

APPLICATION TO
THE COUNCIL FOR COMMUNITY AND ECONOMIC DEVELOPMENT
FOR APPROVAL OF AN
ECONOMIC OPPORTUNITY DEVELOPMENT DISTRICT

APPLICANT INFORMATION

Ohio County Commission
City/County Building Room 215
1500 Chapline Street
Wheeling WV 26003

Commissioners:
Randy Wharton
David Sims
Tim McCormick

Administrator:
Greg Stewart

PROJECT DISTRICT

District Name- Fort Henry Economic Opportunity Development District

District Description- 300 acres as outlined on the attached map and more formerly described on the attached metes and bounds description. Also attached is a true copy of the public hearing advertisement giving notice of the hearing held on August 7, 2003 and the minutes from that hearing. The entire district falls within the development project area.

PROJECT DESCRIPTION

The Ft. Henry Business and Industrial Centre is a mixed use Business and Industrial Park Development. The park offers up to 340 developable acres spread over 671 acres running alongside and between Interstate 70 and U.S. Route 40. The site is located a few miles east of Wheeling in Dallas Pike. The park will have its own interchange allowing the highest degree of access for traffic flow and safety. All utilities can and will be provided by their respective companies including water, sewage, electric, gas and telephone.

Cabela's will build a 188,000 square foot super store which will attract conservatively 5 million people a year from all over making them a true tourism destination. (They are the top tourist attraction in six of the seven states where they are located. They come in second only to the Mall of America in Minnesota.) In addition to the destination super store, which will employ 400 people, Cabela's will employ another 800 people in the 1.2 million square foot distribution center. This distribution center will serve the entire East Coast and ship about 6 million packages annually. These 1200 jobs will be the start of an estimated 2,200 jobs to be created at the site.

Phase I will be 65 acres for Cabela's retail and possibly including an indoor water park lodge. Phase II will be 65 acres of additional destination or other retail and possibly some commercial space. Phase III will include 70 acres of high end or other retail and possibly some technology or commercial space. Phase IV will include Cabela's 1.2 million square foot distribution center on 60 acres. Phase V will be commercial and possibly technology space and Phase VI will be commercial and light manufacturing space.

EXISTING SITE

- Size: 671 acres total; 340 acres developable
- Fair market value as is today: \$8 million (estimate)
- There may be debt on the property of \$35 million depending on the WVEDGC grants.
- There are no existing buildings or structures.
- There is no machinery or equipment at the site.

Environmental/archeological assessment of proposed project

AREA OF REVIEW	DATE REVIEW COMPLETED	DOCUMENTATION, SOURCES AND EXPLANATION OF REVIEW (Attach Supporting Documentation)	CONCLUSION
Historical/Archeological	September 1999	SHPO Letter	No eligible findings
Floodplain Management	N/A		
Wetlands Protection	In Process	Less Than 2 Acres	Permits completed or in process.
Unique Physical Features (unstable soils or steep slope)			Core borings performed and found satisfactory.
Endangered Species	August 2001	NPDES and ARMY COE Permits obtained or in process.	Nothing Found
Air Quality	N/A		
Hazardous/Toxic Facilities	N/A		

ECONOMIC IMPACT OF PROJECT

This project will promote economic development for the community and region through development site opportunities, job growth and increases in the state and county tax base. Up to 340 acres of interstate access property on one of the busiest highways in the United States will be available in Ohio County, West Virginia. With Cabela's it will be one of the most sought out and visited exits in the country. We may see over 5 million visitors annually. Finding suitable development sites has long been an issue for state and local development efforts. The Ft. Henry site allows for both immediate impact and long term growth for the state and county. 2,200 jobs may be created and 500 jobs retained as a result of this project. Tax revenues for the state and county will be in the millions annually.

JOB CREATION INFORMATION

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

Number of FTE Employees for the West Virginia Project after (ALL ESTIMATES)				HEALTH BENEFITS Yes or No
CATEGORY	1 Yr.	2 Yr.	3 Yr.	
Professional	100	50	50	Yes
Clerical & Admin.	100	50	50	Yes
Skilled	800	200	200	Yes
Semi-Skilled	100	100	100	Yes
Unskilled	100	100	100	Unknown
TOTALS	1200	500	500	

DESCRIBE BENEFIT PACKAGES

Will be comparable to industry standard for our area.

IF APPLICABLE, EXPLAIN HOW THE PROJECT WILL RETAIN EXISTING JOBS

With this size development and job creation local vendors will be supplying numerous products and services to the site. UPS Parcel Service for example will add drivers to the area to service the distribution center and surrounding businesses at the development. Some say there is a one to four job ratio in this area. That means as many as 500 jobs could be retained or added outside the project as a result of this development.

DESCRIBE THE NUMBER AND NATURE OF TEMPORARY OR SEASONAL JOBS CREATED DURING CONSTRUCTION

500 TO 600 construction jobs will be created for a two-year period for the purpose of building an interchange, site excavation, utilities and buildings. Construction jobs will be on going over the next several years while development of the entire site occurs.

TOTAL COST & GENERAL DESCRIPTION OF DEVELOPMENT EXPENDITURES¹

Phase I: 200 Acres

Total Cost:	<u>\$117,000,000</u>
A) Site Preparation:	
Excavation	\$14,000,000
Utilities	2,700,000
Access Roads	2,300,000
Engineering	1,500,000
Contingencies	<u>1,500,000</u>
Total	<u>\$22,000,000</u>
B) Construction:	
Retail Store	\$44,500,000
Distribution Center	47,000,000
Contingencies	<u>2,000,000</u>
Total	<u>\$93,500,000</u>
C) Acquisition	<u>\$1,500,000</u>
(Additional sites for Distribution Center and Water Tank site.)	

Phase II: 100 Acres

All costs are not finalized at this point. However the following estimate could apply to the additional 100 acres based on our experience on the initial phase.

Total Costs:	<u>\$57,000,000</u>
A.)Site Preparation:	
Excavation	\$7,000,000
Utilities	1,200,000
Access Roads	1,100,000
Engineering	700,000
Contingencies	<u>1,000,000</u>
Total	<u>\$11,000,000</u>
B.) Construction:	<u>\$46,000,000</u>

PROJECT MAINTENACE

Additional funds will not be needed to maintain the project after the construction. All the projects will eventually be privately maintained including all utilities, which will be maintained by the respective utility companies.

¹ Attached hereto and incorporated herein is a true copy of the Ohio County Commission's application for Grant for Economic Development, Capital Improvement and Infrastructure Projects as amended and submitted to the West Virginia Economic Development Grant Committee.

TIMELINE

Attached is an engineer's estimated timeline for the District.

Cabela's Distribution Center	June 2004
Cabela's Retail Center	September 2004
Balance of 200 acres	December 2004
Balance of 100 acres	December 2005

The project has already begun. Permits have been secured for the Phase I, II, and IV areas. Phase I is under construction. Phase IV, the water tank, and Cabela's Drive road projects are all bid out and will be under contract by October 1, 2003. All utility companies have performed their initial assessments and completed preliminary design work. The retail building begins construction on October 15, 2003. The distribution center building will be under construction by January 2004 and open in June 2004. The phase I retail store area will be ready to open in September 2004 with the interchange scheduled to be opened to traffic in August 2004. This entire development will be ongoing for the next five to ten years.

DESCRIPTION OF THE PROPOSED METHOD OF FINANCING

The proposed method of financing for the project includes the use of grant funds from the West Virginia Economic Development Grant Committee, Special District Excise Tax Bonds, County Commission funds and Private Investment.

SOURCES AND ANTICIPATED AMOUNTS OF FINANCING²

A) WVEDGC Funds	\$35,000,000
Special District Bonds	80,000,000
County Commission	<u>2,000,000</u>
Total	<u>\$117,000,000</u>

Special District Bonds to be phased in over three years and to be financed with Special District Excise Tax.

B) Interim financing has been put into place until the WVEDGC grant funds are made available. This includes the following:

<u>Lending Entity</u>	<u>Amount</u>	<u>Rate</u>	<u>Term</u>
OVIBDC	\$2,250,000	2%	1 year
United Bank	\$12,000,000	4%	2 year
West Virginia Housing Development Fund	\$12,000,000	4%	7 year
West Virginia Infrastructure Council	\$10,500,000	3%	20 year

² Attached hereto and incorporated herein is a true copy of the Ohio County Commission's Grant Award Letter from the West Virginia Economic Development Grant Committee representing an award of \$35,000,000.

BONDS

In connection with Cabela's Phase I, Cabela's will purchase special district excise tax revenue bonds (the "Phase I STAR Bonds") on a "pay-as-you-go" basis up to a maximum of \$59,000,000. The Phase I STAR Bonds would have a repayment term of 30 years which we understand is the maximum term allowed by law. Cabela's will select the interest rate option it prefers at the time of issuance of the Phase I STAR Bonds. In Cabela's Phase II of the project, Cabela's will purchase on a pay-as-you up to an additional \$21,000,000 in special district excise tax bonds.

With the approval of this application by this council, the Ohio County Commission and Bond Counsel, Jackson Kelly will finalize the Economic Opportunity Development District process. Bonds will be issued within 30 days of the approval of this application. Our goal would be to have Bond funds available prior to December 1, 2003.

Issuer: Cabela's will purchase their own bonds.

Term: 30 Years

Interest Rates: The interest rate (which will be adjusted annually) will be, at Cabela's option, 30-day LIBOR plus 550 basis points or the New York prime plus 275 basis points. Cabela's will select the interest rate option it prefers at the time of issuance of the Phase 1 STAR Bonds

Debt Service Coverage: To Be Determined

Debt service reserves will be established as required by the bond documents.

Excess use or Distribution: Special excess district excise taxes above the amount needed to retire bonds will be allocated at the discretion of the Ohio County Commission between accelerated payments to buy down bonds or to a Special district excise tax fund maintained by the Ohio County Commission.

Inadequate use or distribution: Cabela's will be responsible for any shortfall in Special district excise tax revenues needed to meet bond obligations.

SPECIAL DISTRICT EXCISE TAX REVENUE SCHEDULE

To be drafted and issued with bond documents.

BOND DEBT RETIREMENT SCHEDULE

To be drafted and issued with bond documents.

COUNTY COMMISSION CONTRIBUTIONS

The Ohio County Commission will have contributed over \$3 million dollars to this development including the purchase of property, engineering, design, geotechnical studies and preliminary excavation work to open the site.

BUSINESSES TO BE RELOCATED FROM DISTRICT

There are no businesses currently located on the site therefore there will be no relocation necessary in the district.

BUSINESS CURRENTLY CONDUCTING BUSINESS IN THE DISTRICT

There are no businesses currently located in the district or on the site.

GOOD FAITH ESTIMATE OF SALES AND SERVICE TAX

There are currently no businesses located in the district or on the site and therefore there is no sales and service tax currently generated. Therefore, the base sales and service tax revenue amount is zero as validated by the State Tax Commissioner's attached certification.

GOOD FAITH ESTIMATE OF GROSS ANNUAL SPECIAL DISTRICT EXCISE TAX REVENUE AMOUNT TO BE COLLECTED

A good faith estimate of special district excise tax to be generated is attached. The estimate is currently set at \$9 million annually upon completion of all phases.

LOCAL SUPPORT

The following organizations, public officials and private businesses support this project.

- Local Senators and Delegates
- Ohio County Development Authority
- Local Banks
- Ohio Valley Industrial Business and Development Corporation
- Bel-O-Mar Regional Council
- Wheeling Area Chamber of Commerce
- City of Wheeling
- Local Civic Organizations
- This project has enjoyed an enormous amount of community support from the private business sector, citizens of Ohio County and the entire region.

PUBLIC NOTICES/ PUBLIC HEARINGS

Attached are all notices of public hearings and pertinent minutes from those hearings relevant to the creation of the Economic Opportunity Development District