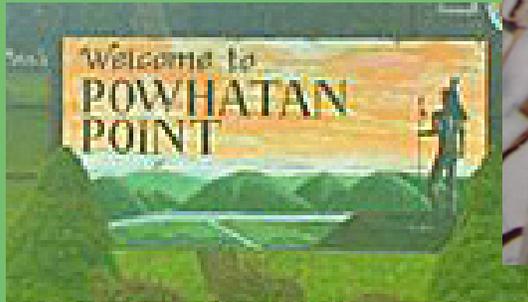
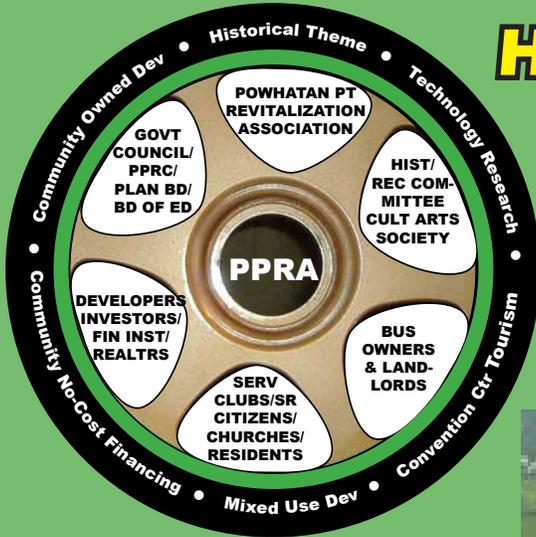


Powhatan Point Hotel Conference Center RP-10 Project Plan



HISTORIC TRANSITION FROM THE PAST TO THE FUTURE



**Powhatan Point Revitalization Association
March 2018**

COMMUNITY DESIGNED AND CONTROLLED REVITALIZATION



POWHATAN POINT HOTEL CONFERENCE CENTER, RP-10

CURRENT USE

The Powhatan Point Hotel Conference Center Revitalization District RP-10 (shown in **Figure 1**) is represented as the peninsula of the downtown district, where the Captina Creek merges with the Ohio River. Although several structures exist in the area outlined, the majority of the land is unoccupied. RP-10 Revitalization District covers approximately 4.3 acres or a 187,425 sqft footprint (120 x 670 x 615 x 510 feet). The land is owned by several owners, who will be approached to invest their properties as part of a land bank assembly Group that will leverage their respective investment into the significant value of the hotel.

The location is ideally suited for hotel conference center facilities because it: (a) is at the center of the large oil and gas exploration area dictating worker short-term residences; (b) has no competitive conference center or hotels are within 14 miles; (c) represents an attractive landmark with atheistic view of the river and creek; and (d) serves as conference center to attract technical/business conference interests to utilize the hotel/entertainment/recreation facilities, as part of the resort theme and north-mid eastern destination site.



Figure 1. Powhatan Point Hotel Conference Center Revitalization District RP-10 Current Use View.

The proposed land use for Revitalization District RP-10 is based upon the need for a hotel conference center that is the anchor tenant of the larger Powhatan Point downtown cultural arts revitalization district as shown in **Figure 2**. Aside from the role played to revitalize the downtown district the RP-10 Revitalization Hotel Conference Center Project offers a significant benefit to the community:

- (a) in adding employment jobs for 110+ individuals;
- (b) as potential purchasing power of 250 quests per day to a level of \$100K per week, that represents \$5M a year to the community retail businesses; and
- (c) significantly enhancing the tax revenue to the town based upon \$52M ratable versus <\$2M existing ratables for the current property, which based on a 1% tax rate represents increased property tax revenue of \$500K/year and city hotel/conference/exhibit city taxes offers \$568K (tax increment financing (TIF) would reduce property tax revenue from \$500K to \$125K for the first ten years - \$375K is applied as an investment into the project by the community).

FEMA FLOOD PLANE IMPACT ON DOWNTOWN/HOTEL REVITALIZATION DISTRICT LAND USE

The downtown district has suffered over the years from annual flood threats due to its river front location in a Flood Plane. Under FEMA (Federal Emergency Management Agency) occupancy requirements for flood plane redevelopment, all new structures must be constructed with flood resistant materials to a height of eight feet above current grade or effectively the first level. To meet these challenges, parking garage facilities will be provided as foundational elements for all downtown redevelopment to satisfy FEMA regulations, while also serving a functional parking need for all tenants. All parking facilities/electrical/piping/elevator shafts will apply flood resistant materials, including separate utility areas that will be constructed as sealed/flood door compartments to meet FEMA flood plane occupancy requirements.

Powhatan Point Riverfront Resort Phase 4 RP-10 Hotel Conference Center Project

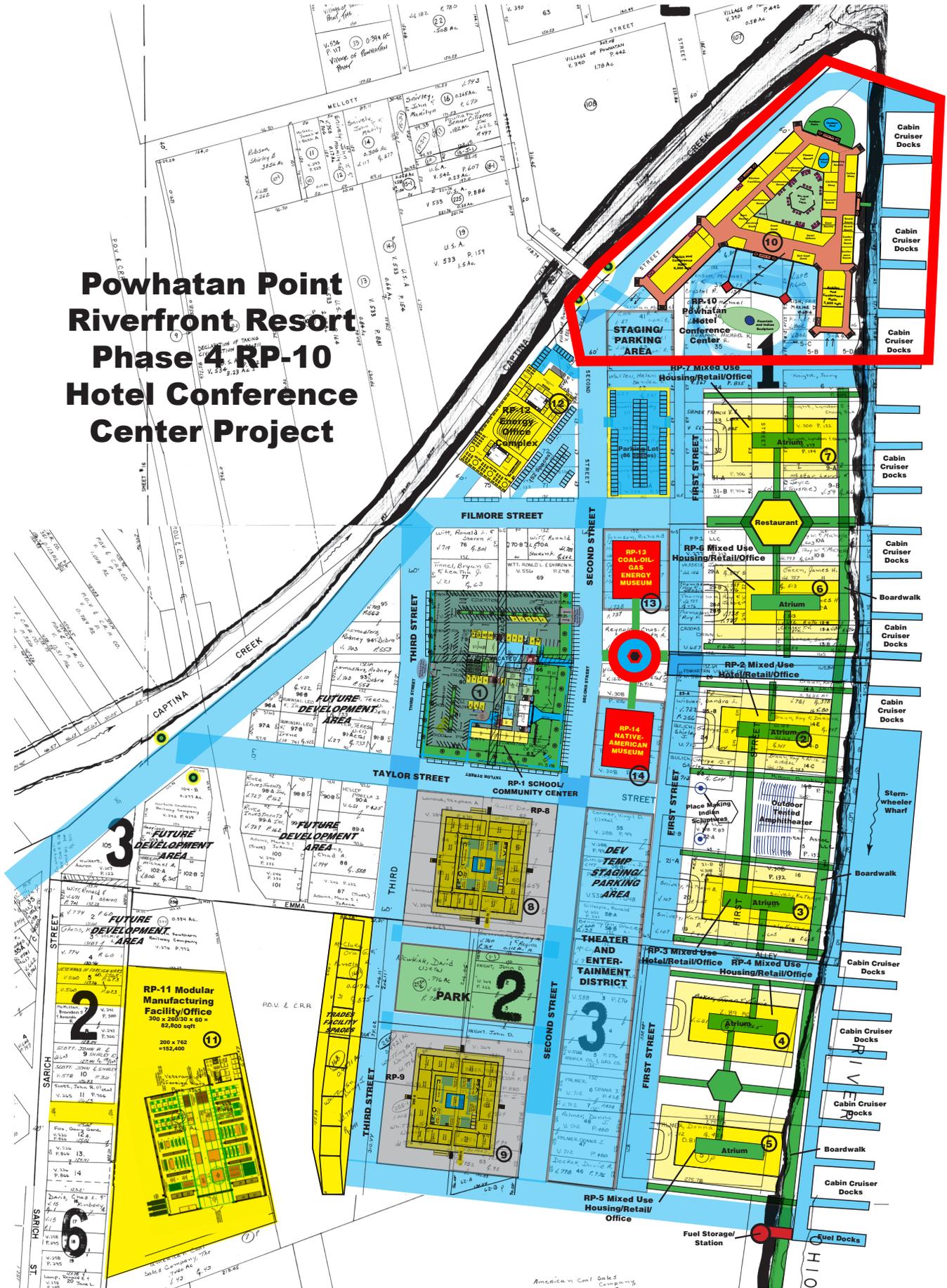
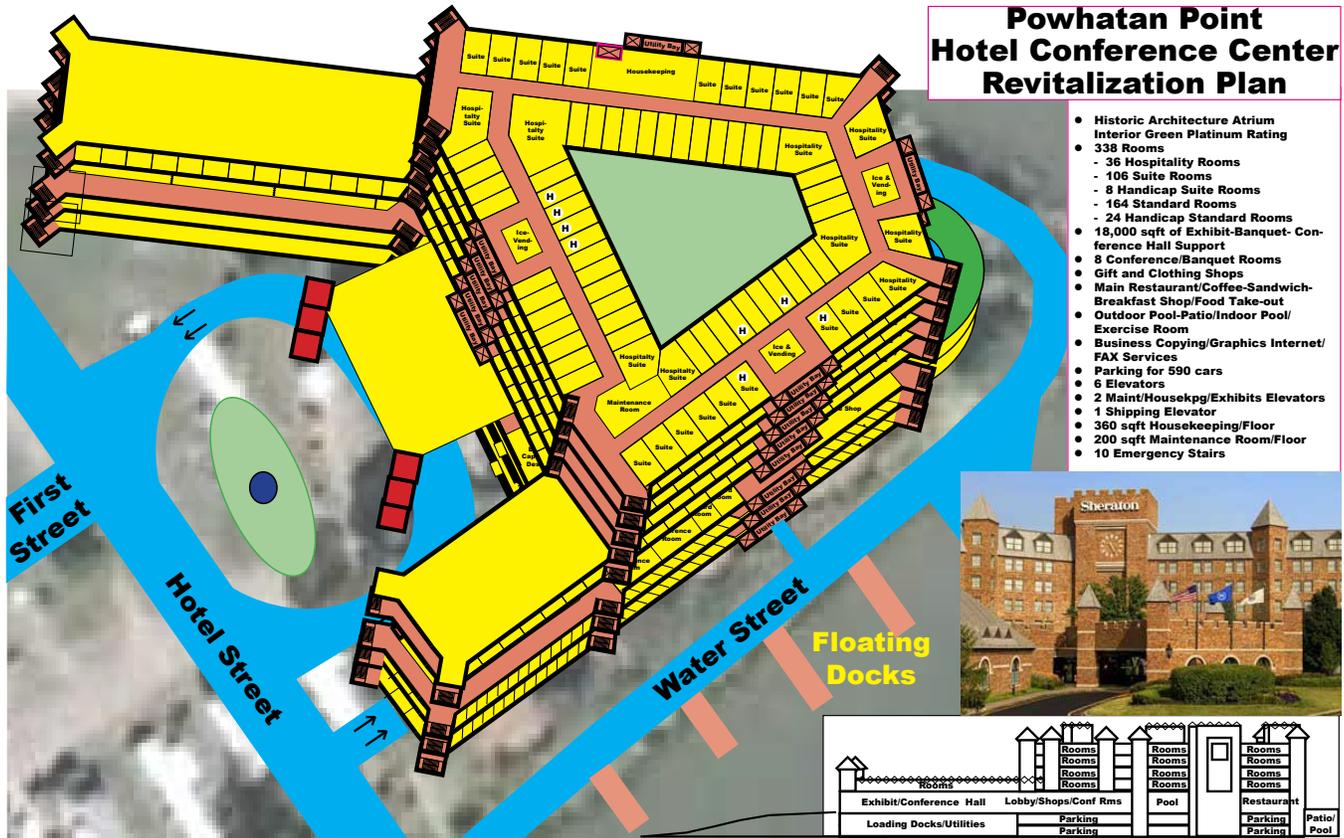


Figure 2. Powhatan Point Downtown District Proposed Plan.

The downtown district is designated as mixed land use with retail office and condos with four and five level structures, with restrictions that retail and office occupy a single level on lower levels and condos reside above in multiple levels. The hotel conference center is an exception which represents a seven level structure, as illustrated in *Figure 3*.



BACKGROUND

The fundamental strategies established by the PPRP in the hotel conference center include: (a) pre-defined design of large integrated development for municipal foundational parking, hotel facilities, and recreation/entertainment; (b) historical facades and identity; (c) platinum green rating; and (d) infrastructure/Water Street waterfront streetscape support.

The Powhatan Point Hotel Conference Center prominence on the the Ohio River and at the mouth of the Captina Creek serves as a water confluence landmark and a special identity for Powhatan Point on the Ohio River. During the westward migration, young George Washington traveled the Ohio River, that some believe included an overnight encampment on the very site.

ARCHITECTURE

The building architecture facades and interiors should reflect earlier historic colonial designs as illustrated in *Figure 3*, to reinforce Powhatan Point’s legacy of the indian and colonial settlement periods of the Ohio Valley. A European castle-like design was selected to reflect the many early fort structures build as symbols of strength and protection to the settlers of the area.

STRUCTURE

Hotel is constructed as 7 story facility supporting: two levels of parking for 592 spaces; a high ceiling 20’ lobby level with a 8,100 sqft Exhibit/Conference Halls, 4,000 sqft of conference space, main lobby/retail/offices; restaurants; central entertainment/social meeting/ sports bar, inside/outside recreational facilities and pools; and four levels of hotel rooms (341 rooms). The interior supports an atrium design The combination of hotel rooms with exhibit/ conference and auditorium serves as an attractive convention center and tourist location. Being located adjacent to the planned Cultural Arts District, Museums and related riverfront hub and performing arts center provides ready patronage. Utility (efficient through green energy recovery methods), maintenance and security support are centralized which reduces operation costs significantly.

The hotel complex represents a build-out area of approximately 397,000 sqft, occupying seven levels: two levels of parking, delivery docks, waste collection, maintenance and utilities: a main lobby level including conference/exhibit halls,conference rooms, retail shops, restaurant/coffee shop, entertainment/social bar, indoor/outdoor pools, and fitness room; and four levels of hotel rooms, housekeeping and maintenance rooms. Interior structure is steel I-beam with unique floor construction of an integrated floor/ceiling design with electrical/lighting/cooling/heating/plumbing embedded to reduce on-site work efforts. Outside facades will be constructed off-site and mounted to exterior framework. The main lobby atrium design is an environmentally controlled open interior space running from the main lobby level to the open roof area with a transparent cover.

GREEN ENERGY TECHNOLOGY

The application of green energy technology is fully implemented for the building to meet a Platinum Green Rating. It's features begin with: (a) the atrium that applies natural sunlight for the building center; (b) solar generation implanted in the roof and side paneling facing south and wind turbines; (c) embedded floor & ceiling radiated heating/cooling water piping and central heat/cooling source with roof and deep ground heat/river water cooling exchange; (d) recyclable high insulated building materials applied; and (e) on-site waste water treatment and purple water reuse; waste recycling.

ACCESS

Hotel access is provided for the pedestrian, auto, and delivery/operation maintenance as illustrated in **Figure 4**. Pedestrians can gain access thru walkway entry points leading directly into the hotel main levels facing downtown along First Street, or direct walkway from Water Street-river front, or center atrium of the adjoining structures. Autos are provided a drive-up/drop-off main entry to the lobby, or may via direct street entry to garage levels. Pedestrian/delivery elevators, emergency stairs and retail escalators are throughout and at all levels of the facility to assure easy pedestrian access (supports handicap concerns). The center atrium facilitates an open space environment and direct sunlight to the building center and interior facing rooms.

PARKING

As described in **Figure 4 and 5**, the hotel foundation P1 and P2 levels serve primarily as a parking garage for 592 cars including 24 handicap, all of which are managed by the Powhatan Point Municipal Parking Authority. The parking facilities are all housed under the hotel on two levels with all-weather and pedestrian safety protection. An off-street ramp from Hotel Street via loop driveway supports pick-up/drop-off patrons to the main lobby of the center's third level. Separate entry to the garage parking is from Hotel Street, while the garage exit is on Captina Creek hotel side onto Water Street.

LOWER DELIVERY DOCKS, WASTE COLLECTION AND UTILITIES

Housed within the lower levels are ten 16 foot high bay doors to support delivery/exhibit trailer docking and waste removal dumpsters (see **Figure 4 and 5**), all of which are accessible from Water Street. This delivery/shipping access is augmented with four 8 x 10 foot large shipping elevators (three for exhibits and one for hotel use), eight 6 x 8 standard elevators (six for guest use and two for house-keeping/delivery), 10 emergency stairs throughout the facility that fire isolated in each of the towers. Elevators/controllers/electric drives and utility vertical channels to upper floors are housed in the mainstays structures on four sides of the hotel structure. Utilities are housed in two flood proof compartments (one below lobby drop-off and one below the outside patio and pool), to service the electrical, communication, fire/security, water/sewer, heating/cooling, and pool support.

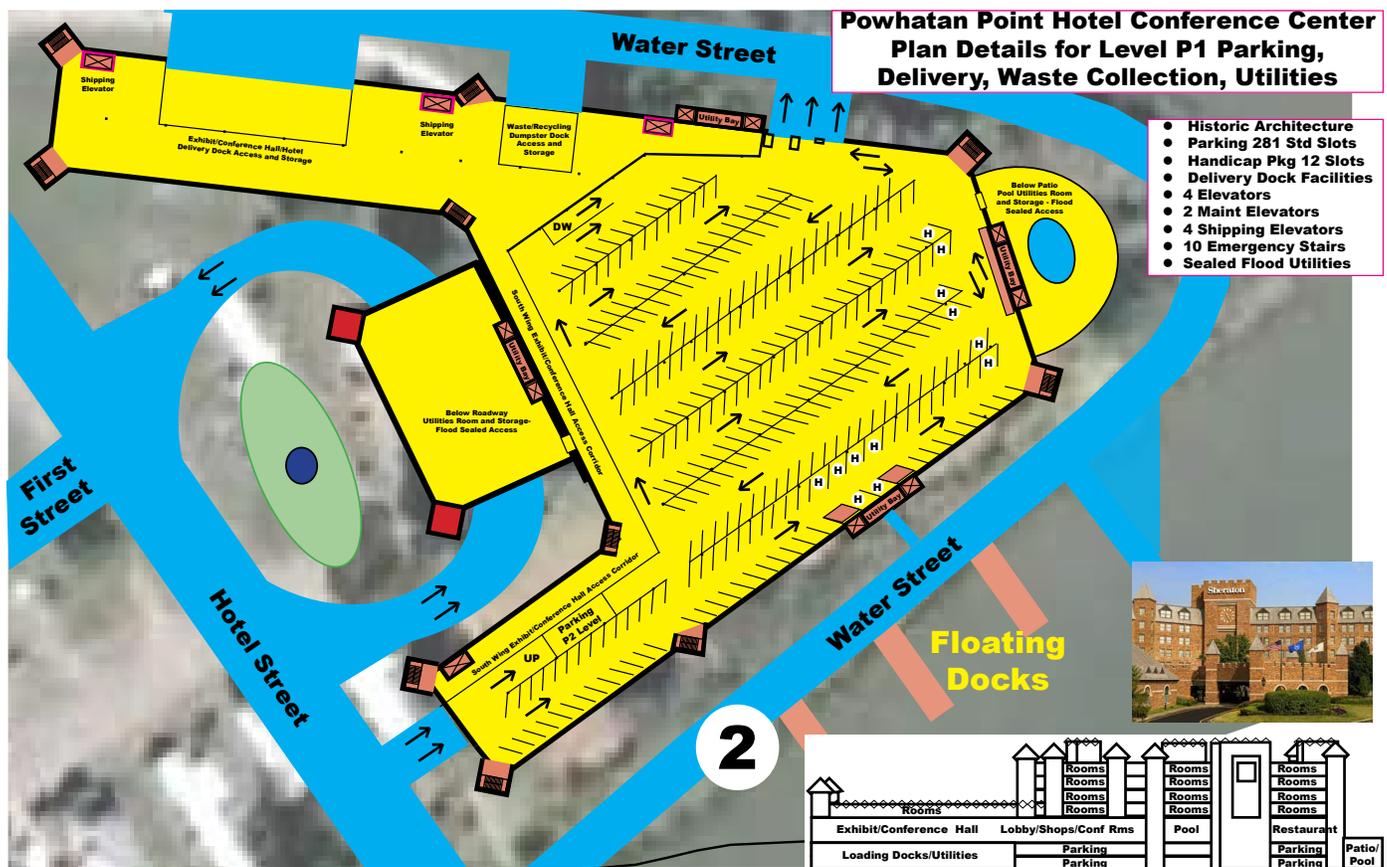


Figure 4. Powhatan Point Hotel Conference Center Access and Parking Level P1.

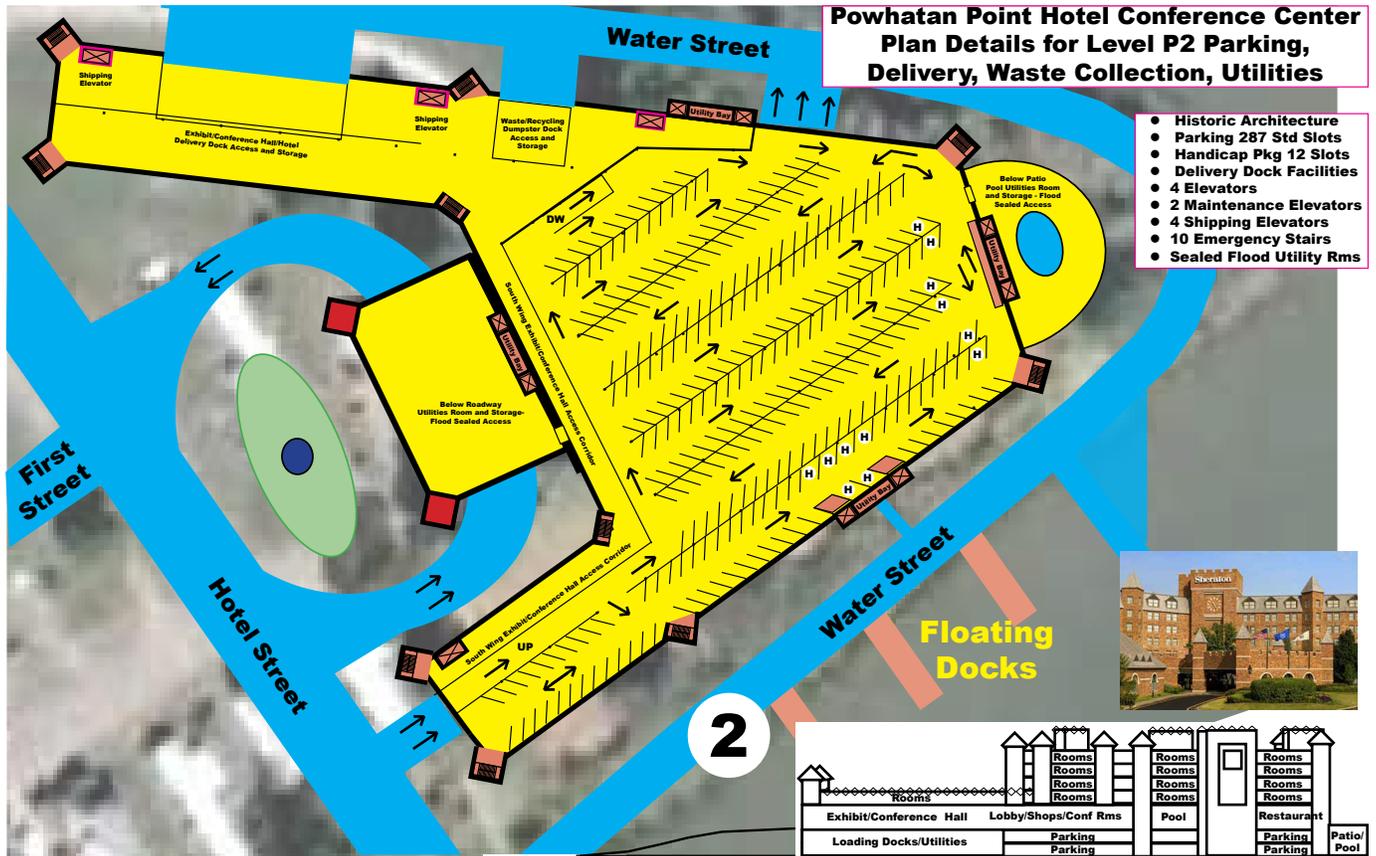


Figure 5. Powhatan Point Hotel Conference Center Access and Parking Level P2.

HOTEL MAIN LOBBY/EXHIBIT/CONFERENCE FACILITIES

Hotel Main Lobby Floor illustrated in *Figure 6*, occupies 72,000 sqft of space in a triangular design. The extended legs of the design represent a combined 12,100 sqft of Exhibit/Conference Halls (7,500 sqft/4,600 sqft respectively), in a column-less/20 foot high ceiling/dividable configuration. In the main building structure, these facilities are supplemented with three 3,500 sqft and two 2,400 sqft conference rooms (summary 11,300 sqft), along with two 1,200 sqft board rooms.

The main lobby, check in, service desks and hotel offices fronts the drive-in drop-off/pick-up access to the hotel. On same level are two retail stores serving guest general condiments/snack/drinks needs and gift/clothing needs, as well as an upscale restaurant and 24 hour coffee shop. Located as the foundational floor of the interior atrium with rooftop glass ceiling, representing approximately 14,000 sqft (120 x 120 feet), is a central entertainment area, which offers an entertainment stage, social meeting lounges areas, sports bar, with limited food service. Inside/outside recreational facilities, patio, fitness center, and pools are easily accessible to all of the guests.

Four large delivery elevators service the exhibit halls and hotel, while eight standard elevators service the main structure from all four sides of the hotel. Ten emergency stairs accessible from all floors assure easy and safe exiting of the building. Immense 7,000 sqft area for kitchen food preparation and storage, service all food needs of the hotel. Utility (efficient through green energy recovery methods), maintenance and fire/security support are centralized which reduces operation costs significantly.

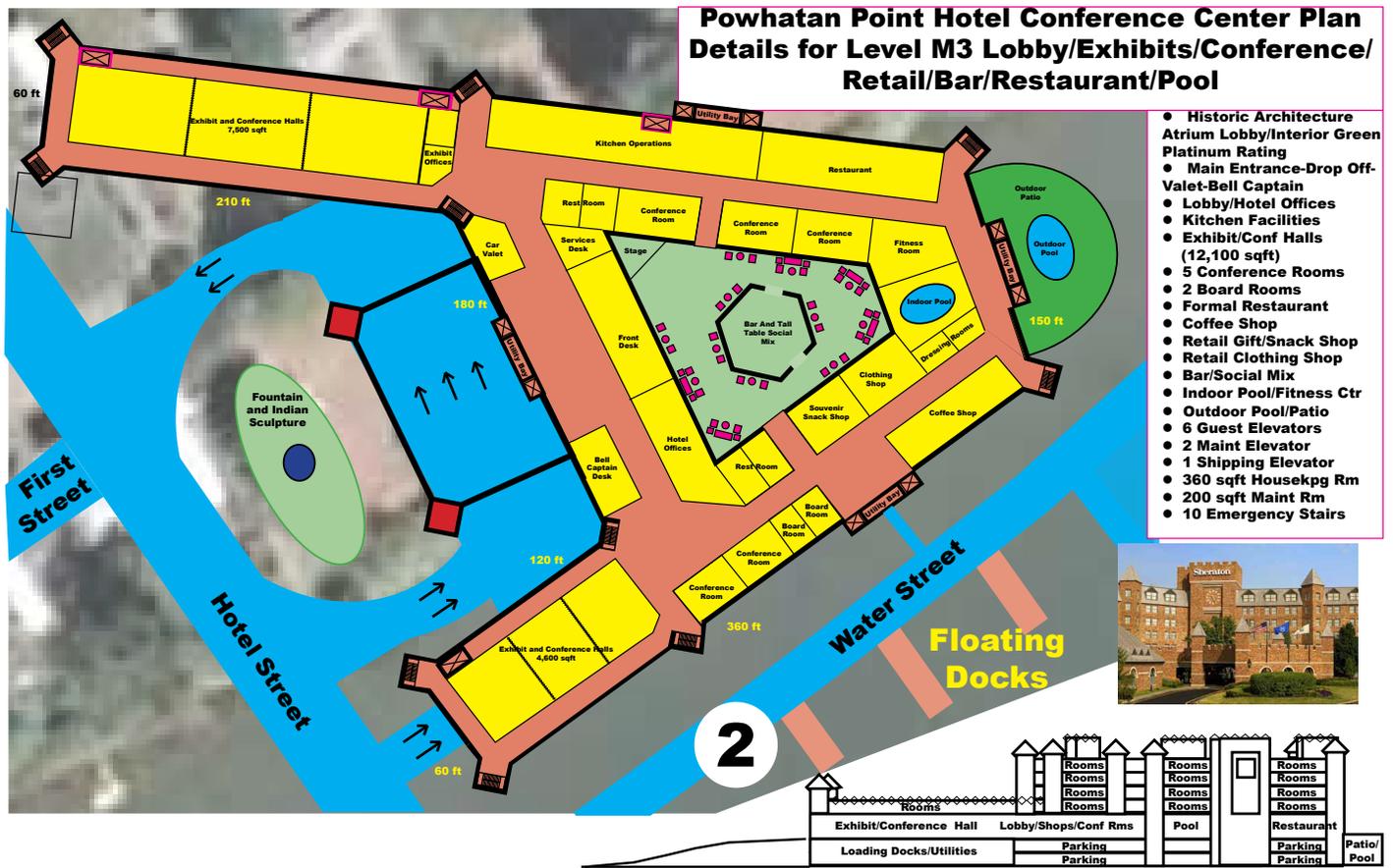


Figure 6. Powhatan Point Hotel Conference Center Main Lobby/Exhibit/Conference Level M3

HOTEL ROOMS

The hotel is expected to be rated as a four-star facility, offering 341 rooms of a mix of accommodations including hospitality and luxury suites that offer river/creek water views, while also provisioning other smaller, well-furnished suites and standard rooms. As shown, in **Figures 7 and 8**, hotel rooms are provided on 4 floors R4-R7 levels, with level R4 (**Figure 7**) expanded over the exhibit area.

Level R4 supports 116 rooms, including: (a) 9 Hospitality Rooms that include one or two bedrooms; (b) 39 luxury one bedroom suites (15 x 30 ft/450 sqft) and 2 others configured for handicap; (c) 20 Suites (15 x 22 ft/330 sqft); 41 Standard Rooms (10 x 24 Ft/240 sqft) and 6 others configured for handicap. Each floor provisions a large housekeeping area (30 x 60 ft/ 1,800 sqft) including the collocation of two delivery and one shipping elevators for room services. Each housekeeping unit will house linen/cleaning capabilities, storage of supplies and other guest accommodation support. A separate maintenance room (40 x 20 feet/ 800 sqft) provides added service support at each level including storage of spare/replacement furnishings, bedding and appliances.

Level R5 through R7 replicate Level R4 less the units on R4 over the Exhibit Halls. Each supports 75 rooms, including: (a) 9 Hospitality Rooms; (b) 17 luxury one bedroom suites (15 x 30 ft/450 sqft) and 2 others configured for handicap; (c) 20 Suites (15 x 22 ft/330 sqft); 41 Standard Rooms (10 x 24 Ft/240 sqft) and 6 others configured for handicap. Housekeeping and maintenance areas are also replicated as defined for R4. Guests for all four floors enjoy easy access from three sides of the building via 6 elevators and 6 (10 for R4) emergency stairs. Ice and vending machines are conveniently located by each of the three sets of elevators.

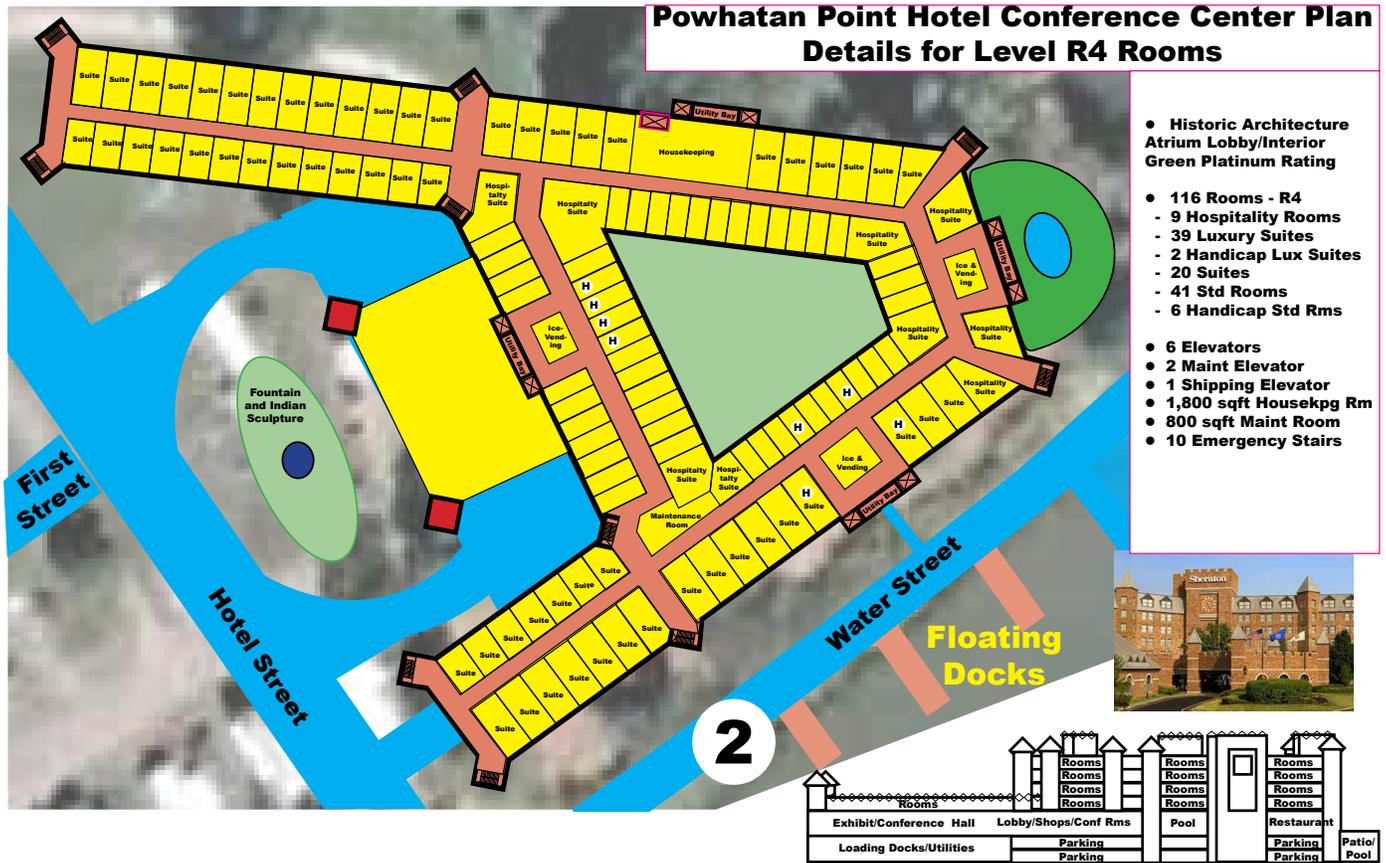


Figure 7. Powhatan Point Hotel Conference Center Rooms Level R4

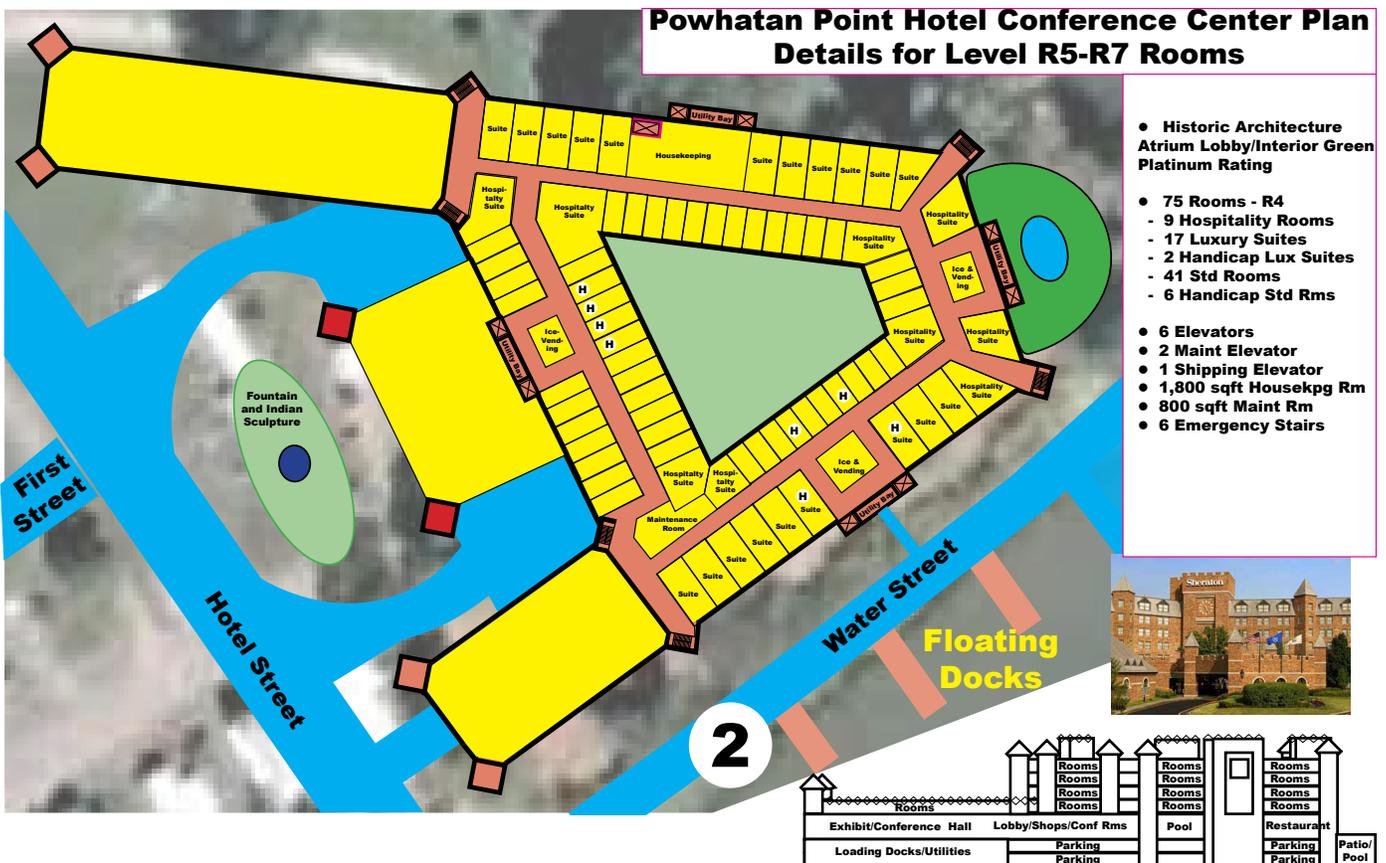


Figure 8. Powhatan Point Hotel Conference Center Rooms Levels R5-R7

MARKET ANALYSIS

In assessing the current market, three critical elements are reviewed: (a) demand; (b) competitive market; and (c) sustainability.

The demand review is driven primarily by the recent gas and oil exploration prominence (as illustrated by Figure 9), which is expected to require 10,000 workers over the five years for the area with many of those coming from other parts of the country. Powhatan Point resides in the center of Ohio's largest potential shale deposits and in an area nearly devoid of any readily available housing or hotels to support the influx of personnel. The first horizontal fracking well was drilled 5 miles from the community in 2009 with two more beginning in April 2012, with expectation over 15-20 will be operating in next 12 months within a 15 mile radius that will double and triple over the next 3-4 years. This is in addition to the expectation that in the next few weeks, a decision will be made to build a fracking gas and oil refining plant within five miles north or south of Powhatan Point, that will be additional 2,500 workers to construct and operate the plant and pipelines to it.

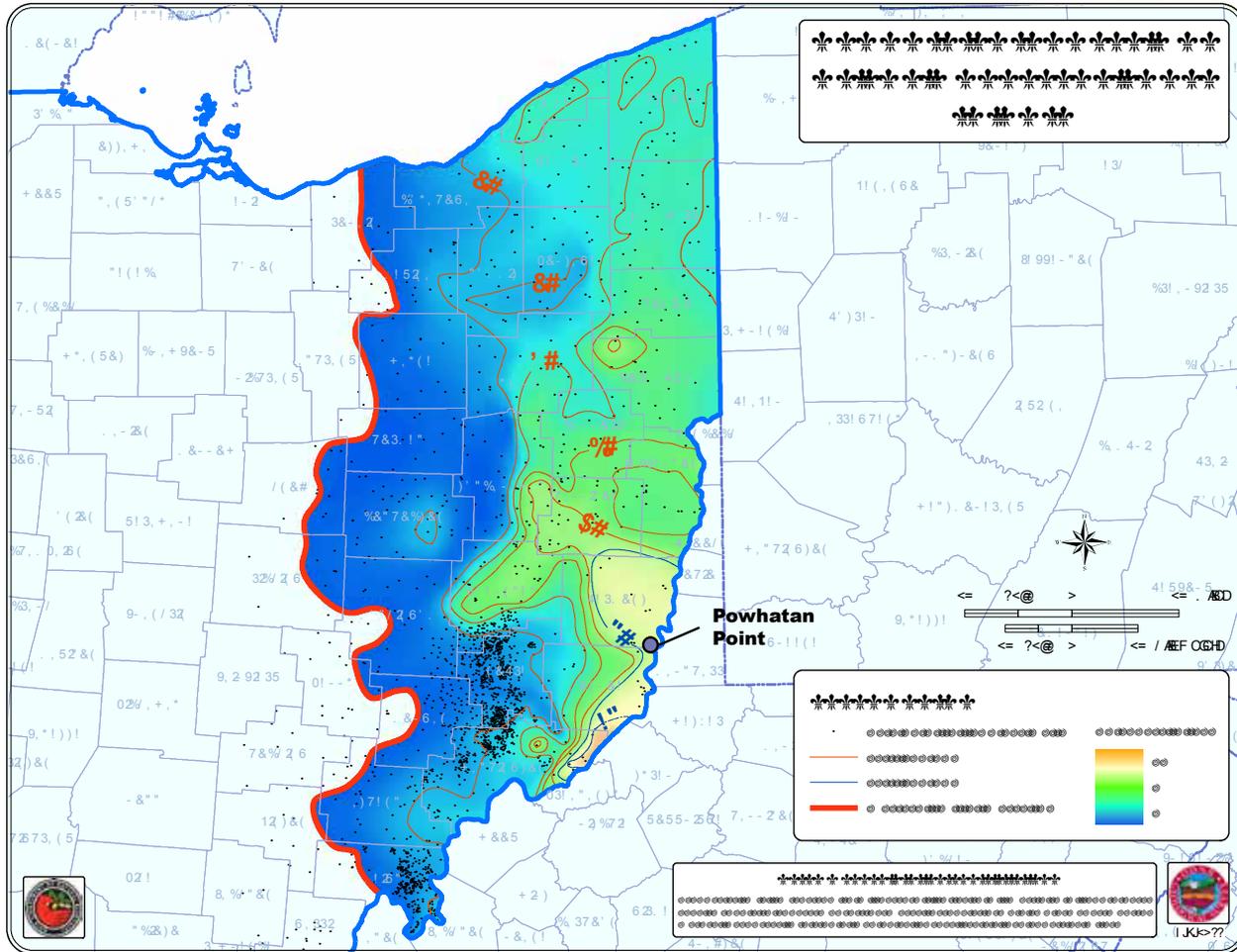


Figure 8. Powhatan Point

The competitive market review identifies the current hotel room inventory, vacancy rates, and pricing analysis. The attachments identify 31 hotels/motels within a 30 mile radius, with the majority residing 15 miles plus, with the closest residing in Moundsville, WV (four within 6 miles). Of the 31 hotels the majority fall under a three star rating with a room price range of \$50-\$100. The remaining are new or franchise hotels (Holiday Inn, Springhill, Hampton Inn, Days Inn, etc.) offering rooms at rates of \$100-150, reside primarily in the St. Clairsville and Wheeling area (+15 miles). Continental/Buffer breakfast are typically included. Vacancy rates are in decline as the oil and gas exploration continues to grow with most of the better hotels being fully occupied throughout the week. This is at a time when the O&G boom is just beginning, which dictates an immediate need for hotel growth.

The large conference/banquet hall and/or exhibit space (7,500 and 4,600- summary 11,100 sqft) and augmented conference/board rooms (three 3,500 sqft, two 2,400 sqft conference rooms, and two 1,200 sqft board rooms - summary 13,700 sqft), represents the only facilities of its type in the area. Given the hotel accommodations, unique river location/mountain setting, adjacent planned recreation facilities(18 golf course, water/snow skiing, fishing, hunting, hiking trails, horseback riding, snowmobile/four-wheeler trails) and cultural arts district, many trade show/seminar/conference coordinators will find an attractive venue for their programs. Combining the O&G boom, limited/no competition, with getaway vacationing and event programs should easily meet the hotel conference center marketing goals desired.

The **sustainable criteria** is based upon leveraging the O&G exploration boom as a catalyst to build the hotel, that otherwise would unlikely justify itself from either meeting the occupancy rate or investor/loan institutions accepting the risks. The goal of the hotel significance in its architecture design, scale, river front and town centered location, is to create a landmark tenant for the redeveloped downtown area. An area with a destination/tourism focus with an unique cultural arts district, river landing for sternwheelers/river cruise yacting/boating enthusiasts that will augment the larger goal of creating an attractive conference/exhibit site, a vacation getaway and/or resort environment. The downtown cultural arts redevelopment includes mixed retail, office and condo construction, that will initially support housing/office needs for O&G, complementing facility use of the hotel. To achieve the long-term sustainability of the downtown redevelopment, will require the area to initially share and later migrate towards a greater model of tourism, vacation homes, retirement, time-sharing condos, and young residential tenants as the O&G industry exploration declines into a production process. In general, we view the hotel primarily as a solution for the long-term goal of making Powhatan Point a destination town, while exploiting immediate O&G Needs. Those objectives should further reinforce the return-on-investment and long-term profitability of the hotel development.

REVITALIZATION IMPLEMENTATION

Critical aspect to any Revitalization is how does the town benefit financially. A strategic Issue/goal in any revitalization/redevelopment effort is the necessity of a Business and Financial Model that defines fundamentally how we operate or how Revitalization could finance the itself. More specifically, what methods can be applied that do not add financial burden to the community. The traditional approach is a developer provides a plan, the town reviews/makes suggestions, but is limited to what can be required. Typically, some adjacent infrastructure can be provided but the major issues of utility augmentation/road building are left to the town to solve, that in the end costs the community more than they can receive from taxation. It is further detrimental when the community supports tax increment financing that defers tax revenue to the developer without any revenue benefit until after deferment phase.

Alternate choices that should be considered, that have been applied in other communities, is the formulation of community owned non-profit corporation as is being done under the PPRA. This organization if tasked by the Town to implement its approved Revitalization Plan, would coordinate/manage acquisition of the land, filing for financing with state/federal government for various available programs, as well as developing and administering the redevelopment and associated infrastructure improvements.

The Powhatan Point Revitalization Association is a non-profit corporation that is controlled by the town’s stakeholders with a sole charter of conducting Revitalization for the community. Under its Articles of Incorporation, the organization facilitates the management, financing, design and operation/maintenance of each Revitalization project. Under that purview the PPRA would also implement a Limited Liability Corporation (LLC) relationship with each Revitalization project and respective equity partners to implement the development and operation of the facilities constructed. In those capacities the PPRA would also serve as the majority ownership in each LLC.

The Finance Model (shown in **Figure 9**) illustrates the basic formula of PPRA/government investment thru the PPRA/LLC, which includes the benefit of Local/State/Federal Grants/Credits/Loans, along with Ohio Tax Increment Financing (TIF) Statues to derive an equity down payment investment. This investment along with other equity partners (property land bank equity, private investment and community stock investors) contributions would meet banking institutes loan qualification to support the lion share of the development costs. In providing this investment the PPRA would establish itself as the majority ownership, to assure financial contributions will control the redevelopment and support infrastructure/historical enhancements are fulfilled.

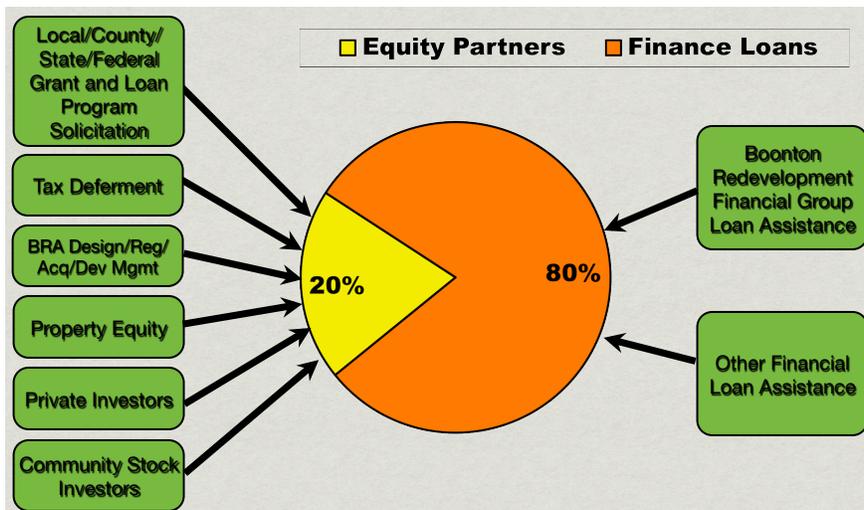


Figure 9. Financial Model Revitalization Project Investment Plan

To qualify for Ohio’s TIF incentives, the Town of Powhatan Point must designate a specific area or the complete commercial district in need of Revitalization under the qualification criteria established by the Ohio state/county/township/municipality TIF statues (discussed in more detail in subsequent sections). This designation upon approval by the respective authority, provides the community financial benefits, in particularly gap financing, based upon anticipated revenue from the Revitalization project.

Specifically, the hotel conference center represents a tentatively \$52M assessed redevelopment on property approximately assessed at \$2M. The \$50M increased tax increment asset would derive based upon a 1% tax rating, a annual \$500K tax increment for the town. Under the Ohio statues the municipality could offer a 10 year TIF offer, or \$5M to assist in the financing of the hotel, or optionally a 15 year TIF at 75% of the assessed \$500K, or \$375K x 15 = \$5.625M TIF offer. The later would allow the effected authorities the ability too collect a minimum of \$125K annually for those 15 years. The financing could also be done incrementally with a decreasing TIF per-centage. This flexibility gives each project an opportunity to adjust to its needs.

Under the tax increment financing, those funds can be transferred to the PPRA as a community equity investment. When added with other equity from municipal property, landbankassembly of current property owners, grants, credits and subsidized loans, as well as contributions of services to develop the project, it is easy to justify majority ownership without incurring any local financing or liabilities. The PPRA value is its ability to complete construction with the community interests included with regards to historical and local perimeter infrastructure enhancements.

LAND BANK EQUITY INVESTMENT BY LANDOWNERS

A key element to the financing and ability to develop the properties resides in convincing the land owners described in **Figure 10**, to invest their property into the project. Known in the industry as a Land Bank Assembly investment that the loan institutes treat as collateral based upon assessed property value only. The property values are also considered to be equity shares in the LLC, which would receive dividend payments based upon revenue produced by the project. It is expected that the property over its lifetime (likely 200 years) would return to the owners a triple return in first 25 years and a ten-fold profit over each of the next 25 year increments. The PPRA would further assist in relocating the tenants and assist in rent or compensation for relocating over the first six months. These incentives are expected to meet the landowners requirements to implement the Land Bank Assembly.

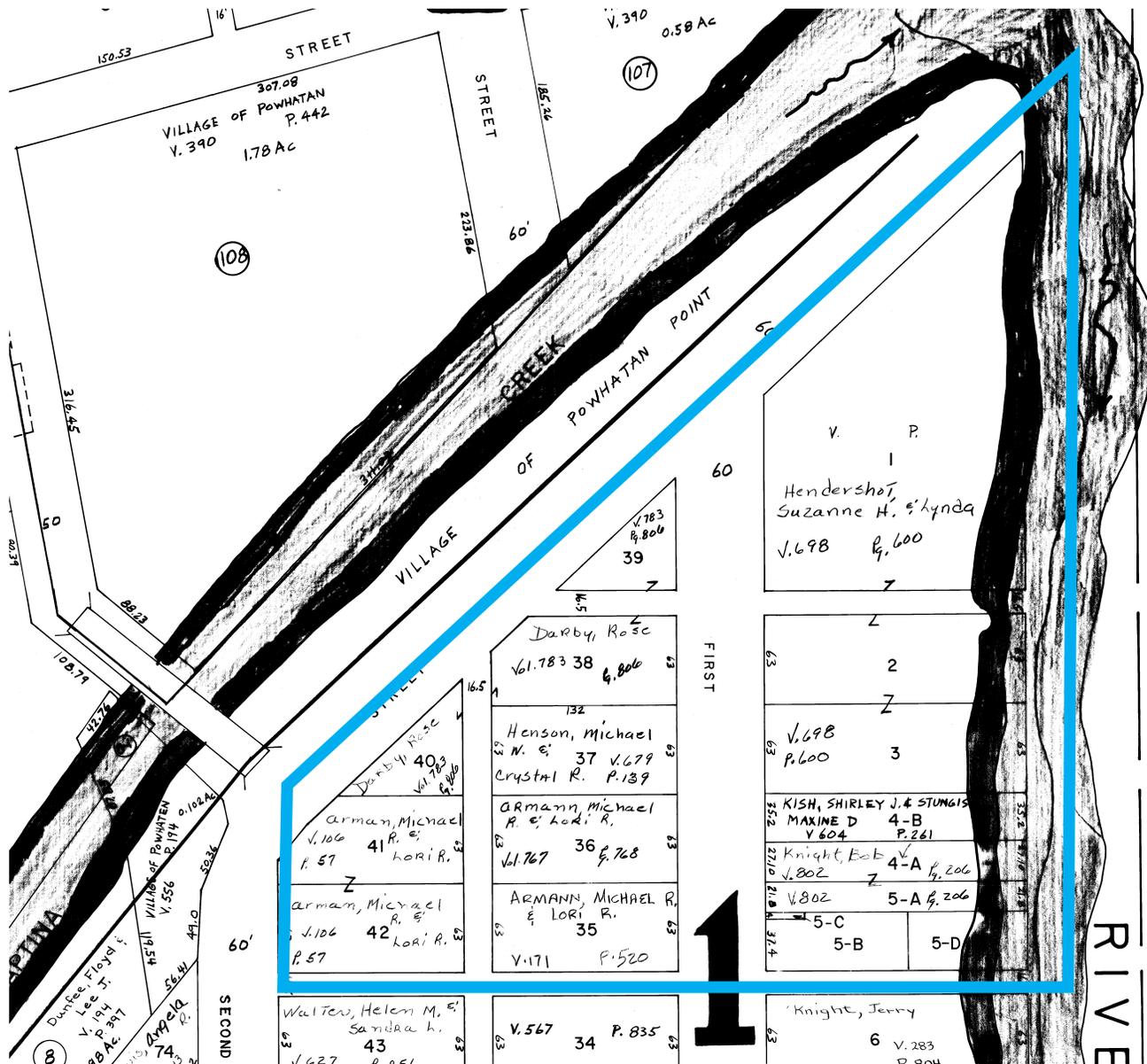


Figure 10. Land Bank Property Owners

INFRASTRUCTURE FINANCING

The PPRA also handles infrastructure surcharge set-aside and construction of the road, waterfront streetscape and utility improvements supporting the activity. To support these improvements, a 10% surcharge is obligated. Other expected revenue from the hotel/exhibit tax during TIF period must be obligated for further community development for: (a) historic Indian Knob Village/George Washington camping site restoration/enhancements; (b) the Ohio Valley Indian and Powhatan Coal/Gas/Oil Energy Museums/Exhibit Halls, (c) perimeter road/sidewalk improvements; and (d) municipal uses under the complete responsibility of the PPRA.

One of the most notable infrastructure improvements would be the waterfront with extended Water Street road, streetscape for biking/walking, and boat landing/dock areas to include a sternwheeler wharf with utility and fuel hook-up facilities. This will dramatically enhance the waterfront as a tourist stop and attract hotel patrons.

Utilities must be upgraded to assure that in ground facilities are flood resistant and sealed from the waters that could contaminate or disable their use. Sewer/water treatment and electrical/communication distribution would be upgraded as priority in the overall revitalization effort and specifically those elements in the RP-10 district.

PPRA/MUNICIPAL PARKING

The parking facilities serve the hotel interests and revenue charged for its use supports the loan obligations of its construction. Based upon 592 parking spaces and a daily fee of \$6 x 365 days x a conservative 50% use rate, the parking facilities could generate an annual \$650K. If automated fee collection is applied to reduce need for staffing, this can be a significant source for the project and PPRA. Upon completion of the loan these parking facilities will be transferred to the community as municipal assets along with its revenue, in addition to the hotel/property tax plan.

LEASE OR MANAGED REVENUE SOURCES

The business/finance models have options to how they generate revenue for the PPRA and equity partners. One approach is lease the building operation and maintenance to a third party hotel management group, who would market, staff and administrate its operation. The second involves the PPRA doing the same. The former offers less risk day-to-day but could be handed back to us if the lessor fails or pulls-out. Although risks could be higher, there are organizations who can be subcontracted to assist in the operation with the PPRA. Based on Proforma basic analysis and assumed lease rates, the later has more potential for the PPRA, then the former. These options are described in Table 1, and its determination deferred to a later date once the project gets off the ground.

Predicated upon the PPRA equity share, which under a minimum of 51%, should produce 10 fold return on our investment from lease/operational revenue, than that received from taxes. During the initial 25 year period the majority of these funds along with municipal parking fees are applied to the loan payments to cover construction costs. Once the loan is paid (based on a 25 year payback period) the revenue generation will have a significant increase that will last as long as the building is standing (likely 200+ years). Lease revenue will represent the lion share of long-term Revitalization financial support to the community and a great source for reinvestment into the community needs.

PPRA-LLC RP-10 PROJECT FINANCIAL EXPECTATIONS

The LLC project financial expectations are illustrated in *Figure 11* based upon the pro forma analysis of *Table 1*. It accounts for the down payment (20%) and loan process over a 25 year payback period and revenue generated from the lease option based upon LLC equity owners annual revenue. The percentage of the LLC equity land bank assembly investors is predicated on their up front assessed values. Equity Revenue dramatically increases after loan payback for equity owners. Tax Deferment is defined over ten years and eliminated thereafter. Although Return on Investment (ROI) is low in first 25 years, there are significant increases in the out years (exceeding 200 years).

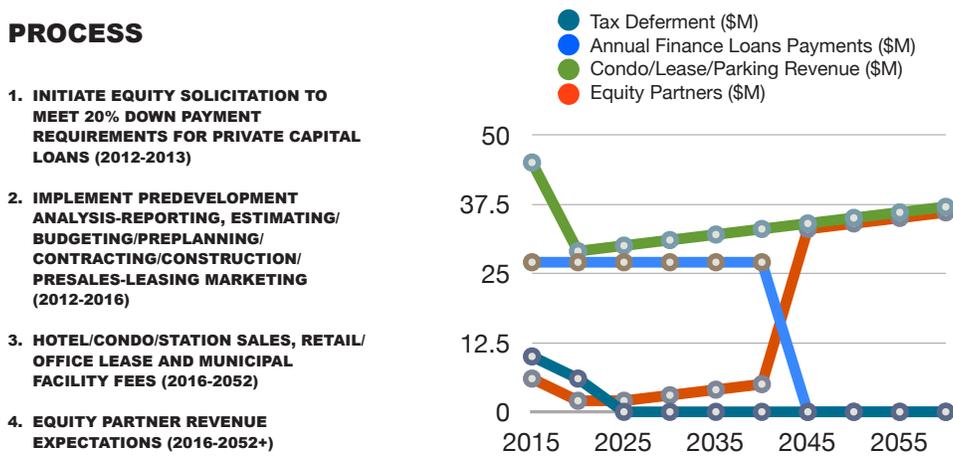


Figure 11. Revitalization Project Financial Process

TAX INCREMENT FINANCING

Tax Increment Financing along with several tax credit, loan subsidies, and grants will be applied by the PPRA to support financing the development down payment. Several statutes give general purpose units of government the authority to exempt increases in the valuation of a parcel or parcels of real property within a designated development project or area from local property tax, in order to create a financing mechanism known as "tax increment financing" (TIF). These statutes provide that the property owners receiving the exemptions make a payment in lieu of taxes (PILOT) to the local government granting the exemption. The PILOT is equivalent to all or some portion of the tax the property owner would otherwise have been obligated to pay. The PILOT is deposited in a service fund, the proceeds of which are used by the local government to fund public improvements serving the property (frequently the amortization of bonds financing the original acquisition of the site and/or construction of public infrastructure). These measures include:

- Municipal Tax Increment Financing (O.R.C. 5709.40, 5709.42-5709.43)
- Urban Redevelopment Tax Increment Financing (O.R.C. 5709.42-5709.43)
- Township Public Improvement Tax Increment Financing (O.R.C. 5709.73-5709.75)
- County Redevelopment Tax Increment Financing (O.R.C. 5709.77-5709.81)
- Municipal Urban Renewal Debt Retirement Fund (O.R.C. 725.03)

In general, the statutes provide that 100 percent of the redevelopment value added to real property can be exempted for a term of up to 10 years to support a TIF. With the approval of the local school board, the process can be increased to as much as 100 percent and the maximum term increased to 30 years. Likewise, the approval of other political jurisdictions impacted by the tax exemption supporting the TIF is required to extend beyond the 75 percent and 10-year limit, unless the jurisdiction issuing the TIF makes compensation to the impacted subdivisions equal to 50 percent of the taxes exempted above the 75 percent threshold.

Financial Pro Forma analysis, shown in **Table 1**, describes estimated build and loan costs, expected lease revenue, return on investment (ROI), and related contributions and breakdowns. With a \$46.1M build costs and a 10% infrastructure surcharge of \$5.1M create an overall cost of \$50.8M is expected. Based upon 10% down payment (\$5.1M) the loan amount of \$45.7M is required. Under a 25 year payback with added loan costs, the total facility expenditure costs would increase to \$84.2M. To meet this expense the facility is expected to generate in the same period municipal parking revenue of \$9.4M and hotel lease space of \$120M revenue. This represents a cumulative revenue total of \$129.5M over the 25 years. A \$45.3M profit would then be divided within the LLC investors and BRA (minimum of 51% or \$23.1M+). Thereafter, and subsequent to the loan being paid off, the annual profit will significantly increase from \$1.8M to \$5.2M, or approximately \$2.6M+ to the BRA. This does not include hotel room and convention conference/exhibit city taxes received annually of \$528K by the town, or annual property tax under RA-2A of \$920K. Over the first 10 year period, less the tax deferral of \$7.9M (RAD/TIF) the total revenue received is \$1.3M. The summary benefit from the investment to the BRA is the annual lease revenue and taxes during loan period of \$51.4M and thereafter \$102.2M, as a owner in the RA-3A project.

Table 1. Powhatan Point - Hotel Conference Center
Revitalization District RP-10 Financial Pro Forma

Basic Pro Forma Financial
Powhatan Point Hotel Conference Center
Revitalization Area RP-10

Level	Build-out Sqft	Cost x \$20K/slot	Parking Slots	Annual Revenue x \$6 x 365 x 50%	25 Year Revenue
Hotel Parking-P1	72,000	\$ 5,860,000	293	\$ 320,835	\$ 8,020,875
Hotel Parking-P2	60,000	\$ 5,980,000	299	\$ 327,405	\$ 8,185,125
Parking Subtotal	132,000	\$ 11,840,000	592	\$ 648,240	\$ 16,206,000
Level	Build-out Sqft	Cost x \$125/sqft	Leaseable sqft	Optional PPRA Lease Annual Revenue x \$18/sqft	Optional Lease 25 Year Revenue
Studies/Engr/ Contr/Relocation		\$ 1,500,000	0	\$ -	\$ 0
Site Prep		\$ 1,500,000	0	\$ -	\$ 0
Road/Streetscape		\$ 4,500,000	0	\$ -	\$ 0
Lobby/ConfRm-M3	72,000	\$ 9,000,000	72,000	\$ 1,296,000	\$ 32,400,000
Hotel Rooms-R4	72,000	\$ 9,000,000	72,000	\$ 1,296,000	\$ 32,400,000
Hotel Rooms-R5	40,400	\$ 5,050,000	40,400	\$ 727,200	\$ 18,180,000
Hotel Rooms-R7	40,400	\$ 5,050,000	40,400	\$ 727,200	\$ 18,180,000
Hotel Rooms-R8	40,400	\$ 5,050,000	40,400	\$ 727,200	\$ 18,180,000
Main Lobby/Rm Subtotal	265,200	\$ 40,650,000	265,200	\$ 4,773,600	\$ 119,340,000
Facility Summary	397,200	\$ 52,490,000		\$ 5,421,840	\$ 135,546,000
		Infrastructure Contribution(10%)		\$ 5,249,000	
		Facility + Infrastructure Cost Summary:		\$ 57,739,000	
Loan Costs @4.5% -25yrs with 20% Down Paymt					
		Less Loan Down Payment of 20%:		\$ 11,547,800	
		Loan Requirement:		\$ 46,191,200	
Monthly Payment	Annual Paymts	Total Paymts Covering 25 Yr		Optional Lease Annual Revenue - Costs Summary	25 Year Period Total Revenue - Costs Summary
\$ 256,746	\$ 3,080,952	\$ 77,023,800		\$ 2,340,888	\$ 58,522,200
		After Loan Repayment:		\$ 5,421,840	\$ 135,546,000
Projected Operational Revenue:					
				Elements	Percent %
		Annual Parking Fees: 592 x 4 x 365 x 50% =	\$ 648,240		3%
		Annual Room Fees: 350 x avg \$145 x 365 x 60%=	\$ 11,114,250		56%
		Exhibit Space Fees: 300 (10 x 10 space) x avg \$750 x 52 x 50%=	\$ 5,850,000		29%
		Conference Room Fees: 7 x avg \$1,000 x 52 x 50%=	\$ 182,000		1%
		Retail, Bar and Food Service Fees: 300 x \$25 avg x 365 x 50%	\$ 2,190,000		11%
		Summary Annual Projected Revenue:	\$ 19,984,490		100%
Projected Operational Costs:					
				Elements	Percent %
		Annual Loan Payment:	\$ 3,080,952		19%
		Franchise/Mgmt Fee 5% of the Revenue	\$ 999,225		6%
		Staffing Costs: 60 full-time staff @ avg \$85,000/individual	\$ 5,100,000		31%
		Staffing Costs: 50 part-time staff @ avg \$35,000/individual	\$ 1,750,000		11%
		Operational Supplies, Maintenance, Utilities: \$150,000 x 12	\$ 1,800,000		11%
		Retail, Food, and Conference Support: \$10,000 x 365	\$ 3,650,000		22%
		Summary Annual Projected Costs:	\$ 16,380,177		100%
		Projected Annual Profit Margin:	\$ 3,604,314		18%
Projected Tax Revenue:					
		Annual Hotel Room City Tax (\$5/rm-night x 338 rms x 365 days x 65% occupancy):	\$ 400,953		
		Annual Conf Room City Tax (\$50/1,000 sqft rm-night x 4 rms x 365 days x 65% occupancy):	\$ 47,450		
		Annual Exhibit Booth City Tax (\$50 x 87 booths x 52 weeks x 65% occupancy):	\$ 147,030		
		City Tax Total:	\$ 595,433		
		Optional General Annual LLC-Investors (max 45%)Lease Revenue During Loan:	\$ 1,053,400		
		Optional General Annual LLC-Investors (max 45%) Lease Revenue After Loan:	\$ 2,439,828		
		Optional Summary LLC-Investors Revenue for 25 Year Period:	\$ 26,334,990		
		Optional General Annual LLC-PPRA (min 55%) Leasing Revenue During Loan:	\$ 1,287,488		
		Optional General Annual LLC-PPRA (min 55%) Leasing Revenue After Loan:	\$ 2,982,012		
		Optional Summary LLC-PPRA Revenue for 25 Year Period:	\$ 32,187,210		
Tax Increment Financing Program 15 Year Decreasing Tax Deferment Supports Loan Down Payment					
		Proj Annual Tax Payment Before Deferment (\$52.5M Assessment x 1% tax):	\$ 524,900		
		Prorate Tax Deferment Sum FY2014-29 (15 x \$394K)	\$ 5,905,125		
		Tax Revenue Sum FY2014-29 (15 x \$131K)	\$ 1,393,313		
		Projected Tax Revenue After Deferment Over 25 Year Period:	\$ 7,217,375		

Attachment 1: Hotel Market Survey

- 1 **Four Seasons**
(0)
300 Mulberry Ave, Moundsville, WV
(304) 845-7733 | www.fourseasons.com
[Directions](#) | [Send to Phone](#)

- 2 **Moundsville Plaza Motel**
(4)
1402 Lafayette Ave, Moundsville, WV
(304) 845-9650
[Directions](#) | [Send to Phone](#)

- 3 **Terrace Motel**
(0)
Rr 2, Moundsville, WV
(304) 845-4881
[Directions](#) | [Send to Phone](#)

- 4 **Wheeling Island Racetrack**
(16)
1 S Stone St, Wheeling, WV
(304) 232-0040 | wheelingisland.com
[Directions](#) | [Send to Phone](#)

- 5 **New Martinsville Inn**
(12)
166 N State Route 2, New Martinsville, WV
(304) 455-6100 | amerihostinn.com
[Directions](#) | [Send to Phone](#)

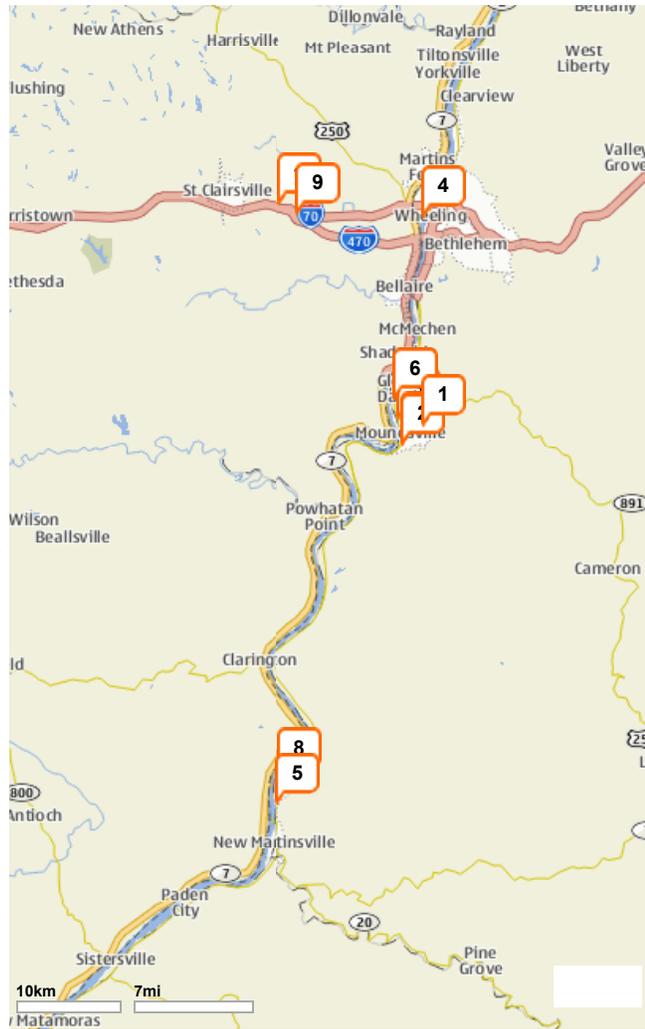
- 6 **Reilley's Office Complex Motel**
(0)
1307 Wheeling Ave, Glen Dale, WV
(304) 221-2060
[Directions](#) | [Send to Phone](#)

- 7 **Guest House**
(1)
1400 Lafayette Ave, Moundsville, WV
(304) 845-9232
[Directions](#) | [Send to Phone](#)

- 8 **Travelers Inn**
(4)
519 N State Route 2, New Martinsville, WV
(304) 455-3355 | travellersinn.com
[Directions](#) | [Send to Phone](#)

- 9 **Days Inn**
(3)
52601 Holiday Dr, St Clairsville, OH
(740) 695-0100 | www.daysinn.com
[Directions](#) | [Send to Phone](#)

- 10 **Holiday Inn Express Hotel & Suites St Clairsville** Merchant verified
(1)
51654 National Rd E, St Clairsville, OH
(877) 786-9480 | www.ichotelsgroup.com
[Directions](#) | [Send to Phone](#)



- 11 **Plaza Inn**
 (5)
 291 N State Route 2, New Martinsville, WV
 (304) 455-4490
[Directions](#) | [Send to Phone](#)

- 12 **Budget Inn of America**
 (4)
 834 3rd St, New Martinsville, WV
 (304) 455-2750 | [budgetinn.com](#)
[Directions](#) | [Send to Phone](#)

- 13 **Haven Inn**
 (1)
 302 Wheeling Ave, Glen Dale, WV
 (866) 784-0683 | [www.haveninnwv.com](#)
[Directions](#) | [Send to Phone](#)

- 14 **Americas Best Value Inn St Clairsville/Wheeling**
 (0)
 51260 National Rd E, St Clairsville, OH
 (740) 695-5038 | [www.americasbestvalueinn.com](#)
[Directions](#) | [Send to Phone](#)

- 15 **Red Roof Inn**
 (0)
 I-70 & Mall Rd, St Clairsville, OH
 (740) 695-4057 | [www.redroof.com](#)
[Directions](#) | [Send to Phone](#)

- 16 **Holiday Inn Express-St Clrsvll**
 (0)
 51654 National Rd E, St Clairsville, OH
 (740) 699-0010
[Directions](#) | [Send to Phone](#)

- 17 **America's Best Value Inn St Clairsville**
Merchant verified
 (1)
 51260 National Rd E, St Clairsville, OH
 (740) 695-5038 | [www.bvohio.com](#)
[Directions](#) | [Send to Phone](#)

- 18 **Econo Lodge Inn & Suites** Merchant verified
 (0)
 51659 National Rd E, St Clairsville, OH
 (740) 526-0128 | [www.econolodge.com](#)
[Directions](#) | [Send to Phone](#)

- 19 **Magnolia House**
 (1)
 757 Maple Ave, New Martinsville, WV
 (304) 455-4440 | [magnoliahousebnb.com](#)
[Directions](#) | [Send to Phone](#)

- 20 **Hillside Motel**
 (10)
 54481 National Rd, Bridgeport, OH
 (740) 635-9111 | [hillside-motel.com](#)
[Directions](#) | [Send to Phone](#)



21 **Bonnie Dwaine Bed & Breakfast**
(8)

505 Wheeling Ave, Glen Dale, WV
(304) 845-7250 | www.bonnie-dwaine.com
[Directions](#) | [Send to Phone](#)

22 **Wheeling Island Hotel-Casino-Racetrack**
(0)

1 S Stone St, Wheeling, WV
(304) 232-5050 | www.wheelingisland.com
[Directions](#) | [Send to Phone](#)

23 **St Clairsville Red Roof**
(1)

68301 Red Roof Ln, St Clairsville, OH
(740) 695-4057 | redroof.com
[Directions](#) | [Send to Phone](#)

24 **Relax Inn**
(2)

52509 National Rd E, St Clairsville, OH
(740) 695-3378
[Directions](#) | [Send to Phone](#)

25 **Oglebay**
(0)

Wv-88, Wheeling, WV
(304) 243-4000 | www.oglebay-resort.com
[Directions](#) | [Send to Phone](#)

26 **Econo Lodge St Clairsville**
(6)

51659 National Rd E, St Clairsville, OH
(740) 526-0128 | econolodge.com
[Directions](#) | [Send to Phone](#)

27 **Wheeling Island Racetrack & Gaming Center**
(1)

1 S Stone St, Wheeling, WV
(304) 231-1831 | www.wheelingisland.com
[Directions](#) | [Send to Phone](#)

28 **Oglebay Wilson Lodge Resort Shop**
(0)

, Wheeling, WV
(304) 243-4087 | www.oglebay-resort.com
[Directions](#) | [Send to Phone](#)

29 **Fairfield Inn and Suites by Marriott Wheeling - Saint Clairsville**
(5)

67731 Mall Rd, St Clairsville, OH
(740) 699-4980 | marriott.com
[Directions](#) | [Send to Phone](#)

30 **McLure City Center Hotel**
(23)

1200 Market St, Wheeling, WV
(304) 232-0300 | www.mclurehotel.com
[Directions](#) | [Send to Phone](#)



<p>McLure House Hotel 3.5 out of 5 (33 reviews) Wheeling (Wheeling) - Map 1-866-264-5744</p>	<p>\$99 avg/night Expedia Special Rate 03/04 to 03/07 CHOOSE DATES</p>	<p>Holiday Inn Express and Suites Saint Clairsville 4.0 out of 5 (6 reviews) St Clairsville (St Clairsville) - Map 1-866-313-6242</p>	<p>\$118 avg/night Expedia Special Rate 03/16 to 03/19 CHOOSE DATES</p>
<p>Hampton Inn Wheeling 4.9 out of 5 (13 reviews) Wheeling (Wheeling) - Map 1-866-267-9053</p>	<p>\$134 avg/night Expedia Special Rate 03/09 to 03/12 CHOOSE DATES</p>	<p>Comfort Inn 4.4 out of 5 (22 reviews) Weirton (Weirton) - Map 1-866-608-6760</p>	<p>\$99 avg/night Expedia Special Rate 03/04 to 03/07 CHOOSE DATES</p>
<p>Hampton Inn St Clairsville 4.8 out of 5 (14 reviews) St Clairsville (St Clairsville) - Map 1-866-272-4856</p>	<p>\$101 avg/night Expedia Special Rate 03/16 to 03/19 CHOOSE DATES</p>	<p>Comfort Inn Triadelphia 2.7 out of 5 (6 reviews) Triadelphia - Map 1-866-265-3604</p>	<p>\$130 avg/night Expedia Special Rate 03/03 to 03/06 CHOOSE DATES</p>
<p>Days Inn Wheeling West 3.9 out of 5 (32 reviews) St Clairsville (St Clairsville) - Map 1-866-276-6393</p>	<p>\$56 avg/night Expedia Special Rate 03/03 to 03/06 CHOOSE DATES</p>	<p>Holiday Inn Weirton 4.0 out of 5 Weirton (Weirton) - Map 1-866-263-3710</p>	<p>\$117 avg/night Expedia Special Rate 03/06 to 03/09 CHOOSE DATES</p>
<p>Econo Lodge Inn & Suites 3.9 out of 5 (9 reviews) Triadelphia - Map 1-866-279-5332</p>	<p>\$99 avg/night Expedia Special Rate 03/03 to 03/06 CHOOSE DATES</p>	<p>Fairfield Inn & Suites by Marriott St. Clairsville 4.3 out of 5 (3 reviews) St Clairsville (St Clairsville) - Map 1-866-599-6675</p>	<p>\$129 avg/night Expedia Special Rate 03/09 to 03/12 CHOOSE DATES</p>
<p>Springhill Suites by Marriott Wheeling 4.2 out of 5 (15 reviews) Wheeling (Wheeling) - Map 1-866-281-6817</p>	<p>\$139 avg/night Expedia Special Rate 03/03 to 03/06 CHOOSE DATES</p>	<p>Fairfield Inn & Suites by Marriott Weirton 4.5 out of 5 Weirton (Weirton) - Map 1-866-307-9227</p>	<p>\$119 avg/night Expedia Special Rate 03/08 to 03/11 CHOOSE DATES</p>
<p>Super 8 St Clairsville Oh Whee 3.2 out of 5 (20 reviews) St Clairsville (St Clairsville) - Map 1-866-286-0843</p>	<p>\$57 avg/night Expedia Special Rate 03/04 to 03/07 CHOOSE DATES</p>	<p>Econo Lodge Inn And Suites 1.8 out of 5 (4 reviews) St Clairsville (St Clairsville) - Map 1-866-280-5236</p>	<p>Rooms may be available CHOOSE DATES</p>
<p>Red Roof Inn St Clairsville - Wheeling West 3.4 out of 5 (12 reviews) St Clairsville (St Clairsville) - Map 1-866-295-5798</p>	<p>\$77 avg/night Expedia Special Rate 03/09 to 03/12 CHOOSE DATES</p>	<p>Americas Best Value Inn 3.5 out of 5 (6 reviews) St Clairsville (St Clairsville) - Map 1-866-327-6247</p>	<p>Rooms may be available CHOOSE DATES</p>
<p>Super 8 Wheeling Wv 3.9 out of 5 (27 reviews) Wheeling (Wheeling) - Map 1-866-298-0996</p>	<p>\$86 \$73 avg/night Expedia Special Rate 03/03 to 03/06 CHOOSE DATES</p>		