



Office of the Director of Finance
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September 29, 2010

Mr. Todd Hooker
West Virginia Development Office
Capitol Complex Building 6, Room 504
1900 Kanawha Blvd, E.
Charleston, WV 25305-0311

Dear Todd,

Pursuant to WV Code §7-11B-15, the City of Huntington Finance Division is providing the enclosed Annual Report on the City of Huntington Downtown Tax Increment Financing District No. 1. An approved Project Plan for The City of Huntington Downtown Tax Increment Financing Project No. 1 is on file with the West Virginia Development Office (Approved August 3, 2005).

Thank you for your assistance with this project. If you have any additional questions, please do not hesitate to contact me at the following address:

City of Huntington Finance Division
PO Box 1659
Huntington, WV 25717

Sincerely,

Deron Runyon
Finance Director, City of Huntington

C: Fred Williams – City of Huntington TIF Counsel
Cathy Burns – Huntington-Ironton Empowerment Zone, Agent
Mayor Kim Wolfe – City of Huntington
Kathy Smith – United Bank – Bond Trustee

Annual Report by City of Huntington
City of Huntington Downtown Tax Increment Financing District No. 1
September 30, 2010

(1) The aggregate amount and the amount by source of revenue in the tax increment financing fund:

As of June 30, 2010 the tax increment financing fund had balances at United Bank, Inc. as follows:

TIF Project Fund	\$.63	(From Bond Proceeds and Earnings*)
TIF Increment Fund-Bank	\$ 3,478.57	(From Tax Increment and Earnings)
<u>TIF Increment Fund-Trust</u>	<u>\$ 21,282.45</u>	(From Tax Increment and Earnings)
TOTAL	\$ 24,761.65	

* The Huntington-Ironton Empowerment Zone contributed a grant of \$300,000.00 to the TIF Project Fund

As of the Fiscal Year Ended June 30, 2010 the TIF received the following funds:

<u>Revenue Category</u>	<u>FY2010</u>	<u>Aggregate Project</u>
TIF Bond Proceeds	\$ 0.00	\$2,450,000.00
TIF Interest Earnings	\$ 42.80	\$ 149,700.86
TIF Grant Revenue	\$ 0.00	\$ 300,000.00
TIF Fund Collections	\$ 291,389.77	\$ 943,450.63
TIF Miscellaneous Revenue	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Total	\$ 291,432.57	\$3,843,151.49

(2) The amount and purpose of expenditures from the tax increment financing fund:

As of the Fiscal Year Ended June 30, 2010 the following funds were expended:

<u>Expense Category</u>	<u>FY2010</u>	<u>Aggregate Project</u>
TIF Costs of Bond Issuance	\$ 0.00	\$ 244,784.61
TIF Construction Costs	\$ 156,526.81	\$2,658,465.73
TIF Bond Principal Reduction	\$ 156,000.00	\$ 400,000.00
TIF Bond Interest Expense	\$ 121,330.00	\$ 507,114.00
TIF Administration	<u>\$ 2,000.00</u>	<u>\$ 8,025.50</u>
Total	\$ 586,284.90	\$3,818,389.84

(3) The amount of any pledge of revenues, including principal and interest on any outstanding tax increment financing indebtedness:

As of the date of this report, there is one \$2,450,000 Series 2006 City of Huntington (West Virginia) Tax Increment Revenue Bond (Downtown Project No. 1) which was issued June 28, 2006.

As of June 30, 2010 the principal balance of this bond was \$2,050,000.00 plus accrued interest.

(4) The base-assessed value of the development or redevelopment project, or the development or redevelopment project area or district, as appropriate.

The base-assessed value of the City of Huntington Downtown Tax Increment Financing District No. 1 is \$77,341,972 (July 1, 2003 Assessment Date).

(5) The assessed value for the current tax year of the development or redevelopment project property, or of the taxable property having a tax situs in the development or redevelopment project area or district, as appropriate;

The current assessed value of the City of Huntington Tax Increment Financing District #1 is \$97,859,931 (July 1, 2009 Assessment Date).

(6) The assessed value added to base-assessed value of the development or redevelopment project, or the taxable property having a tax situs in the development or redevelopment area or district, as the case may be.

The increase in the assessed value is \$20,517,959.

(7) Payments made in lieu of taxes received and expended.

As of the date of this report, there are no payments made in lieu of taxes in the district.

(8) Reports on contracts made incidental to the implementation and furtherance of a development or redevelopment plan or project;

As of the date of this report, no incidental contracts have been signed.

(9) A copy of any development or redevelopment plan, which shall include the required findings and cost-benefit analysis;

The Project Plan for The City of Huntington Downtown Tax Increment Financing Project No. 1, as approved on August 3, 2005, is on file with the West Virginia Development Office.

(10) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled

As of the date of this report, no property has been acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled.

(11) The number of parcels of land acquired by or through initiation of eminent domain proceedings.

As of the date of this report, no land has been acquired by or through initiation of eminent domain proceedings.

(12) The number and types of jobs projected by the project developer to be created, if any, and the estimated annualized wages and benefits paid or to be paid to persons filling those jobs;

The project projections for job creation are outlined in Section B(2) of the Project Plan for The City of Huntington Downtown Tax Increment Financing Project No. 1 (on file with the WV Development Office).

(13) The number, type and duration of the jobs created, if any, and the annualized wages and benefits paid

Due to the TIF investment a 3 story building at 8th Street and 4th Avenue was restored to its early 1920's look using Federal Rehabilitation Tax Credits. A storied Huntington law firm will be renting this space along with available retail space. Estimated aggregate annualized wages/benefits are in excess of \$750,000.

The above developers are also in the process of renovating another multi-story downtown structure more than a century old for the use of another law firm. Annualized wages and benefits will be in excess of \$750,000.

(14) The amount of disbursements from the tax increment financing fund during the most recently completed fiscal year, in the aggregate and in such detail as the executive director of the development office may require

During the Fiscal Year Ended June 30, 2010 the following funds were expended:

<u>Expense Category</u>	<u>FY2010</u>	<u>Aggregate Project</u>
TIF Costs of Bond Issuance	\$ 0.00	\$ 244,784.61
TIF Construction Costs	\$ 156,526.81	\$2,649,465.97
TIF Bond Principal Reduction	\$ 156,000.00	\$ 400,000.00
TIF Bond Interest Expense	\$ 121,330.00	\$ 507,114.00
TIF Administration	\$ 2,000.00	\$ 8,025.50
Total	\$ 586,284.90	\$3,809,390.08

(15) An annual statement showing payments made in lieu of taxes received and expended during the fiscal year

There were no payments made in lieu of taxes received and expended during the most recently completed fiscal year.

(16) The status of the development or redevelopment plan and projects therein.

The City of Huntington Downtown Tax Increment Financing Project No. 1 was approved by the West Virginia Development Office on August 3, 2005. Subsequently, on August 22, 2005, the City Council enacted an ordinance approving the project plan for the Development District consisting generally of certain infrastructure improvements, including, but not limited to, street resurfacing, utilities, sidewalks, lighting and landscaping together with all necessary related facilities. In addition to TIF Funds, the Huntington – Ironton Empowerment Zone, Inc. has pledged \$400,000 and the City of Huntington Community Development Block Grant program over \$390,000 toward project expenses.

In the mid 1970's, during the time of "urban renewal", this thoroughfare, known as the 9th Street Plaza, was converted from a through street into a pedestrian mall with no parking and no vehicle access. The lack of vehicular traffic led to the decline and demise of many of the retail merchants along the plaza. An effort was made during the 1990's to open the plaza back up to one-way traffic with parallel parking. This approach helped bring signs of life back to the plaza. However, the existing design still was a magnet for vagrants and did not create a positive shopping atmosphere.

With the completion of the first phases of Pullman Square in 2004, it was apparent that 9th Street needed improvements to offer better access to pedestrians and vehicles. The project returned low-speed two-way traffic to 9th Street between 3rd and 5th Avenues. In addition to new sidewalks, streetlights and landscaping, a new traffic signal was installed at 9th Street and 4th Avenue. New parking is primarily angled versus parallel. Sidewalks are wide enough to maintain outdoor dining. The plaza is now an attractive area for shopping, employment and housing adjacent to Pullman Square.

City Council, on June 12, 2006, adopted an ordinance authorizing the mayor to enter into a contract with C.J. Hughes Construction Company of Huntington, West Virginia to furnish labor and material for improvements to Ninth Street between 3rd and 5th Avenues. The total contract

cost was \$1,543,997. Construction began in July, 2006 and was completed in March, 2007. Construction was completed under budget utilizing TIF Bond, CDBG and Empowerment Zone funds. Savings in the contract allowed for a change order to complete additional sidewalk repairs to the south side of 3rd Avenue between 8th and 10th Streets.

After completion of the 9th Street portion of the project, bids were accepted for work on 3rd Avenue between 12th Street and 10th Street, including a new signal at 11th Street. Construction costs of approximately \$761,000 were awarded to C.J. Hughes Construction Company, McDaniel Electric, Blacktop Industries and Landscaping by Hillcrest. New sidewalks, street lighting and street improvements were made. Angled parking replaced parallel parking in a large segment of the project area creating more parking spaces and increased revenue for the Municipal Parking Board. Construction was completed by spring 2008. Existing TIF funds along with CDBG and Empowerment Zone funds were utilized.

The final phase of TIF construction began in the fall of 2008. This construction was completed spring 2010 on 4th Avenue between 8th and 10th streets. A construction contract in excess of \$997,000 was awarded to Hager Construction of Huntington, WV. Included were sidewalk improvements, new street lighting, road resurfacing and aesthetic public improvements in front of the historic Keith-Albee Theater and Frederick Hotel. This began the first phase of Huntington's long planned improvements to the Old Main Corridor linking Downtown Huntington and Marshall University. This phase of construction was funded from existing TIF Funds along with CDBG and Empowerment Zone funds.

Additional construction was completed on 4th Avenue between 16th Street and 14th Streets in spring 2010. This project was the second phase of the Old Main Corridor and utilized funds other than TIF funds. The City has received additional funding to complete a third phase between 14th and 13th streets on 4th Avenue in spring 2011. Plans remain to continue additional phases to reach 10th Street as new funds become available.

Additional improvements were made this fiscal year by the Huntington Municipal Parking Board. New paving and landscaping were added to three municipal lots within the TIF District at HMPB's expense (Lots at 4th Ave and 8th Street, 4th Ave and 10th Street, and 10th Street behind Mack & Dave's and Red Lobster.

A project to connect Pullman Square with the Heritage Village Convention and Visitor's Bureau is also underway within the TIF District with other funding sources.

(17) The amount of outstanding tax increment financing obligations.

As of the date of this report, there is one \$2,450,000 Series 2006 City of Huntington (West Virginia) Tax Increment Revenue Bond (Downtown Project No. 1) which was issued June 28, 2006.

As of June 30, 2010 the principal balance of this bond was \$2,050,000.00 plus accrued interest.

(18) Any additional information the county commission or the municipality preparing the report deems necessary or that the executive director of the development office may by procedural rule require.

This annual report will be published on the City of Huntington web site:
<http://www.cityofhuntington.com/>