



October 1, 2024

Mr. Todd E. Hooker, Sr. Manager
Financial Programs and National Accounts
West Virginia Department of Economic Development
1900 Kanawha Blvd East
Building 3, Suite 600
Charleston, WV 25305

Dear Mr. Hooker:

Pursuant to WV Code §7-11B-15, the City of Huntington Finance Division is providing the enclosed Annual Report for TIF District No. 2, Kinetic Park Development/Redevelopment District. The City enacted an order creating the TIF District on May 9, 2005, and beginning in 2011, the City undertook certain public infrastructure projects within the TIF District. An amendment to the original Project Plan for The City of Huntington Kinetic Park Development/Redevelopment District was approved by the West Virginia Development Office on May 14, 2020. An additional amendment to the Project Plan for The City of Huntington Kinetic Park Development/ Redevelopment District Tax Increment Financing Project (Project Plan #3) was approved by the West Virginia Department of Economic Development on December 7, 2023.

Should 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,

A handwritten signature in black ink that reads "Kathy Burks".

Kathy Burks
Finance Director
City of Huntington

Cc: Mayor Steve Williams – City of Huntington
John C. Stump, Esq. – City of Huntington TIF Counsel
Janet Shelburne – Wesbanco Bank, Inc. – Bond Trustee

Annual Report by City of Huntington
City of Huntington Kinetic Park TIF District No. 2
June 30, 2024

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

As of June 30, 2024 the tax increment financing fund had bank balances as follows:

TIF Increment Fund- P&I	\$	38,518.67	(From Tax Increment and Earnings)
TIF Increment Fund- Revenue		136,812.54	(From Tax Increment and Earnings)
TIF Increment Fund- Admin		2,022.01	(Form Tax Increment and Earnings)
TIF Increment Fund- Debt Svc		274,143.23	(From Tax Increment and Earnings)
TIF Increment- HMDA Fund		336,570.82	(From Tax Increment and Earnings)
Total	\$	788,067.27	

As of the fiscal year ended June 30, 2024 the TIF received the following funds:

<u>Revenue Category</u>	<u>FY2024</u>	<u>Aggregate Projects</u>
TIF Bond Proceeds	\$ 0.00	\$ 3,639,000.00
TIF Interest Earnings	89,275.47	111,500.89
TIF Grant Revenue	0.00	0.00
TIF Fund Collections	304,234.38	3,730,947.25
TIF Miscellaneous Revenue	0.00	0.00
Total	\$ 393,509.85	\$ 7,481,448.14

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

As of the fiscal year ended June 30, 2024 the following funds were expended:

<u>Expense Category</u>	<u>FY2024</u>	<u>Aggregate Project</u>
TIF Costs of Bond Issuance	\$ 0.00	\$ 181,750.00
TIF Infrastructure Costs	28,336.26	5,295,340.93
TIF Bond Principal Reduction	204,000.00	794,000.00
TIF Interest Expense	68,602.50	300,141.85
TIF Administration	2,250.00	9,000.00
Total	\$ 303,188.76	\$ 6,580,232.78

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

There has been one Tax Increment Revenue Bond issued in the District. The \$3,639,000 Series 2020 City of Huntington, West Virginia Tax Increment Revenue Bond (Development/Redevelopment District No. 2- Kinetic Park Project) was issued June 26, 2020 to (i) finance a portion of the costs of the design, acquisition, construction and equipping of certain infrastructure improvements in the TIF District including slip repairs and other improvements, (ii) fund a reserve fund for the bonds, and (iii) pay the costs of issuing the bonds. As of June 30, 2024, \$3,639,000 of the bonds were issued and \$2,845,000 were outstanding.

(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 Kinetic Park TIF District No. 2 is \$532,880.

(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 current assessed value of the City of Huntington Kinetic Park TIF District No. 2 is \$21,129,392 (July 1, 2023 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 district, as the case may be:

The net increase in the assessed value is \$ 20,596,512.

(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:

Contract #1 for project in the amount of \$2,509,906.50 for slope repair including quality control, site preparation, sediment control, trapezoidal riprap, stormwater channel, underdrains, inlets, rock toe key stone, etc.; contract #2 for project in the amount of \$1,200,000 for slope repair encompassing same scope of work but located south of contract #1. One change order for fencing around inlet and landscaping was issued during the 2020-2021 reporting period.

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

Reports dated July 25, 2011 and August 20, 2015 have been previously provided. An amended Project Plan dated August 17, 2023 was submitted in FY2024.

(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 200-300 jobs having an annual salary of \$22,000 to \$30,000. This equates to a range of \$4,400,000.00 to \$9,000,000.00 salary and benefits impact.

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

Kinetic Park is designed to accommodate office buildings, laboratories and other advanced facilities on its upper 25 acres. The lower 7 acre site is reserved for commercial development. The TIF District is comprised of 40 parcels, 28 of which are currently owned by private businesses including Sentinel Amazon I, LLC. All developed parcels continue to have businesses in operation with all associated jobs created by the businesses actively employed. Amazon has added 500 jobs in District developed using TIF funds.

(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, 2024 the following funds were expended:

<u>Expense Category</u>	<u>FY2024</u>	<u>Aggregate Project</u>
TIF Costs of Bond Issuance	\$ 0.00	\$ 181,750.00
TIF Infrastructure Costs	28,336.26	5,295,340.93
TIF Bond Principal Reduction	204,000.00	794,000.00
TIF Interest Expense	68,602.50	300,141.85
TIF Administration	2,250.00	9,000.00
Total	\$ 303,188.76	\$ 6,580,232.78

(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:

On May 9, 2005, the City enacted an order creating Development/Redevelopment District No. 2 (Kinetic Park TIF District) and approving the original project plan. Beginning in 2011, the City undertook certain public infrastructure improvements approved under the original project plan and within the TIF District including redundant broadband, power requirements, roadways, trails, paths, green spaces, landscaping and other improvements.

The West Virginia Development Office approved the Amendment to the Project Plan on May 14, 2020. An ordinance approving the Amendment to the Project Plan was adopted by City Council on June 22, 2020.

The City used the proceeds from the Series 2020 Tax Increment Revenue Bonds along with other funds available to the City to finance the costs of design, acquisition, construction and equipping of certain infrastructure improvements in the TIF District, including two slope repair projects and other infrastructure improvements at a cost of \$3,709,906.50. Work consisted of soil stabilization, underdrains, rock toe key was installed, storm water channels and reseeded.

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

As of the date of this report, there is one \$3,639,000 Series 2020 City of Huntington, West Virginia Tax Increment Revenue Bond which was issued June 26, 2020. As of June 30, 2024 the outstanding principal balance of this bond was \$2,845,000 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:

The West Virginia Department of Economic Development approved an additional amendment to the Project Plan on December 7, 2023, which provided for the design, acquisition, construction and equipping of public improvements within, or for the benefit of, the TIF District specifically including, but not limited to, various infrastructure improvements within the District, including, but not limited to, real property and right-of-way acquisition, demolition and site preparation, and related infrastructure, streetscapes including signage, landscaping, public art, etc., stormwater, curbs, sidewalks, lighting, landscaping, demolition, public art, public parking, the maintenance of retention ponds, slip repair, stream bank maintenance, water runoff redirection, roadways, trails, green spaces, and other infrastructure improvements.

In 2023, the City also amended the boundaries of the TIF District and extended the termination date by 15 years.

In 2024, HMDA received a Letter of Compliance from the U.S. Army Corps of Engineers to closeout the 2001 Individual Permit LRH-1999-195-OHR.

This annual report will be published on the City of Huntington web site:

<http://www.cityofhuntington.com/>