

REGIONAL ECONOMIC & STATE AND LOCAL GOVERNMENT REVENUE IMPACTS RESULTING FROM THE CONSTRUCTION & OPERATIONS OF UNIVERSITY TOWN CENTRE ECONOMIC OPPORTUNITY DEVELOPMENT DISTRICT (UTC EODD)

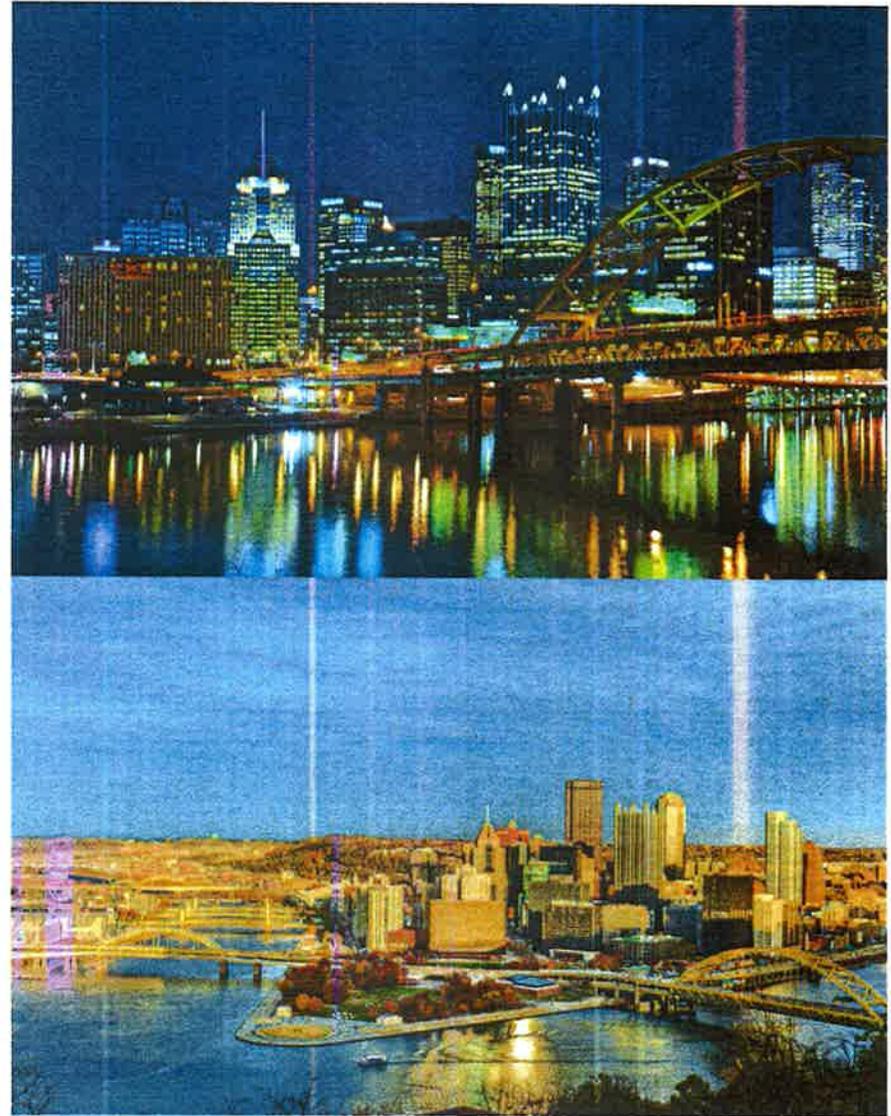
APRIL 2015



Research completed by **TrippUmbach**

ABOUT TRIPP UMBACH

- Founded in 1990.
- Headquartered in Pittsburgh, PA with offices in Atlanta, GA; Baltimore, MD; Baton Rouge, LA; Erie, PA; Minneapolis, MN; and Tucson, AZ.
- A national leader in research, strategic planning, and economic impact analysis: having consulted with over 500 healthcare institutions, 150 universities, and 75 academic medical centers.
- Tripp Umbach has completed projects in both the U.S.A. and internationally.
- Tripp Umbach completes 100 consulting projects annually.
- A team of 20 professionals with diverse backgrounds.



ABOUT UTC EODD

On December 12, 2012 and July 17, 2013, the County Commission of Monongalia County (the “County”) established, by Order, (i) Development District No. 4 (the “Property Tax District”) and (ii) University Town Centre Economic Opportunity Development District (the “Excise Tax District”), respectively. The Districts are comprised of the same geographic boundaries with 1,450 acres located at or near the Interstate 79 Star City/West Virginia University Exit and the City of Morgantown, as well as a new Interstate 79 exit currently under construction in the southern portion of the Districts. The Districts as previously established encompass all of the land for Phase 1 and Phase 2 as described below, however the Phase 1 Project Plan’s TIF funded improvements were only underwritten with the projected increases resulting from Phase 1 development, leaving significant additional bonding capacity available for the future build out of Phase 2.

Project Plans – Phase 1:

The County approved Project Plan 1 in connection with the establishment of each of the Districts for the development of the following Projects:

- i. Monongalia County Ballpark, home of West Virginia University’s baseball team and the West Virginia Black Bears of the New York-Penn League.
- ii. New interstate highway interchange at the new Exit 154
- iii. Public infrastructure improvements in and around the Districts, primarily on the East Side of the new I-79 Exit 154 and NW corner of I-79 Exit 155

ABOUT UTC EODD

The County received approval from the State of West Virginia to issue up to \$45,000,000 of Excise Tax District revenue bonds and \$20,000,000 of Property Tax District revenue bonds to finance the Projects. To date, the County has issued the following revenue bonds in connection with the Projects:

	Ballpark	Interchange	Infrastructure	Total
Excise Tax District bonds	\$ 22,165,000	\$ 21,830,000	\$ -	\$ 43,995,000
Property Tax District bonds	\$ -	\$ 9,605,000	\$ 4,515,000	\$ 14,120,000

These Projects both support and enhance the continued development of University Town Centre, including the newly completed Monongalia County Ballpark, West Virginia University Healthcare Outpatient Care Center, as well as numerous other lodging, retail, dining, office and other establishments currently planned or under construction.

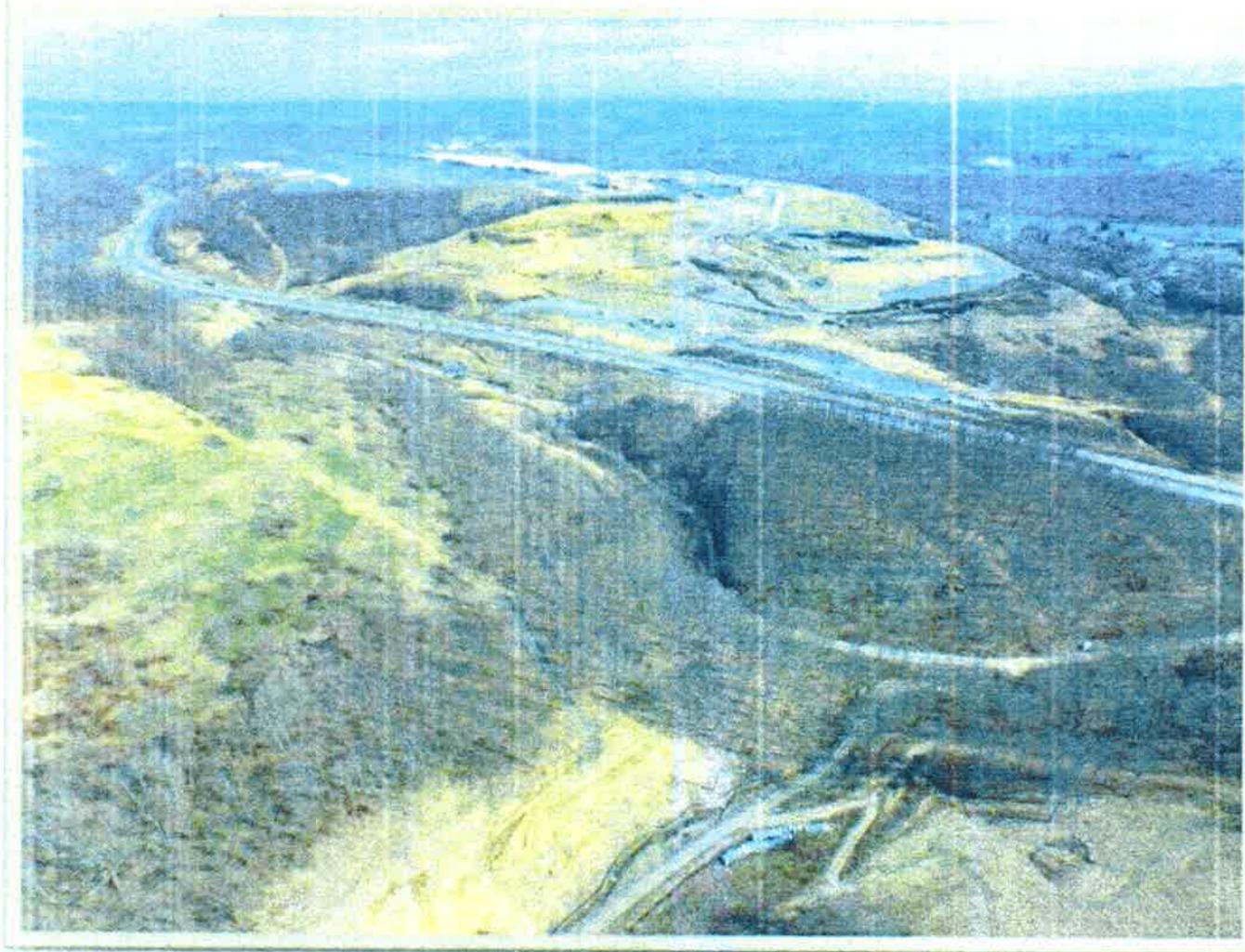
The creation of the new interstate highway interchange at the new Exit 154 will not only establish a southern entrance to the University Town Centre development but will also provide access to over 600 contiguous acres of previously undeveloped and inaccessible property to the west of Interstate 79 (Phase 2). The new access point presents a significant opportunity for future development that will improve the quality of life of individuals in the area while also benefitting the State, the County, and local municipalities.

ABOUT UTC EODD

Project Plans – Phase 2:

The County and developer currently seek approval of their proposed 2nd Project Plan, including the issuance of an estimated \$45 million in additional revenue bonds in furtherance of the economic development of the Districts. The funds made available through the bond issuance are intended to finance the construction of infrastructure improvements including, but not limited to, roads and utility extensions servicing the more than 600 acres of land situated to the west of Interstate 79. The Master Plan for the Phase 2 expansion includes office, retail, residential, entertainment, and other development sites based on highest and best use of the property as well as the significant interest already expressed by companies looking to relocate or expand in the Morgantown area.

ABOUT UTC EODD



**Phase 1 Properties and I-79 Exit 154 construction in the background
with Phase 2 properties in the foreground**

ABOUT UTC EODD



Phase 2 Properties

ECONOMIC IMPACT STUDY GOALS

- To provide a conservative and defensible estimate of the development.
- To calculate the economic, employment, and government revenue impacts of the construction and operations resulting from the UTC EODD Phase 1 & Phase 2 Projects.

IMPLAN METHODOLOGY

To complete this study, Tripp Umbach utilized IMPLAN. It is an input-output methodology that derives the impact based on spending patterns by industry type (NAICS codes). It is the industry standard.

Business volume is impacted in three ways:

DIRECT vs. INDIRECT vs. INDUCED IMPACT



TERMS AND DEFINITIONS

TERM	DEFINITION
ONGOING OR COMPLETED	Under Construction or Operational
COMMITTED	Letter of Intent or Purchase Agreement
FUTURE PROJECTED	Based upon Developer Forecasts and confirmed by Market Metrics Feasibility Report

CONSTRUCTION IMPACT

TOTAL PHASE 1 CONSTRUCTION IMPACT BY YEAR

PHASE 1 CONSTRUCTION	CONSTRUCTION COST	TOTAL PROJECT	CONSTRUCTION TIMELINE
The Domain Student Housing	\$25,000,000	\$31,500,000	2011-2012
DF Utility and Infrastructure	\$2,000,000	\$2,000,000	2012-2013
Earthwork Contract	\$12,000,000	\$12,000,000	2012-2013
Exterior Car Dealership	\$8,000,000	\$14,300,000	2013-2013
Haley Davison Dealership	\$6,000,000	\$7,500,000	2013-2013
120 Room Hotel	\$10,440,000	\$14,458,442	2015-2015
HS Convenience Store	\$1,500,000	\$3,642,857	2013-2013
Wash County Ballpark	\$23,000,000	\$27,350,000	2014-2015
DF Utility and Infrastructure	\$5,000,000	\$5,000,000	2014-2015
West View Construction (Earthwork)	\$13,500,000	\$13,500,000	2014-2015
120 Room Hotel	\$11,600,000	\$16,939,935	2014-2015
WVUH Outpatient Center	\$38,500,000	\$55,200,000	2014-2015
Green Turtle (Sports Bar)	\$620,000	\$2,000,000	2014-2015
Interstate Retail Build Out	\$3,200,000	\$5,000,000	2015-2015
100 Room Hotel	\$8,640,000	\$12,420,779	2015-2015
Bruger King	\$700,000	\$2,375,000	2015-2015
Chapelle	\$275,000	\$1,050,000	2015-2015
Outposts	\$250,000	\$1,000,000	2015-2015
Interchange Contract	\$23,000,000	\$23,000,000	2015-2016
West Plaza Office Building	\$6,000,000	\$9,250,000	2015-2016
120 Room Hotel	\$10,440,000	\$15,545,942	2015-2016
100 Room Hotel	\$8,640,000	\$13,208,279	2015-2016
Office Building	\$35,000,000	\$44,151,471	2015-2016
Strip Retail	\$2,400,000	\$3,000,000	2015-2016
Carwash	\$1,000,000	\$1,400,000	2016-2016
Box Retail	\$12,000,000	\$16,317,647	2016-2016
Medium Box Retail	\$5,000,000	\$9,342,857	2016-2016
Car Dealer	\$8,000,000	\$15,500,000	2016-2016
Branch Bank	\$1,050,000	\$3,125,000	2016-2016
Restaurant - Fast Food	\$1,000,000	\$3,625,000	2016-2016
Restaurant - Casual Dining	\$2,100,000	\$5,125,000	2016-2016
Strip Retail	\$2,000,000	\$3,625,000	2016-2016
Restaurant	\$1,650,000	\$3,950,000	2016-2016
Restaurant	\$1,500,000	\$3,700,000	2016-2016
Strip Retail	\$1,500,000	\$4,250,000	2016-2016
Office Building	\$6,000,000	\$8,900,000	2016-2017

The total impact of Phase 1 construction is projected to be **\$507.9 million**, support **3,537 jobs**, and generate **\$17.6 million** in state and local government revenue.

PHASE 1 TOTAL CONSTRUCTION

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE	PERCENTAGE OF TOTAL
2011	\$10,255,894	71	\$355,211	2.0%
2012	\$38,410,802	268	\$1,330,351	7.6%
2013	\$27,748,658	193	\$961,070	5.5%
2014	\$74,691,259	520	\$2,586,918	14.7%
2015	\$168,776,700	1,175	\$6,444,828	33.2%
2016	\$179,041,433	1,247	\$4,869,627	35.3%
2017	\$8,952,303	62	\$1,042,223	1.8%
TOTAL	\$507,877,048	3,537	\$17,590,229	100%

PHASE 1 TOTAL IMPACT

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE	PERCENTAGE OF TOTAL IMPACT
Construction - Ongoing or Complete	\$314,883,799	2,193	\$10,905,943	62.0%
Construction - Committed	\$90,681,219	632	\$3,140,727	17.9%
Construction - Future	\$102,312,030	713	\$3,543,559	20.1%
TOTAL	\$507,877,048	3,537	\$17,590,229	100%

PHASE 1 CONSTRUCTION IMPACT BY PHASE + YEAR

PHASE 1 COMPLETED OR ONGOING BY YEAR

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE
2011	\$10,255,894	71	\$355,211
2012	\$38,410,802	268	\$1,330,351
2013	\$27,748,658	193	\$961,070
2014	\$69,740,080	486	\$2,415,435
2015	\$125,653,610	875	\$4,351,990
2016	\$43,074,755	300	\$1,491,886
TOTAL	\$314,883,799	2,193	\$10,905,943

The total impact of completed or ongoing construction is **\$314.9 million, 2,193 jobs, and \$10.9 million** in state and local tax revenue. This represents **62%** of the Phase 1 construction impact.

PHASE 1 COMMITTED BY YEAR

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE
2014	\$4,951,179	34	\$171,483
2015	\$30,334,086	211	\$1,050,615
2016	\$55,395,954	386	\$1,918,628
TOTAL	\$90,681,219	632	\$3,140,727

The total impact of committed construction is **\$90.7 million, 632 jobs, and \$3.1 million** in state and local tax revenue. This represents **17.9%** of the Phase 1 construction impact.

PHASE 1 FUTURE BY YEAR

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE
2015	\$12,789,004	89	\$1,042,223
2016	\$80,570,724	561	\$1,459,113
2017	\$8,952,303	62	\$1,042,223
TOTAL	\$102,312,041	713	\$3,543,559

The total impact of future construction is **\$102.3 million, 713 jobs, and \$3.5 million** in state and local tax revenue. This represents **20.1%** of the Phase 1 construction impact.

PHASE 2 CONSTRUCTION IMPACT

The economic impact of Phase 2 construction is projected to be **\$442.1 million**, sustain **3,079 jobs**, and generate **\$15.3 million** in state and local tax revenue.

PHASE 2 CONSTRUCTION WESTSIDE

	CONSTRUCTION COST	TOTAL PROJECT	CONSTRUCTION TIMELINE
FIP Improvements	\$45,000,000	\$45,000,000	2015-2018
Non-FIP Construction	\$25,000,000	\$34,000,000	2015-2018
Restaurant - Fast Food	\$700,000	\$2,200,000	2016-2016
Convenience Store	\$1,800,000	\$4,571,429	2016-2016
Convenience Store	\$1,800,000	\$4,571,429	2016-2016
Restaurant - Fast Food	\$700,000	\$2,375,000	2016-2016
Restaurant - Casual Dining	\$2,100,000	\$5,200,000	2016-2016
100 Room Hotel	\$8,640,000	\$12,620,779	2016-2017
Medium Size Retail	\$4,800,000	\$10,497,143	2016-2017
Office	\$5,250,000	\$7,432,500	2016-2017
Office building	\$50,000,000	\$70,184,000	2016-2017
Car Dealership	\$10,000,000	\$17,225,000	2016-2017
Big Box Retail	\$6,400,000	\$13,482,857	2017-2018
Office Building	\$7,000,000	\$11,000,000	2017-2018
Big Box Retail	\$12,000,000	\$24,450,000	2017-2018
Office	\$18,750,000	\$29,462,500	2019-2020
Office	\$18,750,000	\$27,687,500	2019-2020
Office	\$5,000,000	\$7,875,000	2020-2021
Office	\$3,750,000	\$5,937,500	2021-2022
Office	\$5,000,000	\$7,750,000	2021-2022
Office	\$5,000,000	\$7,750,000	2022-2023
Office	\$6,250,000	\$9,312,500	2023-2024

PHASE 2 FUTURE CONSTRUCTION IMPACT BY YEAR

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE	PERCENTAGE OF TOTAL
2015	\$20,527,745	143	\$710,975	4.6%
2016	\$191,230,942	914	\$4,545,160	29.7%
2017	\$115,835,133	807	\$4,011,929	26.2%
2018	\$51,319,363	357	\$1,777,437	11.6%
2019	\$20,527,745	143	\$710,975	4.6%
2020	\$24,926,548	174	\$863,327	5.6%
2021	\$27,859,083	194	\$964,894	6.3%
2022	\$24,926,548	174	\$863,327	5.6%
2023	\$17,595,210	123	\$609,407	4.0%
2024	\$7,331,338	51	\$253,920	1.7%
TOTAL	\$442,079,654	3,079	\$15,311,350	100.0%

ECONOMIC IMPACT – BOTH CONSTRUCTION PHASES

The total economic impact of both construction phases is expected to total nearly **\$1 billion**, sustain more than **6,600 jobs**, and yield **\$32.9 million** in state and local tax revenue.

42.6% of construction projects fall into the ongoing or complete or committed category.

TOTAL ECONOMIC IMPACT BOTH CONSTRUCTION PHASES BY YEAR

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE
2011	\$10,255,894	71	\$355,211
2012	\$38,410,802	268	\$1,330,351
2013	\$27,748,658	193	\$961,070
2014	\$74,691,259	520	\$2,586,918
2015	\$189,304,444	1,318	\$7,155,803
2016	\$310,272,374	2,160	\$9,414,788
2017	\$124,787,435	869	\$5,054,152
2018	\$51,319,362	357	\$1,777,436
2019	\$20,527,745	142	\$710,974
2020	\$24,926,547	173	\$863,326
2021	\$27,859,082	194	\$964,894
2022	\$24,926,547	173	\$863,326
2023	\$17,595,210	122	\$609,406
2024	\$7,331,337	51	\$253,919
TOTAL	\$949,956,702	6,616	\$32,901,579

BOTH CONSTRUCTION PHASES TOTAL IMPACT

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL LOCAL AND STATE TAX REVENUE	PERCENTAGE OF TOTAL IMPACT
Construction - Ongoing or Complete	\$314,883,799	2,193	\$10,905,943	33.1%
Construction - Committed	\$90,681,219	632	\$3,140,727	9.5%
Construction - Future	\$544,391,684	3,792	\$18,854,909	57.3%
TOTAL	\$949,956,702	6,616	\$32,901,579	100%

CONSTRUCTION IMPACT SUMMARY

- The total revenue impact to state and local governments from Phase 1 and Phase 2 *Construction* total nearly **\$33 million**.
- The total regional economic impact from Phase 1 and 2 *Construction* is approximately **\$950 million**.
- These impacts will be accrued over a 14 year period from 2011-2024.
- Given that the vast majority of construction expenditures occur outside of the TIF districts, these revenues (taxes and fees) are assumed to not be collected in the TIF accounts and are therefore a direct positive revenue impact to the State of West Virginia.

OPERATIONS IMPACT

OPERATIONAL IMPACT BY PHASE

PHASE 1 OPERATIONS IMPACT

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL TAX IMPACT
Ongoing/Complete	\$136,202,521	1,357	\$7,876,359
Committed	\$30,209,689	334	\$3,147,258
Future	\$29,447,739	468	\$2,176,174
TOTAL EFFECT	\$195,859,949	2,160	\$13,199,791

PHASE 2 OPERATIONS IMPACT

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL TAX IMPACT
Future	\$713,188,436	7,708	\$32,761,985

ECONOMIC IMPACT OF OPERATIONS

The projected economic impact of operations is **\$909 million**, over **9,800 jobs**, and nearly **\$46 million** in state and local tax revenue. This is an annual impact and reflects when all businesses are at their projected full operational capacity.

TOTAL IMPACT OF OPERATIONS (ALL PHASES)

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TOTAL TAX IMPACT
Direct Effect	\$554,473,644	6,903	\$24,888,327
Indirect Effect	\$100,919,856	819	\$4,044,172
Induced Effect	\$253,654,885	2,146	\$17,029,277
TOTAL EFFECT	\$909,048,385	9,868	\$45,961,776

TOTAL ECONOMIC IMPACT OF OPERATIONS (ALL PHASES)

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	PERCENT OF GRAND TOTAL
Ongoing/Complete	\$136,202,521	1,357	15.00%
Committed	\$30,209,689	334	3.30%
Future	\$742,636,175	8,176	81.70%
TOTAL EFFECT	\$909,048,385	9,868	100.00%

TOTAL OPERATIONAL IMPACT

TOTAL IMPACT OF OPERATIONS (ONGOING/COMPLETE)

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TAX IMPACT
Direct Effect	\$84,818,204	935	\$4,902,065
Indirect Effect	\$19,549,006	152.8	\$836,173
Induced Effect	\$31,835,312	269	\$2,138,121
TOTAL EFFECT	\$136,202,521	1,357	\$7,876,359

The total impact of ongoing/complete operations **\$136.2 million, 1,357 jobs, and \$7.9 million.**

TOTAL IMPACT OF OPERATIONS (COMMITTED)

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)	TAX IMPACT
Direct Effect	\$19,812,300	251	\$2,550,670
Indirect Effect	\$4,772,876	36	\$218,911
Induced Effect	\$5,624,513	48	\$377,679
TOTAL EFFECT	\$30,209,689	334	\$3,147,258

The total impact of committed operations **\$30.2 million, 334 jobs, and \$3.1 million.**

TOTAL ECONOMIC IMPACT OF OPERATIONS (ALL PHASES)

	TOTAL ECONOMIC IMPACT	TOTAL EMPLOYMENT IMPACT (JOBS)
Ongoing/Complete	\$136,202,521	1,357
Committed	\$30,209,689	334
Future	\$742,636,175	8,176
TOTAL EFFECT	\$909,048,385	9,868

The total impact of future operations **\$742.6 million, 8,177 jobs, and \$34.9 million.**

OPERATIONS IMPACTS SUMMARY

- The total revenue impact to state and local governments for Phase 1 and Phase 2 *Operations*, including taxes at the corporate and household level, totals nearly **\$46 million annually**.
- The total regional economic impact from Phase 1 and 2 *Operations* is approximately **\$909 million**.
- The **\$46 million** and **\$909 million** are the projected, point-in-time calculations of impact when all of the businesses are at full operation. Impacts will be lower in the initial years of the development, however TIF collections will also be lower.

STATE OF WEST VIRGINIA INVESTMENT

- Of the **\$46 million** in annual estimated government (tax and fee) impacts, approximately...
 - \$40 million is estimated to be State revenue impacts
 - \$6 million is estimated to be local or county revenue impacts
- Of the **\$40 million** in annual projected state revenue impacts, approximately...
 - \$10 million of the **\$40 million** projected State revenues are estimated to be collected in the TIF Excise Account and used to fund the public improvements, which allow for the total impact to occur (the “but for” test)
 - \$30 million of the \$40 million impact is a direct state revenue increase
 - The ROI of the foregone Sales Tax Collections (which wouldn’t exist “but for” the TIF funded infrastructure) is
($\$30 \text{ million} / \$10 \text{ million} = 300\% \text{ ROI}$)

SUMMARY OF FINDINGS

- The potential operational economic impact of the combined projects is nearly **\$1 billion annually** at full capacity.
- The number of permanent jobs supported by 2025 is projected to be nearly **9,900** in a variety of industry sectors including healthcare, retail/hospitality, and other professional fields.
- The construction phase of this project will support **\$960 million** in the statewide economy and **6,600 jobs** over the 14 year build-out. Over 42% of the projected development is either a) ongoing or complete or b) committed.
- The State of West Virginia will receive an annual net increase in revenues of approximately **\$30 million**.

TOTAL IMPACT OF OPERATIONS ALL PHASES

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	6,903	\$362,981,243	\$395,928,318	\$554,473,644
Indirect Effect	\$819	\$35,044,815	\$57,281,921	\$100,919,856
Included Effect	2,146	\$82,074,261	\$145,348,401	\$253,654,885
Total Effect	\$9,868	\$480,100,318	\$598,558,640	\$909,048,385

Total Economic impact is \$909.0 billion (\$854.5 million direct)
 Total Employment Impact is 9,868 jobs (6,903 direct)
 Total State and Local Tax Impact is \$46 million

ALL PHASES TOTAL STATE & LOCAL TAX IMPACT

Description	Employee Compensation	Proprietor Income	Tax on Production and Imports	Households	Corporations	Total
Dividends					\$50,443	\$50,443
Social Ins Tax- Employee Contribution	\$293,733	\$0				\$293,733
Social Ins Tax- Employer Contribution	\$567,883					\$567,883
Tax on Production and Imports: Sales Tax			\$16,954,059			\$16,954,059
Tax on Production and Imports: Property Tax			\$8,572,221			\$8,572,221
Tax on Production and Imports: Motor Vehicle Lic			\$250,023			\$250,023
Tax on Production and Imports: Severance Tax			\$4,065,149			\$4,065,149
Tax on Production and Imports: Other Taxes			\$1,733,052			\$1,733,052
Tax on Production and Imports: S/L NonTaxes			\$300,868			\$300,868
Corporate Profits Tax					\$1,287,497	\$1,287,497
Personal Tax: Income Tax				\$10,458,060		\$10,458,060
Personal Tax: NonTaxes (Fines- Fees)				\$872,556		\$872,556
Personal Tax: Motor Vehicle License				\$417,665		\$417,665
Personal Tax: Property Taxes				\$136,517		\$136,517
Personal Tax: Other Tax (Fish/Hunt)				\$2,050		\$2,050
Total State and Local Tax	\$867,616	\$0	\$31,875,373	\$11,886,847	\$1,337,940	\$45,961,776

TIF Collections	\$ 9,045,000	A
Remainder To State	\$ 7,909,059	
TIF Collections	\$ 2,600,000	A
Remainder to County, State	\$ 5,972,221	
State's Share	\$ 2,986,111	50%

A - Amounts per Piper Jaffray TIF bond underwriting projections
 B - All amounts assumed in this analysis are upon full buildout of both phases

Total State Collections (during TIF District Years)	\$ 30,350,348
Total State Collections (after TIF District Years)	\$ 40,288,833
WV "Investment" (TIF Collections)	\$ 9,938,485

