

Michael D. Klug

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GC&P Development LLC:

Enclosed is an estimate of the various tax effects that the proposed development would have on the City of Wheeling. The estimates were based upon information obtained from GC&P Development LLC and information obtained freely over the internet. The estimate is for the current proposal for the development but may change once the final site plan for the development is approved.

The purpose of the estimate is to serve as a basis for discussion on what effects the GC&P Development would have financially on the City of Wheeling as well as the economic impact for the local area.

Sincerely,

Michael D. Klug

----- **GC&P Development One Time Economic Impact** -----

WV Severance Tax	Rate			\$16/ton min est	\$20/ton max est
Marketable materials	5.00%			\$ 9,760,000.00	\$ 12,200,000.00
Total one time Severance Tax				\$ 9,760,000.00	\$ 12,200,000.00

City Business and Occupation Taxes/Permits	Rate	Development cost estimate	\$16/ton min est	\$20/ton max est
Marketable materials	1.00		\$ 1,952,000.00	\$ 2,440,000.00
Building permits			600,000.00	600,000.00
Development construction	1.00	\$ 150,000,000.00	1,500,000.00	1,500,000.00
Total one time B&O/permits			\$ 4,052,000.00	\$ 4,540,000.00

----- **GC&P Development Annual Economic Impact** -----

Business and Occupation Taxes					City Share	State Share
	Rate	SF	rev/sf	Estimated revenue		
Retail space	0.365	56,000	500	28,000,000.00	102,200.00	102,200.00
Retail space	0.365	56,000	400	22,400,000.00	81,760.00	81,760.00
Retail space	0.365	58,000	300	17,400,000.00	63,510.00	63,510.00
Service space	0.880	219,000	500	109,500,000.00	963,600.00	963,600.00
Subtotal B&O Taxes				\$ 177,300,000.00	\$ 1,211,070.00	\$ 1,211,070.00

Property Taxes	Rate	Appraisal	Property Taxes			
County	0.51080	38,086,076.00	116,726.21			
Education Bond	0.18440	38,086,076.00	42,138.43			
Education Current	0.77600	38,086,076.00	177,328.77			
Education Excess	0.87680	38,086,076.00	200,363.23			
Municipal Bond	0.01840	38,086,076.00	4,204.70	4,204.70		
Municipal Current	0.48160	38,086,076.00	110,053.53	110,053.53		
Municipal Excess	0.16320	38,086,076.00	37,293.89	37,293.89		
State	0.01000	38,086,076.00	2,285.16		2,285.16	
Subtotal Property Taxes	3.021200			\$ 690,393.92	\$ 151,552.11	\$ 2,285.16

Hotel/Motel Tax	\$ 3,148,125.00	\$ 188,887.50	\$ 94,443.75	
User fees	1,078	\$ 112,112.00	\$ 112,112.00	
Sales Tax (estimate based on retail only)		\$ 4,746,000.00	\$ 678,000.00	\$ 4,068,000.00
Fire Service fee	Rate			
Commercial	\$0.068/sf	\$ 26,316.00	\$ 26,316.00	
Residential	95.00	\$ 8,360.00	\$ 8,360.00	

Estimated annual benefit (doesn't include one time B&O and Severance Tax above) **\$ 2,281,853.86**

\$ 4,070,285.16

List of Assumptions

	Appraisal	Acres
Reisbecks	3,069,600.00	3.26
Lowe's	9,974,200.00	14.35
Kroger	5,680,700.00	9.43
	18,724,500.00	27.04

692,474.11 Average appraisal per acre (used to estimate development appraisal)

Employees

	per 1000 sf	sf	jobs
Retail	2.5	241.5	604
Office	4.17	470	474

Estimated permanent direct jobs 1,078

* Permanent/temporary indirect jobs are not included

* Temporary construction jobs 500-600

Hotel/Motel	# of rooms	est rev/room	days	
	115	75	365	\$ 3,148,125.00

Marketable stone(tons) 12,200,000
 Stone \$16 to \$20/ton

Development acreage 55

Development cost (estimated) \$ 150,000,000.00

The project has been estimated to also generate approximately \$1,180,000 in annual utility revenue at current prevailing rates. As is the case with other commercial and mixed use projects that achieve density of development, it is anticipated that projected revenues will more than justify capital expenditures by service providers to install any necessary utility extensions.

Current property taxes paid are \$14,000.00.