

**TAX INCREMENT FINANCING ANNUAL REPORT**

**FILED WITH THE EXECUTIVE DIRECTOR OF THE  
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**The County Commission of Putnam County**

**Putnam County TIF District #1  
(Greater Teays Valley)**

**Fiscal Year Ending June 30, 2012**

**Submitted By:**

**The County Commission of Putnam County  
3389 Winfield Road  
Winfield, West Virginia 25213**

**Section I. TIF District and Project Information**

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

Total Real and Personal Property Tax Deposited in TIF Fund from inception:  
\$5,515,473.65 (as of June 30, 2012).

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

During the 2011-2012 Fiscal Year, a total of \$2,985,823.13 was expended from the TIF Fund. The funds were allocated to the following purposes:

- A. \$114,465.77 was transferred to United Bank, Inc., as bond trustee for the TIF Bonds (hereinafter defined), for application to payment of the Administrative Expenses of the TIF District and the debt service on the TIF Bonds.
- B. \$2,063,800.00 was transferred as a grant to Putnam Public Service District to pay off the District's Sewerage System Bond Anticipation Note, the proceeds of which were used for emergency improvements to the District's sewerage collection system.
- C. \$734,000.00 was used to purchase certain real estate necessary for, and approved in connection with, the Putnam County Development Project No. 2.
- D. \$73,557.36 was paid for expenses necessary for, and approved in connection with, the Putnam County Development Project No. 2.

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

The County Commission of Putnam County (the "County Commission") has issued its Tax Increment Revenue Bonds (Devonshire Project No. 1) in two series in the aggregate principal amount of \$3,440,000 (collectively, the "TIF Bonds"). The TIF Bonds are secured by the increment generated only from the properties involved in the Devonshire Project.

4) The base assessed value of the development or redevelopment project or the development or redevelopment district, as appropriate:

The base assessed value of the taxable real and personal property (excluding personal motor vehicles) in the TIF District, including the properties involved in the Devonshire Project, is \$410,236,056.

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 district, as appropriate:

The assessed value of the taxable real and personal property (excluding personal motor vehicles) located in the TIF District as of June 30, 2012 is \$560,924,978.

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 district, as the case may be:

June 30, 2012 Assessed Value	\$560,924,978
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<u>Base Assessed Value</u>	<u>&lt;\$410,236,056 &gt;</u>
Incremental Assessed Value	\$150,688,922

7) Payments made in lieu of taxes received and expended:

There have been no payments made in lieu of taxes for property in the TIF District.

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

In connection with the Devonshire Project, the County Commission had previously entered into a Development Agreement with Devonshire Associates LLC (as Developer) and Cathcart Construction LLC (as Construction Contractor). All construction of the Devonshire Project was completed prior to July 1, 2011.

In connection with the grant to Putnam Public Service District (the "District"), the County Commission entered into a grant agreement with the District for an amount equal to the repayment of the District BAN. The construction of the facilities financed with the District BAN was completed prior to July 1, 2011. The proceeds of the grant from the County Commission were applied in conformance with the grant agreement.

The Putnam County Parks and Recreation Commission (the "Parks Commission") had entered into a Purchase Agreement, dated April 22, 2011, with Randall Burns and Carlotta Burns, to purchase an approximately 5.63 acre tract of land in the vicinity of Teays Valley Road, Putnam County, for the purpose of facilitating the design, acquisition, construction and equipping by the Parks Commission of a public recreation facility located at such site (the "Purchase Agreement"). The Purchase Agreement was subject to various contingencies in favor of the Parks Commission. The County Commission financed the acquisition costs of such property from funds on deposit in the TIF Fund on or about February 28, 2012.

The County Commission expended \$73,557.36 to various service providers for, and approved in connection with, the Putnam County Development Project No. 2, including a contract with a design firm.

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

The Project Plan for Putnam County Development Project No. 1 in the TIF District was approved by the West Virginia Development Office on July 16, 2008, and subsequently approved by the County Commission. This Project Plan has previously been provided in Annual Reports for Putnam County TIF District #1.

The Project Plan for Putnam County Development Project No. 2 in the TIF District was approved by the West Virginia Development Office on January 9, 2011, and subsequently approved by the County Commission. This Project Plan has previously been provided in Annual Reports for the Putnam County TIF District #1.

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

Besides the purchase of the real estate pursuant to the Purchase Agreement for Putnam County Development Project No. 2, no real property has been acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled utilizing monies from the TIF Fund or the proceeds of any bonds the payment of which are secured by monies in the TIF Fund during the 2011-2012 Fiscal Year.

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

There have been no parcels of land in the TIF District which have been acquired pursuant to eminent domain proceedings during the 2011-2012 Fiscal Year.

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:

Please refer to the Project Plans for Putnam County Development Project No. 1 and Putnam County Development Project No. 2 which have been provided in conjunction with previously filed Annual Reports for the Putnam County TIF District #1.

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

Putnam County Development Project No. 1.

Devonshire Associates, LLC, the developer of the Devonshire Project approved in Putnam County Development Project No. 1, currently employs the following positions which are associated with the Devonshire Development:

<u>Property Management</u>	<u>Approximate Salary</u>
Property Manager	\$51,500

Asst Property Manager	\$31,000
Maintenance	\$52,000

Putnam County Development Project No. 2.

The improvements to be constructed in connection with Putnam County Development Project No. 2 are not anticipated to result in the creation of any direct new jobs.

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 West Virginia Development Office may require:

\$2,985,823.13 was expended from the TIF Fund during the 2011-2012 Fiscal Year. These funds were expended for the purposes outlined in the response to Question 2, above.

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

There have been no payments made in lieu of taxes for property in the TIF District during the 2011-2012 Fiscal Year.

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

Acquisition and construction of the projects approved as part of Putnam County Development Project No. 1 have been completed prior to July 1, 2011.

Acquisition and construction of the projects approved as part of Putnam County Development Project No. 2 commenced during the 2011-2012 Fiscal Year.

17) The amount of outstanding tax increment financing obligations:

The County Commission has issued two series of bonds payable from the tax increment attributable to only the portion of the properties in the TIF District involved in the Devonshire Project:

1. Tax Increment Revenue Bonds (Devonshire Project No. 1), Series 2008, dated August 21, 2008, issued in the original aggregate principal amount of \$2,840,000, and outstanding as of June 30, 2012 in the aggregate principal amount of \$2,840,000.
2. Tax Increment Revenue Bonds (Devonshire Project No. 1), Series 2009, dated June 26, 2009, issued in the original aggregate principal amount of \$600,000, and outstanding as of June 30, 2012 in the aggregate principal amount of \$600,000.

18) Any additional information the County Commission preparing the report deems necessary or that the Executive Director of the Development Office may by procedural rule require:

The County Commission has nothing additional to report at this time.

**Section II. Attachments**

A Copy of the Project Plan for Putnam County Development Project No. 1  
(On File with the West Virginia Development Office and  
The County Commission of Putnam County- Available Upon Request)

A Copy of the Project Plan for Putnam County Development Project No. 2  
(On File with the West Virginia Development Office and  
The County Commission of Putnam County- Available Upon Request)