligations issued by the City shall be payable from the EOD Fund established for the EOD District. Any revenues in the EOD Fund that are not: (i) used for the scheduled payment of principal and interest on special district excise tax obligations; (ii) used for the payment of accrued but unpaid debt service due to insufficient special district excise tax funds to make prior debt service payments; (iii) held in reserve funds established by the issuance of special district excise tax obligations; (iv) used for annual expenses for servicing special district excise tax obligations; or (v) used for approved “development expenditures,” as defined in the Act, to benefit the EOD District, including, but not limited to, capital, financing, real property assembly, professional services, relocation, and/or organizational costs, shall be deemed “excess funds” at the end of each fiscal year. “Excess funds” may be used for (i) “pay as you go” on the Approved Projects until all improvements are complete, (ii) the scheduled payment of the principal of and interest on subsequent special district excise tax obligations, (iii) payment of accrued but unpaid debt service due to insufficient special district excise tax funds to make prior debt service payments on subsequent special district excise tax obligations, (iv) funding reserve funds established by the issuance of subsequent special district excise tax obligations, (v) payment of annual expenses for servicing subsequent special district excise tax obligations, (vi) funding for additional “pay as you go” projects in the EOD District approved in a Project Plan or Project Plans pursuant to the Act, (vii) retention in the EOD Fund for approved future project costs and/or debt service relating to the issuance of additional special district excise tax obligations, and/or (viii) all other purposes for which EOD 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 special district excise tax obligations in accordance with the financing terms therefor.

### **South Charleston Real Estate TIF Project Development.**

In addition to the Application to create the EOD District, the City submitted an Application to the WVDO on February 24, 2017, to create a real estate TIF district. The purpose of the Application was purchase certain real estate, together with all improvements thereon and all fixtures attached thereto, located at 60 MacCorkle Avenue, South Charleston, West Virginia, and to remediate this property so it could be commercially developed. The plan was to use the fill created by the Jefferson Road Expansion Project to dewater the fly ash pond and to otherwise remediate the site. As stated in the approved Application:

The primary purpose of establishing the TIF District is to create the infrastructure and public improvements necessary to expand and diversify the economy of the City of South Charleston and to improve the wellbeing of the City of South Charleston's residents and guests. The TIF District and the TIF Project, described herein, are designed to complement the success and job growth created by Park Corporation at the Gestamp location in South Charleston. The Fly Ash Pond properties are visible from both the Interstate 64 and from U.S. 60 (MacCorkle Avenue) and can be presently characterized as an industrial eyesore. . . . The City of South Charleston is eager to see this former industrial site put to productive use. Transformation of this highly prominent site into a high value retail and commercial location will enhance the City of South Charleston and facilitate additional investment in job producing development that further expands the tax base throughout the City of South Charleston.

The Application expands on the City's desire to create marketable and developable land from the fly ash pond and the requirement of the nearly one million tons of fill created by the Jefferson Road Expansion Project, based on information provided by the Department of Highways and a Memorandum of Understanding. The tax increment revenue bonds or other TIF Obligations are not to exceed \$30,000,000. To date, no TIF obligations have been issued, though this may be an option utilized in the future.

### **The Interface Between the Two Applications – the EOD Excise Tax Project and the Real Estate TIF Projects Rely on Each Other.**

The City filed both the EODD and TIF applications – the EOD Excise Tax Project and the Real Estate TIF Project – on February 24, 2017. The applications relate to the same piece of real estate, reference the same road projects – the Jefferson Road Expansion Project and the Jefferson Road Connector Project – and both rely on the same property remediation and public improvements for successful completion and economic development. As explained in the approved EOD District Application, Attachment 1:

**Attachment 1: A detailed explanation of the proposed EOD Project, including overall economic plan, breakdown of proposed public improvements, and schedule.**

The City of South Charleston, a Class II municipality located in Kanawha County, West Virginia, desires to create marketable and developable land through the remediation and improvement of real property within the proposed economic opportunity development district (the “District”). The public improvements and development will lead directly to a growth in sales tax revenue: the remediated and improved property will be developed for new retail investment, and the public improvements will provide marketable and developable land for additional retail and related investment. This new sales tax revenue will be deposited in the proposed Economic Opportunity Development District Fund, district sub-account, that will support the issuance of tax increment revenue bonds from time to time in one or more series that will enable both the reimbursement to the West Virginia State Road fund for construction and the additional construction of public improvements.

**Background:**

The Remediable and Developable Tracts of Land

Located along U.S. Route 60 (MacCorkle Avenue) and near Exit 54 of Interstate 64, adjacent to the Park Corporation, is the former FMC Fly Ash Pond (“Fly Ash Pond”). Adjacent to the Fly Ash Pond are additional parcels of land, including the former FMC Hydrogen Peroxide Plant. Presently, none of the three tracts of land are usable for commercial or retail development, although within the last ten years there has been interest in developing the location, provided the sites are remediable. The cost of remediation, particularly de-watering the Fly Ash Pond, has been prohibitive in spurring development. Accordingly, the City of South Charleston proposes to create the South Charleston Redevelopment District 1 – South Charleston Park Place Economic Opportunity Redevelopment District for purposes of capturing the tax increment from the real property taxes and financing the costs of remediation and public improvements for this site. This proposed TIF district and project are the subject of a separate application.

The Jefferson Road Expansion Project and the Availability of Fill

One of the most congested areas of road in the State of West Virginia, according to the West Virginia Division of Highways, is 2.5 miles of Jefferson Road-WV 601, a stretch roughly from U.S. 60 (MacCorkle Avenue) to WV 214 (U.S. 119 Corridor). In order to alleviate this congestion and to enhance public safety through improved response times for police, fire, and ambulance services and through additional availability of ingress and egress from WV 214 (U.S. 119 Corridor), the West Virginia Division of Highways proposes to upgrade Jefferson Road-WV 601 from two lanes to five lanes. The project also includes eliminating an at grade rail crossing and correcting an offset intersection at Kanawha Turnpike. Collectively, this project shall be referred to as the “Jefferson Road project.”

The City of South Charleston agrees with the West Virginia Division of Highways that the Jefferson Road project is critical to public health and safety and should be a priority. The City of South Charleston quickly recognized that the Jefferson Road project would create up to one million tons of fill – fill that can be used to de-water and remediate the Fly Ash Pond and related tracts just about a mile and a half away from where the cuts would be made for the Jefferson Road project. Because the Jefferson Road project is also critical to economic development, the City of South Charleston approached the West Virginia Division of Highways about prioritizing and coordinating the Jefferson Road project with site remediation and development, in return for reimbursement to the West Virginia State Road Fund.

### The Trace Fork Connector

Contemporaneously with the Jefferson Road project, the West Virginia Division of Highways proposes to bid out an extension to RHL Boulevard, hereinafter referred to as the “Trace Fork Connector.” This half mile of road project extends RHL Boulevard from the South Charleston Memorial Ice Rink to Jefferson Road. Because of the challenging terrain, this project includes a bridge and comes with an estimated \$15 million price tag. The project also opens up multiple parcels of land for retail development as well as providing safe and improved infrastructure for the existing developments at the Trace Fork and Dudley Farms developments. Benefits include alleviating traffic and congestion, providing an additional point of ingress and egress, and improving public safety and the response times for fire, police and ambulances.

### The South Charleston Park Place Economic Opportunity Development District – the EOD District

The primary purpose of establishing the EOD district is to create the infrastructure and public improvements necessary to expand and diversify the economy of the City of South Charleston and the to improve the wellbeing of the City of South Charleston’s residents and guests.

A priority for both the West Virginia Division of Highways and the City of South Charleston is the Jefferson Road project. This project can be advanced relatively expeditiously because of the support of the City of South Charleston, and the ability of the City of South Charleston to reimburse the State Road Fund for the costs of the Jefferson Road project with the new revenue generated by the corresponding site development. Also enabled by this EOD District is the contemporaneous construction of the Trace Fork Connector. The EOD District, by necessity and proposed projects, encompasses an area from U.S. 60 (MacCorkle Avenue) that follows a trail of potential development through a commercial and retail corridor to Alum Creek. This EOD District has been crafted so that the elements of the EOD District work together to provide funding for the projects, as well as generating the public improvements necessary to create the development.

The EOD District encompasses existing retail for several necessary reasons:

1. There must be no incentive for “relocation” within the District. The City of South Charleston proposes to attract new and different sales tax generating projects. The purpose of the project is not to create improved sites for a relocation of an existing business.
2. The Jefferson Road project and the Trace Fork Connector are infrastructure projects that will encourage new growth and businesses in the proposed District by easing traffic congestion and accommodating additional traffic generated by the improvements. This infrastructure will also enhance the ability of existing businesses to generate sales through the more convenient traffic patterns.
3. The City of South Charleston proposes to use the monies generated through the new sales tax revenue to construct public improvements throughout the district that serve the health and safety of the City of South Charleston’s residents as well as additional economic diversification. The improved road and traffic control infrastructure, site development, wellness facility, and sewer improvements benefit the citizens and existing establishments within the EOD District by design, as well as providing for additional growth and development.
4. There is no prejudice to the West Virginia Department of Tax and Revenue’s calculation of the base excise tax or the new taxes generated. Because the City of South Charleston already assesses a tax on the businesses within its boundaries, the City of South Charleston already possesses detailed information of exactly how much excise tax revenue is generated within the district. The West Virginia Department of Tax and Revenue will be able to accurately and efficiently calculate the newly generated sales tax and deposit it in the appropriate Economic Opportunity Development District Fund, district subaccount.

The EOD District and the EOD Project, to be more fully described, are also designed to complement the success and job growth created by Park Corporation at the Gestamp location in South Charleston. The Fly Ash Pond properties are visible from both the Interstate 64 and from U.S. 60 (MacCorkle Avenue) and can be presently characterized as an industrial eyesore. The site completed the Voluntary Remediation Program and the West Virginia Division of Environmental Protection issued a Certificate of Completion, pursuant to W.Va. Code § 22-22-13, on September 19, 2016. The City of South Charleston is eager to see this former industrial site put to productive use. Transformation of this highly prominent site into a high value retail and commercial location will enhance the City of South Charleston and facilitate additional investment in job producing development that further expands the tax base throughout the City of South Charleston.

The City of South Charleston also understands and embraces its ability to provide infrastructure and public improvement projects that it can finance on its own. Recognizing that the State of West Virginia received challenging revenue

forecasts and further recognizing that the responsibility to create and maintain infrastructure falls heavily to the State, the City of South Charleston proposes to use the increment generated by the strategic and proposed improvements to both finance its own infrastructure projects and to reimburse the West Virginia Division of Highways State Road Fund for the Jefferson Road project and the Trace Fork Connector once sufficient revenue is generated to support the issuance of tax increment revenue bonds from time to time in one or more series.

### **THE EOD PROJECT**

The City of South Charleston proposes the “South Charleston Park Place Economic Opportunity Development District Project” (“EOD Project”) within the EOD District. The EOD District and the EOD Project provide funding for the elements of the EOD Project, which include infrastructure and public improvements, projects to enhance economic diversification and create jobs within the City of South Charleston and the surrounding region, and projects to enhance the safety and wellbeing of the City of South Charleston’s residents and guests.

The City of South Charleston desires to embrace its distinguished history in manufacturing and innovation in research and development, while making the City of South Charleston an economically diverse and thriving community. There is precedent for taking advantage of former industrial sites in South Charleston and turning them into thriving retail and restaurant developments. The first such project was Riverwalk Plaza. In its earliest form, Riverwalk Plaza was Armor Park, which was housing for the Naval Ordinance Center’s employees and their families. FMC ultimately purchased the property that was the former Armor Park, and subsequently transferred the property to a retail developer, and the site was developed as the City of South Charleston saw fit. Riverwalk Plaza is a success story that can be improved upon with the addition of the creation of the South Charleston Park Place Economic Opportunity Development District so that public improvements, infrastructure and site development, and remediation can be funded by the City of South Charleston for increased benefit, development and opportunity.

In addition, the site development and remediation will also enable Park Corporation to expand. A portion of the site remediation is to fill in the old Fire Pond in a tract adjacent to the current Park Corporation complex. That will enable Park Corporation to utilize the area for parking to support the construction of additional buildings and increased employment.

### **The Jefferson Road Project and the Trace Fork Connector**

The integral part of the EOD Project is the Jefferson Road project and the Trace Fork Connector. These projects combine to enable the investment presently undeveloped land by providing economical remediation and enable investment and increased sales in new parcels close to existing retail and restaurants by creating access to the parcels, addressing traffic congestion and public safety.



As mentioned previously, the portion of Jefferson Road set for expansion was identified by the West Virginia Division of Highways as one of the most congested roads in West Virginia. The City of South Charleston could not agree more, having realized that improvement in this area could enhance the health and public safety of South Charleston residents. The commute delays and pollution from the commute delays is an ongoing hazard to the residents of South Charleston. Further, fire services, police services and ambulance response times can be improved with these projects. The City of South Charleston worked with the Division of Highways to make this road improvement priority.

When the City of South Charleston realized that the fill created by the cuts required for the Jefferson Road project was determined by engineers to be ideal for dewatering the Fly Ash Pond and further remediating the site, there was even more incentive to address the Jefferson Road project expeditiously, but now there is the opportunity for a partnership between the City of South Charleston and the West Virginia Division of Highways.

After discussion with the West Virginia Division of Transportation, the plan is for the City of South Charleston to enter into a Memorandum of Understanding to pay the West Virginia Division of Highways to move the fill from the location at which the Division of Highways would economically waste the fill to the Fly Ash Pond location approximately one and a half miles away. The Division of Highways and the State of West Virginia, therefore, will not incur any additional cost in the Jefferson Road project as a result of the fill being re-purposed to dewater the Fly Ash Pond. Additionally, the area presently identified as the location for the fill will not be required to accept the material, thus providing a potential benefit to the terms of the applicable U.S. Army Corps of Engineers 404 permit.

The estimates for the site remediation and preparation are based upon work that Terradon and Kanawha Stone Company have done on the site since back in 2008. The scope of work proposed at that time, based on available geotechnical information and reports, included mobilization, survey layout, clearing, draining the existing pond, erosion and sediment control, seeding, the transportation of up to 550,000 cubic yards of fill from the Jefferson Road project utilizing over-the-road trucks, on-site fly ash pond excavation, installation of wick drains, surcharging the area to expedite settlement, installation of geogrid and stabilization fabric, and a two foot thick granular drainage layer over the wick drains. There is also likely a need for deep foundations as well as for environmental monitoring. Terradon has advised the City of South Charleston that the site remediation is possible and feasible and that with appropriate site and foundation work, the site will be developable for retail and commercial purposes.

In return for the availability of the fill material, the expeditious bidding and construction of the Jefferson Road project and the Trace Fork Connector, the City of South Charleston is now in a position to reimburse the West Virginia State Road Fund for the cost of the road construction, once the new sales tax revenue will be

deposited in the proposed Economic Opportunity Development District Fund, district sub-account, that will support the issuance of tax increment revenue bonds from time to time in one or more series. The City of South Charleston views this arrangement as a valuable partnership and is pleased to be able to work with the West Virginia Division of Highways for road construction and improvements. The partnership, from a developmental point of view, is a bit unusual, since the timeline for the rest of the commercial and retail development is going to be set and dependent, in large part, on the West Virginia Division of Highways' bidding, permitting, and construction schedule.

Accordingly, the Jefferson Road project and the Trace Fork Connector are necessary to create the retail and commercial sites that will then be populated with new businesses and from which the increment will be generated.

The City of South Charleston has had many conversations with a developer for retail facilities, restaurants, and other entities on sites within the EOD District, including the site on which the Fly Ash Pond and former FMC Hydrogen Peroxide Plant locations, as well as locations in other parts of the proposed District. The City of South Charleston anticipates entering into an agreement whereby it is reimbursed for site improvements as a condition for access to the site for development. The agreement may include participation from Park Corporation, the City of South Charleston, and a developer, with terms and conditions designed to transfer ownership of the property for development following remediation and provided certain conditions are met. Proposals for the site have been for commercial and retail establishments, as well as restaurants, that are new to this area. The Fly Ash Pond site will generate 60 acres for development, which allows plenty of room for retail buildings as well as outparcels for upscale restaurants. The adjacent parcels in the Park Corporation industrial complex that will be made available constitute an additional 20 acres of land for economic growth. Finally, the parcels that will open up as a result of the Trace Fork Connector include up to five sites, as well as an additional 12 acres for planned retail and commercial development.

There is an aesthetic element to this EOD Project as well. The current Fly Ash Pond is an unusable industrial site that sits on MacCorkle Avenue, a main thoroughfare of the City of South Charleston, and is also visible from the Interstate 64. The addition of commercial and retail development of the type planned by the City of South Charleston will be an added attraction to both the residents of South Charleston and guests. This EOD Project will also attract additional improvements and attractions as a result of both the private investment – expected to meet or exceed \$95 million – and the increased livability of the area. For example, the West Virginia Division of Natural Resources plans to grant the City of South Charleston one million dollars to construct a boat ramp under the Interstate 64 bridge, and investment and enhancement that will continue to encourage growth and development in the City of South Charleston.

**Economic Diversification - Development of the West Virginia Regional Technology Park:**

The West Virginia Regional Technology Park (the “Tech Park”) located in South Charleston is an historic facility that spawned over 30,000 patented discoveries that generated an estimated \$18 billion in revenue. The 258 acre site was acquired by the State of West Virginia in 2010 and presently has 800,000 square feet of laboratories, office space, meeting facilities, pilot plant facilities, engineering and data processing capabilities. The campus also includes BridgeValley Community and Technical College and the embedded Advanced Technology Center. The site markets to both technology-based companies looking for an opportunity to expand, as well as to new businesses requiring research and laboratory space. The emphasis on both technology-based economic development and education and workforce training make this a unique facility that should be encouraged and enhanced to diversify the economy in the City of South Charleston and surrounding areas. The Tech Park has made it known to the City of South Charleston that it has commission a site development plan and that through the proposed public improvements and site work additional developable land and sites will be created. Without the proposed District the improvements will not be possible and without the improvements, the Tech Park will be unable to continue to market and grow its business.

The City of South Charleston proposes to conduct site preparation and related public infrastructure and improvements to enable the further development of the Tech Park in locating businesses or expanding existing businesses, such as the existing data center. This proposed work at the Tech Park will increase the developable acreage by an additional 90 acres.

**The City and the South Charleston Municipal Building Commission Have Financed Nearly \$24,000,000 in Acquisition and Remediation of Real Estate Located at 60 MacCorkle Avenue, South Charleston, For the Purpose of Creating Commercially Developable Property, as Described in the City’s Applications to the WVDO.**

At the request of the City, the South Charleston Municipal Building Commission (the “Building Commission”) issued three separate series of lease revenue bonds to finance a portion of the MacCorkle Avenue property remediation project. The first series in 2017 issued in the amount of \$6,980,000.00 was intended to purchase the property and launch remediation, but, due to delays in the Jefferson Road project, additional funds were required to keep the remediation on schedule so the MacCorkle Avenue property could be commercially developed, and the Building Commission issued a second series of bonds in 2018 in the amount of \$6,950,000, and a third series of bonds in 2019 in the amount of \$10,000,000. The Jefferson Road project is still not underway, and in order to meet deadlines and continue remediation, the City began the Tech Park development, as approved, and is using materials from that project to dewater the fly ash pond and remediate the MacCorkle Avenue property for commercial development.

**Developers Have Reached Out to the City with Prospects to Locate on the Site.**

The City has received expressions of interest from retailers and other businesses who are interested in locating at the MacCorkle Avenue property once remediation and other public infrastructure improvements are complete or nearly complete. In order to continue these discussions to bring this economic development to South Charleston, the City must continue with the remediation – even without the fill that was to be provided by the Jefferson Road project – and must unwind the tax-exempt financing that supplied funds for the Project thus far. The timeline for property acquisition and financing is before the end of the 2020-2021 fiscal year. This financing will include the issuance of EOD excise tax revenue bonds by the City.

**The First Meeting of the EOD District Board**

On December 17, 2020, the EOD District Board met for the first time. At that meeting, Mayor Frank Mullens welcomed the EOD District Board members and gave them an overview of the Project in the EOD District. The EOD District Board authorized the creation of a bank account and then closed the meeting with a proposal to meet in early 2021 to adopt operating documents and submit an annual report.

**Breakdown of Projects and Improvements Made in the EOD District to Date and Funds Expended to Date on the EOD Projects:**

Total expenditure by City thru 12-31-20	\$21,878,705.41
Purchase Property	\$ 9,000,000.00
Engineering	\$ 1,790,663.86
Site Remediation (includes, clearing and grubbing, installing stone drainage blanket, wick drains, and storm sewer relocation)	\$ 9,886,247.55
Tech Park Site development (includes water line relocation)	\$ 148,622.82
Cost of Issuance, Insurance and Admin	\$ 1,053,171.16
Cap Interest	\$ 62,500.00

**Projects Necessary Through the End of 2020-2021 Fiscal Year:**

Site Development Work Tech Park	\$9,000,000.00
Excess earthwork disposal Jefferson Road	\$4,000,000.00
Complete Storm Water Relocation	\$1,000,000.00
MacCorkle Ave Traffic Improvements	\$ 500,000.00
Demo of Cambridge Building	\$ 75,000.00
Relocation of Tenants	\$ 75,000.00

**Breakdown and Proposed Budget of the Funds Necessary to Complete the Site Development And Sell Sites for Commercial Development:**

<b>Future Expenditures</b>	<b>Quantity</b>	<b>Cost/unit</b>	<b>Cost</b>	<b>Note</b>
Tech Park Development	900,000	12	\$10,800,000.00	500,000 cu. yd. for Park Place
Jefferson Road Dirt	400,000	10	\$ 4,000,000.00	
Storm Sewer Relocate	1,000,000	1	\$ 1,000,000.00	
MacCorkle Ave Traffic	750,000	1	\$ 750,000.00	
Interior Public Improvements	200,0000	1	\$ 2,000,000.00	
<b>Total</b>			<b>\$18,550,000.00</b>	
Portion to Complete Park Place			\$13,750,000.00	

**Amount remaining in Bond Account 2019A** **\$3,911,067.00**

**Itemized Statement of Excise Tax Receipts and Disbursements to Date:**

<b>October 2020 Net Collection</b>	<b>\$ 5,323.57</b>
<b>November 2020 Net Collection</b>	<b>\$16,166.78</b>
<b>December 2020 Net Collection</b>	<b>\$ 8,870.04</b>
<b>Total 2020 Net Collection</b>	<b>\$30,360.39</b>
<b>Expenditures</b>	<b>\$ 0.00</b>
<b>Balance</b>	<b>\$30,360.39</b>

**Clarification of the Scope of the Projects Approved by the WVDO in the EOD District Application and Clarification of Expenses to Be Incurred Within the Next 12 Months:**

The EOD District Board hereby requests that the WVDO acknowledge that the Approved Projects as described in the EOD District Application and the Real Estate TIF Application are interrelated in scope, execution, and purpose, and thus proceeds of an EOD Excise Tax financing may be used to pay the costs of permissible expenditures under the Act, including remediation and public improvements detailed in the Real Estate TIF Application and the remediation and public improvements described within this Report, with the goal of opening up Park Place for commercial development. This clarification is obvious from the narratives of the approved applications and the work and financing by the City to date but is made necessary by the repeated delays in beginning the Jefferson Road Project, which was a critical lynch pin in completing the Approved Projects. Using ingenuity and its own financing, the City has kept its Project on track and on schedule. The EOD District Board believes that this written acknowledgement by the WVDO clarifies the Projects in anticipation of upcoming EOD Excise Tax financing so that the remediation and public improvements can be completed and the real estate parcels developed commercially. While the EOD District Board requests written acceptance of this report, it will also consider acceptance of the report without comment as acceptance.