



West Virginia Tourism Development Act

Project Tax Credit Program

Hill Top House Hotel Harpers Ferry, WV

West Virginia Development Office
1900 Kanawha Boulevard, East
Capitol Complex, Bldg. 6 – Room 504
Charleston, WV 25305-0311

INSTRUCTIONS

Completed application to be mailed to:

West Virginia Development Office
ATTN: Todd Hooker, Senior Manager
Financial Programs & National Accounts
Capitol Complex, Building 6, Room 504
Charleston, West Virginia 25305
Tel: (304) 558-2234/ Fax: (304) 558-0449
Email: Todd.E.Hooker@wv.gov

- I. **Introduction.** The following information will assist potential applicants in understanding the process and requirements embodied in West Virginia Code §5B-2E, the West Virginia Tourism Development Act (“Act”). The objective is to provide a clear and understandable path/time line regarding the application process.

- II. **FEES.** Prior to completing and submitting this application, it should be understood the following fees may be incurred as the result of participating in the “Act” process.
 - A. **Consultant fee.** West Virginia Code §5B-2E requires that, after an application receives preliminary approval, the West Virginia Development Office (“Agency”) engage the services of competent consultant (s) to analyze data made available by applicant and such other related materials as may be necessary and to prepare a written report of that analysis. The fee (s) charged by consultant (s) for this analysis is the responsibility of applicant. Upon notice of the quoted cost of the study, applicant shall deposit that amount with “Agency” to be held in escrow until completion of those services. Furthermore, applicant shall cooperate with consultant(s) to provide all additional information considered necessary or convenient for preparation of written report.
 - B. **Additional fees.** “Agency” may impose and collect such other fees as may be required for attorneys, appraisers and other agents. The fees charged for these services are the responsibility of applicant and shall be deposited with “Agency” prior to engagement of those services.

- III. **Feasibility Study.** The results of a commercial feasibility study of the tourism development project concept (whether creation of new destination or expansion of existing destination) must be provided at the time of submission of completed application. The cost of feasibility study is the responsibility of applicant.

- IV. **Affidavits of Good Standing.** Applicants (including all individuals having ownership positions of 10% or more in project) must provide as attachments to the application affidavits of their good standing with (1) the Department of Tax and Revenue; (2) Workforce West Virginia (formerly Bureau of Employment Programs); (3) the Workers’ Compensation Commission and (4) the Secretary of State.

- V. **Application Process.** In the interest of limiting access to any sensitive information contained in a completed West Virginia Tourism Development Act (WVTDA) application, it should be mailed, along with the completed commercial feasibility study, to the West Virginia Development Office (ATTN: Todd Hooker) at above address. Upon receipt by the “Agency” the application will be processed as follows:
- A. **Application Receipt.** Upon receipt of completed application and commercial feasibility study an internal tracking number will be assigned and recorded along with date of receipt.
 - B. **Internal Review.** Within forty-five (45) days of receipt, application will receive preliminary review by a committee internal to the “Agency” and appointed for this purpose.
 - 1. If the application receives “Preliminary Approval”, applicant will be notified. Included in that notification will be the need for applicant to deposit with “Agency” a “Consultant Fee” as discussed above.
 - 2. If the application does not receive “Preliminary Approval”, it is returned to the applicant with the issues of concern noted. Applicant has the prerogative to address those concerns and resubmit a revised application.
 - C. **Consultant Review and Analysis.** Upon receipt of “Consultant Fee”, “Agency” will initiate a comprehensive review and analysis of all material contained in the application by the independent consulting firm. Tasks to be included in the consultant’s review and analysis are:
 - 1. To substantiate all application information and material.
 - 2. To conduct due diligence on principals (ownership positions of 10% or more), banking, lending and funding references.
 - 3. To conduct a market analysis of the subject of this application (whether creation of new destination or expansion of an existing destination).
 - 4. To conduct an analysis of the financial structuring of the subject of this application.
 - 5. To examine the commercial viability of the subject of this application based on all information developed in 1 through 5 above.
 - 6. To prepare written report of this analysis.
 - D. **“Agency” Action.** Within sixty (60) days of receipt of consultant’s review and analysis, “Agency” must review all relevant information and may give final approval to application and may grant to the applicant the status of an approved company. In the event, the project is not approved, applicant will not be notified in writing. The decisions by “Agency” are final.
- VI. **Information/material requirements.** The following information and/or material must be included at the time of submission of the application. It should be noted, the application will not be processed for preliminary review until such time as all of the following material has been provided.
- A. Five copies of completed application form.
 - B. Five complete and individual sets of the following:
 - 1. **Commercial Feasibility Study**
 - 2. **Business Plan:**
 - a. Business history
 - b. Description of project including geographic location and project timing
 - c. Marketing plan
 - d. Business and bank references

3. Business Financial Information:

- a. Applicant's financial statements for past three years
- b. Applicant's tax returns for past three years unless audited financial statements
- c. Latest quarterly tax returns
- d. If project is a new destination development, provide the following:
 - 1) Annual income & expense projections for ten years
 - 2) Assumptions and notes
- e. If project is an expansion of an existing destination, provide the following projections of the destination's operation with and without proposed expansion:
 - 1) Annual income & expense projections for ten years
 - 2) Assumptions and notes
- f. Provide a comprehensive explanation regarding economic impact of the project to include how proposed tourism development project:
 - 1) Will likely attract at least twenty-five percent (25%) of its visitors from outside the State of West Virginia
 - 2) Will likely have development/expansion costs in excess of one million dollars (\$1,000,000)
 - 3) Will likely have significant and positive economic impact on the state considering:
 - i. The extent to which the project will compete directly with or complement existing tourism attractions in the state and
 - ii. The amount by which increased tax revenues from the project will exceed the credit given
 - 4) Will likely produce sufficient revenues and public demand to be operation and open to the public for a minimum of one hundred (100) days per year
 - 5) Will likely provide additional employment opportunities in the State of West Virginia.

4. Ownership and Key Management Information

- a. Resume' and three professional references of:
 - 1) Individuals having an ownership position in excess of 10% (See #7, Page 3 of application) as well as
 - 2) Other key management personnel.
- b. Authorization to investigate credit of owners and key management personnel (See "**Authorization**" on page 16 of application).
- c. Certificates of Good Standing or the equivalent from each of the following West Virginia State Agencies:
 - 1) Secretary of State
 - 2) Tax Division, Department of Tax and Revenue
 - 3) Workers' Compensation Commission
 - 4) Workforce West Virginia (formerly Bureau of Employment Programs)

VII. Special Notes.

- A. By completing and submitting this application expressly authorizes the "Agency" to disclose any and all information contained therein, to other West Virginia agencies and/or persons "Agency" deems necessary and appropriate for evaluation and consideration thereof; including but not

limited to, the West Virginia Tax Division, "Council" and any consultant engagement pursuant to West Virginia Code §5B-2E-5 (d).

- C.** Any information deemed by the applicant to be confidential and/or proprietary shall be submitted in a separate, sealed envelope marked accordingly.
- D.** The West Virginia Code §5B-2E-3 (9) defines project specifics for Entertainment Destination Centers. Based on the uniqueness of these requirements, additional 'documentation must accompany this type of application containing a detailed explanation how the project parameters conform to WVC §5B-2E-3(9).
- E.** Item #22 on Page 10 requires applicant to provide information regarding all permits required for project including issuing agency (whether federal, state or local) along with time required for entire process from submission of application to issuance of permit. Please provide all information regarding any permit applications that have been previously submitted.
- F.** All attachments to the application must be signed and dated.
- G.** The "Act" Application and all attachments must be legible to be processed.

Application West Virginia Tourism Development Act Project Tax Credit Program

This FORM is designed without the use of automated form-fields, please tab or use your mouse if completing the form on your computer.

Date of Application: _____

For WVDO Use Only

Date Received: _____

Log Number: _____

Place and 'X' in the appropriate boxes

1. **Tourism Development Project** Please indicate nature of tourism development project.

New Tourism destination development Expansion of existing tourism destination

2. **Tourism Development Project Type**

<input type="checkbox"/> Cultural or Historic Site	<input type="checkbox"/> Lodging on State/Federal Property
<input type="checkbox"/> Entertainment Destination Center	<input type="checkbox"/> Nature or Scenic Area
<input type="checkbox"/> Historic Lodging Facility	<input type="checkbox"/> Recreation or Entertainment Facility
<input checked="" type="checkbox"/> Lodging & Attraction Project	<input type="checkbox"/> West Virginia Crafts & Products Center

3. **General Project Description**

Please provide brief, general description of tourism development project. A detailed project description can be provided in #17 (New tourism destination development project) or #18 (Expansion of existing tourism destination) below.

A new hotel and luxury resort complex will be constructed on the former site of the Hill Top House Hotel in Harpers Ferry, and seven (7) adjacent historic structures will be rehabilitated for use as guest lodging and activity programming.

4. **Expertise** Does applicant have previous development/operations experience in the business?

Segment represented by this project?

If YES, please attach a summary of applicant's expertise.

If NO, please provide details regarding sources of expertise for this project in space below and attach summary(ies) of appropriate experience: (Click on appropriate boxes)

<input type="checkbox"/>	YES	<input type="checkbox"/>	Applicant summary of experience attached
<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	Other summaries of experience attached

5. Company / Business Information

Corporate Name / Business Name: SWaN Hill Top House Hotel, LLC
 Mailing Address: 108 Loudon St. SW
Leesburg, VA 20175
 PO Box #: P.O. Box 6247
Leesburg, VA 20178
 Physical Address if different: _____

Primary Contact:

Name: Laurel Ziemianski
 Title: Project Manager
 PHONES: Office _____ Cell: 703-728-4160
 e-mail: lziemianski@swaninvestors.com FAX: _____

Project Location:

Street Address: 400 E Ridge Street
 Physical Address or Additional Information: _____
 Harpers Ferry Jefferson WV 25425
CITY: COUNTY STATE ZIP
 Federal TAX ID Number: 26-017936 NAICS Code: 721110
 WV TAX ID Number: 20334255
 WV Workers Compensation ID Number: 26-017936

6. Taxpayer/Employer Organization

(Place an "X" in appropriate box.)

- | | | | |
|-------------------------------------|-------------------------------|--------------------------|--------------------------|
| <input type="checkbox"/> | Corporation | <input type="checkbox"/> | Partnership |
| <input type="checkbox"/> | Limited Liability Partnership | <input type="checkbox"/> | Proprietorship |
| <input checked="" type="checkbox"/> | Limited Liability Corporation | <input type="checkbox"/> | Subchapter C Corporation |
| <input type="checkbox"/> | Non-Profit Corporation | <input type="checkbox"/> | Subchapter S Corporation |
| <input type="checkbox"/> | Other - Explain: _____ | | |

Date Business Established:	April 16, 2019	Company's Fiscal Year:	Calendar
State of Incorporation:	Delaware	Date Incorporated:	April 16, 2019
Registered Name:	SWaN Hill Top House Hotel, LLC		
and Address:	108 Loudon St. SW Leesburg, VA 20175		

7. Company Ownership *Please note the following requirements in completing this section:*

1. Identify all individuals with ownership positions of 20% or more
2. If subsidiaries are involved, identify ownership of parent company(ies) and
3. If public companies are involved, indicate if they are publicly traded.

If additional space is required, provide continued information as an attachment and indicate such on the last line below.

NAME	MAILING ADDRESS	PHONE	SOCIAL SECURITY NO.	OWNERSHIP POSITION %
DGE, LLC	PO Box 6247 Leesburg, VA 20178	N/A	TIN: 26-0708988	95.8%
Clifford A. White Revocable Trust	10920 Cripplegate Rd. Potomac, MD 20854	240-401-8470	xxx-xx-7414 Full number provided as Exhibit 15	25% ownership in DGE, LLC
Fredrick Schaufeld Revocable Trust	PO Box 6247 Leesburg, VA 20178	703-646-9447	xxx-xx-6368 Full number provided as Exhibit 15	25% ownership in DGE, LLC
Schaufeld Family LLC	PO Box 6247 Leesburg, VA 20178	703-646-9447	TIN: 52-2214753	25% ownership in DGE, LLC

8. If individuals listed in Item 7, Company Ownership, have been convicted of a felony, been in receivership or adjudicated a bankruptcy, been denied a business-related license or had it suspended or revoked by any administrative, governmental or regulatory agency please indicate by checking the appropriate box below. IF "YES", provide elaboration as an attachment regarding individual(s), violation(s) and details regarding each. *Please click on box as appropriate*

<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO	<input type="checkbox"/>	Details are attached
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9. Is any person identified in Item 7, Company Ownership, currently engaged in one or more business enterprises? If "YES", provide elaboration pertaining to any such individual (having an ownership position of 10% or more) regarding identity of those organization(s), their complete address(es), dates (incorporation and dissolution, if appropriate) and nature of those business enterprises. *Please check (X) box as appropriate*

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
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IF YES - Insert text here



	Fredrick D. Schaufeld, Managing Director of SWaN & Legend Venture Partners. Private equity investor through SWaN Investors, LLC and related companies. Clifford A. White, Private equity investor through SWaN Investors, LLC and related companies.
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Counsel

Steptoe & Johnson PLLC Contact Name: John Stump
 Street Address/ PO Box: P.O. Box 1588
 Charleston State: WV Zip: 25326-1588
 Phones: 304-353-8000
OFFICE CELL FAX
 E-mail: john.stump@steptoe-johnson.com

14. **Banking**

Bank of Account: SunTrust Bank Branch: SunTrust Bank
 Acct Officer: Gray Guy, Senior VP Phone: 703-838-3420 FAX:
 Street Address/ PO Box: 8330 Boone Boulevard, Suite 700
 City: Vienna State: VA Zip: 22182
Has a banking/lending commitment been made for project? Yes X No
 IF Yes, Financial Institution: N/A Branch:
 Acct Officer: Phone: FAX:
 Street Address/ PO Box:
 City: State: Zip:
 E-mail:

15. **Accountant:**

Accountant: Morrissey & Morrissey PLLC Contact: John Morrissey
 Street Address/ PO Box: 5335 Wisconsin Ave., NW – Suite 440
 City: Washington State: DC Zip: 20015
 Phones: 202-730-1252
OFFICE CELL FAX

16. **Maps/Renderings** For NEW tourism development project, please provide topographic map(s) with project site(s) clearly defined. For EXPANSION of an existing tourism destination project, please provide topographic map(s) with both existing destination location and expansion location clearly indicated differentiating one from the other. Use of WV Division of Highways map for the appropriate county is recommended.

Additionally, please provide available renderings for either a NEW tourism development project or the EXPANSION of an existing tourism destination project.

<input checked="" type="checkbox"/>	Map(s) attached	<input type="checkbox"/>	Map(s) not attached	IF not attached, please explain
See attached Exhibit 1, Topographical Map of Project Site				
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
<input checked="" type="checkbox"/>	Rendering(s) attached	<input type="checkbox"/>	Rendering(s) not attached	IF not attached, please explain
See attached Exhibit 2, Renderings of Project Site				

Before continuing, please review the following:

IF the subject of this application is a **NEW** tourism development project, complete Item #17 and continue to Item #19.

IF the subject of the application is an **EXPANSION** tourism development project, proceed to Item #18 and continue to Item #19.

17. NEW Project Information

Provide general description of project in space below

A new, 129-room hotel building, and luxury resort complex will be constructed on the former site of the Hill Top House Hotel in Harpers Ferry. The adjacent historic Lodge building will be restored, and a new garden walk will span the area between the new hotel and the Lodge. Four historic houses, originally constructed as housing for workers at the Harpers Ferry Armory, will be restored and repurposed as private guest houses. One additional Armory house, along with a former barbershop, will be restored and repurposed as an art studio and a cooking school. A new structure will serve as an outfitter for off-site hotel activities.

Please provide the following information.

Project Site: 4.1 Acres Total size of all facilities: 159828 Square feet

Zoning Classification: Residential and Business-Historic District; Promontory Overlay District

Does Applicant Own Site? YES NO

IF YES, please provide the following information regarding purchase.

Date of Purchase: See attached Exhibit 3, Property Summary Purchase Price: \$ 8,862,286

IF NO, please provide the following information regarding mortgage.

Mortgage Holder: N/A Current Balance: \$ N/A

IF site is leased, please provide the following information regarding property owner:

Property Owner: N/A

Address: _____

Terms of Lease: Monthly Rent: _____ Length of Lease: _____
YEARS MONTHS

Option to Purchase: YES NO

Contract to Purchase: YES NO

IF YES to "Option to Purchase" or "Contract to Purchase", provide details in space below.

N/A

18. **EXPANSION Project Information**

Provide general description of project in space below.

N/A

Total Project Acreage

Total Project Facilities Area

Before Expansion: _____ Acres _____ Square Feet

After Expansion: _____ Acres _____ Square Feet

Zoning Classification: _____

Does Applicant Own Site? YES NO

IF YES, please provide the following information regarding purchase.

Date of Purchase: _____ Purchase Price: \$ _____

IF NO, please provide the following information regarding mortgage.

Mortgage Holder: _____ Current Balance: \$ _____

IF site is leased, please provide the following information regarding property owner:

Property Owner: _____

Address: _____

Terms of Lease: Monthly Rent: _____ Length of Lease: _____

Option to Purchase: YES NO

Contract to Purchase: YES NO

IF YES to "Option to Purchase" or "Contract to Purchase", provide details in space below.

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19. **Mining History Regarding Project Site on Contiguous Property**

Has mining occurred on property comprising project site? YES NO

IF Yes, provide SMA number(s): _____

Has project site received appropriate permits for future mining? YES NO

IF Yes, provide dates, SMA number(s) and other relevant information in space below.

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Has property contiguous to project site been mined or received appropriate permits for future mining?	<input type="checkbox"/>	YES	<input checked="" type="checkbox"/>	NO
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The property that comprises the tourism development project site is adjacent to the Harpers Ferry National Historical Park, a federal recreational area owned and managed by the National

Park Service, an agency of the U.S. Department of the Interior. See attached Exhibit 1, Topographical Map of Project Site. Because the tourism development project site is located adjacent to a federal recreational area, it is eligible for a 35% credit against applicable consumer sales and service taxes imposed by Article 15, Chapter 11 of the West Virginia Code. See W. Va. Code § 5B-2E-7(b).

Additionally, the facility involves the construction, reconstruction, restoration, rehabilitation or upgrade of a full-service lodging facility. The facility's preliminary program consists of a new main hotel building and existing annex building and armory houses. The facility is anticipated to feature 129 rooms, meeting and pre-function space, a spa and infinity pool, five food and beverage outlets including a signature restaurant (anticipated to be affiliated with an internationally acclaimed chef), a second restaurant, a speakeasy/library bar, a rooftop bar and a lobby bar, as well as a cooking school, fitness center, basketball court, bowling alley and underground parking. Because these additional amenities are in addition to the lodging available at the luxury hotel, the project satisfies the definition of Tourism Attraction in W. Va. Code § 5B-2E-3(14)(A)(iii), and is not subject to the limitation that no more than 50% of the costs may be associated with the lodging, or that the State Historical Preservation Office provide its approval for the development of the project as a component of this application.

20. **Public Utility Services Needs**

NOTE: Applicant is to attach letter from each service provider involved in project:

1. Advising of the service provider's current capacity
2. Acknowledging the prospective project and
3. Advising the service provider's ability and willingness to accommodate the prospective project's anticipated service needs.

See attached Exhibit 4, Letters from Service Providers

Water Service Information:

Name of potential or existing provider: Harpers Ferry Water Works

Distance of proposed site to provider's nearest main; size of main and major components required (i.e: Pump stations, booster stations, storage tanks, etc.)

Distance: ~50 feet Line Size 10 inches

Components:

No booster pump stations, storage tanks or distribution system line upgrades are necessary for HFWW to accommodate the new Hotel. See Exhibit 4, Letter from Harpers Ferry Water Works.

Has contact been made with utility provider? YES NO

IF Yes, identify individual contacted and conclusions of discussion:

Wayne Bishop, Mayor, Harpers Ferry
 Brandon Chuvalas, Point of Contract. See letter committing service.

APPLICATION

IF services will not be provided by existing utility, please describe proposed facilities for site:

N/A

Estimated usage of service: 36,000 gallons / day

Wastewater Service Information:

Name of potential or existing provider: Harpers Ferry – Bolivar Public Service District

Distance of proposed site to provider’s nearest main; size of main and major components required (i.e: Pump stations, booster stations, storage tanks, etc.)

Distance: ~25 feet Line Size 8 inches

Components:

Utility has stated that an analysis of its gravity-fed system prior to final approval/construction will be necessary.

Has contact been made with utility provider? YES NO

IF Yes, identify individual contacted and conclusions of discussion:

Eddy Tennant, Operations Supervisor. See letter committing service.

If services will not be provided by existing utility, please describe proposed facilities for site:

N/A

Estimated usage of service: 18,000 gallons / day

Estimated excess capacity of service provider: 89,000 gallons / day

Character of wastewater discharge (select all applicable) Domestic Non-domestic

Electric Service Information:

Name of potential or existing provider: Potomac Edison, FirstEnergy Corporation

Distance of proposed site to provider’s nearest service and major components required if any:

Distance: 0 feet Electric Service Requirement 1,900 KVA

Components:

Potomac Edison has existing electric facilities at the property line of 400 E. Ridge St.

Preliminary electrical consumption estimates derive from our Trane Trace LCC Software Model. This estimate is for a VRF HVAC system with Dedicated Outdoor Air Units (DOAS), electric domestic water heating and includes consumption for lighting, parking lot lights and miscellaneous occupant loads. See letter committing service.

Has contact been made with utility provider? YES NO

IF Yes, identify individual contacted and conclusions of discussion:

Donna J. Dolecki, Distribution Specialist. See letter committing service.

If services will not be provided by existing utility, please describe proposed facilities for site:

N/A

Estimated usage of service: 500,996 kwh (average) per month

Month	Load (kWh)
January	566,176
February	535,012
March	507,968
April	457,003
May	481,312
June	483,539
July	505,501
August	499,011
September	465,415
October	483,408
November	485,109
December	542,505
Annual Total	6,011,955

Telecommunication and/or Other Utility Information:

Name of potential or existing provider: Frontier Communications Corporation

Distance of proposed site to provider's nearest service and major components required if any:

Distance: 1000 feet

Telecommunication or other utility requirement:

Fiber optic facilities are available. See letter committing service

Components:

N/A

Has contact been made with telecommunications and/or other utility service provider?

YES NO

IF Yes, identify individual contacted and conclusions of discussion:

Matthew Clayton

If services will not be provided by existing utility, please describe proposed facilities for site:

N/A

Estimated service requirement: 10 GB main per month

21. **Transportation Requirements** **Accessibility to site**

Distance of proposed site to nearest multi-lane highway:

	Feet	0.5	miles
X	YES		NO

Is site within city limits?

IF YES, please provide name of city: Harpers Ferry

Is site zoned?

x	YES		NO
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IF YES, please provide zoning information: Residential and Business-Historic District; Promontory Overlay District

Identify all roadways to be traveled from project site to nearest WV or US highway:

Ridge Street, Columbia Street, Union Street, Washington Street, Shenandoah Street

Identify nearest highway and describe:

US Route 340 which connects it to nearby metropolitan areas by way of Interstates 70, 81 and 270 and US Route 15. Using these routes, the Proposed Hotel is within 1.5 hours of Washington, DC, Baltimore, MD and Harrisburg, PA.

Traffic Information:

Provide anticipated daily traffic volume into project site: 1,470 trips (Friday/Saturday)

Please advise percentage of truck traffic and anticipated GVW limits: ~1%

Provide peak hours of traffic into site and anticipated volume(s): 120 (Friday/Saturday)

The overall percentage of trucks will be low, but it's hard for us to estimate exactly what percentage. Our best guess is 1%.

The primary trucks will be coming from US Foods and will range in size (in length) and corresponding weight. The range below includes the maximum weight:

- 28': 15,500 lbs
- 36': 20,000 lbs
- 48': 37,500 lbs.
- 53': 42,500 – 45,000 depending on # of axels

Roadway Improvements:

Provide narrative describing condition of all roadways from site to nearest WV or US highway. Include specifics of each roadway with regard to length, width, surface type, shoulder width, drainage characteristics and adequacy of roadway for anticipated traffic volumes. If bridges are involved, please indicate and identify. **NOTE:** The WV Division of Highways (DOH) or a DOH approved consultant can provide estimates.

Washington Street

2-lane, approx. 26 feet wide, asphalt, edge of pavement shoulder (granite curbs/gutters in one downhill area by daycare), drainage: surface runoff of shoulder, occasional storm inlets

Shenandoah Street

24' wide (2-12' lanes) asphalt, edge of pavement to stone concrete gutter with curb. drainage: surface runoff to gutter by historic structures. Changes to 30' wide with edge of pavement and no curb as it heads out of town.

Ridge Street

2-lane, approx. 18 feet wide, asphalt, edge of pavement shoulder (no curb/gutter), drainage: surface runoff of shoulder

Columbia Street

2-lane, approx. 16 feet wide, asphalt, edge of pavement shoulder (no curb/gutter), drainage: surface runoff of shoulder

Union Street

Union Street is paved asphalt 20' wide to edge of pavement, no curb or gutter, both gravel and grass shoulder, one grate inlet for drainage on east side, it is adequate for trucks and cars and is one of the main access roads into Harpers Ferry

See attached Exhibit 5, Traffic Impact Study, for additional information.

Describe anticipated physical improvements (including traffic controls) required for each roadway to accommodate anticipated traffic volumes. Include estimated costs for improvements and completion timing. **NOTE:** A traffic impact study generates this information. The WV DOH can provide a listing of approved consulting companies to conduct a traffic impact study.

Other Related Roadway Issues:

See attached Exhibit 5, Traffic Impact Study

The traffic consultant found that there should be no significant impact on the operations of the existing and proposed intersection within the study area from the traffic generated by the proposed development.

22. **Permitting Requirements**

In the space provided below, elaborate on all permits required for this project. Provide details regarding ultimate agency responsible for issuance of permit whether federal, state, or local. Finally, provide time line(s) anticipated for each permit from date of submission to date of permit issuance. In the event permit applications have been previously submitted, please provide all information pertaining to that application including agency, date of submission and nature of permit application. If additional space is required, please provide requested information as an attachment to this application and identify it appropriately.

See attached Exhibit 6, Summary of Project Permits

23. **Project Financial Information**

NOTE: See attached Exhibit 7, Summary of Development Costs
See attached Exhibit 8, Project Pro Forma (confidential & proprietary)

Estimated Development Costs

Land acquisition	\$	
Site preparation, utilities, access roads, improvements	\$	
Construction costs	\$	
Improvements (Existing Structures)	\$	

Machinery and/or Equipment	_____	\$ _____
Exhibits	_____	\$ _____
Other:	_____	\$ _____
Other:	_____	\$ _____

Soft Costs:

See attached Exhibit 8, Project Pro Forma (Confidential & Proprietary)

Architecture & engineering	_____	\$ _____
Construction inspection & materials acceptance	_____	\$ _____
Legal	_____	\$ _____
Interest during construction	_____	\$ _____
Accounting fees	_____	\$ _____
Appraisals	_____	\$ _____
Bonds/insurance	_____	\$ _____
Commitment fee(s)	_____	\$ _____
Administrative costs	_____	\$ _____
Project contingency	_____	\$ _____
Other:	_____	\$ _____
Other:	_____	\$ _____
Total Estimated Development Costs		\$ 138,897,882

Proposed Project Financing

(Please attach appropriate letter(s) of commitment¹)

Sources

Bank Loan	_____	\$ _____
Public Source(s)	_____	\$ _____

¹ Please note that the applicant does not have a letter of commitment at this time but will be able to provide evidence of such commitment, when such commitment is provided.

	\$	
	\$	
Equity	\$	
Total Project Funding	\$	138,897,882

Proposed Project Development Timing

Project Start Date Fall/Winter 2019
 Project Completion Date Summer 2022
 Total Project Development Timing 2 years 6 months weeks

24. **Full-Time (FT) or Full-Time Equivalent (FTE) Jobs to be Created**

See attached Exhibit 9, Organizational Chart

See attached Exhibit 10, Economic Impact Study

See attached Exhibit 11, Hourly Recruitment Plan (confidential & proprietary)

- 129 jobs at the hotel, supporting 140 total jobs in Harpers Ferry, including indirect and induced economic activity;
- Total impact on Harpers Ferry economic output of \$26.8 million annually;
- Annual hotel operations will generate an estimated \$1 million in Harpers Ferry taxes on an annual basis, including taxes remitted on visitor purchases. Direct business taxes paid by the Project will account for 40% of the annual tax impact.
- The Project will also generate tax impacts for other local units of government including Jefferson County and Jefferson County School District.
- The reported tax impact includes taxes remitted on visitor spending. The analysis estimates that the hotel will remit \$581,200 annually in Harpers Ferry sales tax and hotel/motel occupancy taxes on behalf of visitors. This includes an estimated \$241,200 of Harpers Ferry sales taxes and \$340,000 in Harpers Ferry hotel occupancy tax (net revenue to Harpers Ferry, the remaining 50% of hotel occupancy taxes will go to the Jefferson County Convention & Visitors Bureau.

Please report number of FT and FTE Employees for the Project

Category	Current	1 Year	3 Years	5 Years	Salary Annual (K=1,000) Wage (H = hourly)	Health Benefits YES / NO	
Professional	0	8	8	8	\$100,000	Y	
Clerical/Admin	0	11	11	11	\$40,000	Y	
Skilled	0	5	5	5	\$35,000 to 50,000	Y	
Semi-Skilled	0	5	5	5	\$35,000 to 50,000	Y	
Unskilled	0	100	100	100	\$40,500	Y	

25. **Seasonal Jobs to be Created**

Please describe the number of seasonal jobs to be created after commercialization of a new tourism destination or expansion of an existing tourism destination. Include nature of jobs, salary/wage range and any benefit package included.

- We anticipate hiring 40 seasonal positions each year earning an average annual wage of \$35,000. These jobs will primarily be associated with food and beverage and recreation.
- **See attached Exhibits 9, Organizational Chart**
- **See attached Exhibit 11, Hourly Recruitment Plan**

26. Please describe the number of temporary jobs created during construction. Include nature of jobs, salary/wage range and any benefit package included.

- We expect to hire 239 on-site workers each year over the 2-year construction period, representing an estimated 478 "worker years" and generating nearly \$29 million in direct personal income, including wages and benefits.
- Based on the unrounded data, the average total compensation is \$60k per year, including salaries/wages and the value of benefits. Benefits are approximately equal to 33% of total compensation for construction and maintenance workers.
- The type of work will include general construction contractors/laborers, carpenters, construction supervisors and managers, electricians, plumbers, and other necessary laborers.
- We anticipate more than \$105 million in total economic output (approximate business sales) in West Virginia, including indirect and induced economic effects generating nearly \$7.2 million of state and local tax revenue over 2 years.
- We estimate that approximately two-thirds of the total economic impact will remain in Harpers Ferry, primarily from the construction contractors and laborers working on-site.
- Construction of the proposed Hotel will generate a one-time tax impact of nearly \$1.8 million for Harpers Ferry over 2 years (2-year total) related to on-site construction activity.

This tax impact is generated primarily through business and occupation (B&O) tax on the construction contract and will not recur.

- See attached Exhibit 10, Economic Impact Study

27. **Attendance Projections** (Five Years following year of Commercialization)

For EXPANSION Tourism Development Project, provide total attendance for **past** five years of tourism destination operation:

	YEAR	In-State Visitors	Out-of-State Visitors	Total Visitors	% Out-of-State
1	Year	N/A	N/A	N/A	N/A
2	year	N/A	N/A	N/A	N/A
3	year	N/A	N/A	N/A	N/A
4	year	N/A	N/A	N/A	N/A
5	year	N/A	N/A	N/A	N/A

For NEW or EXPANSION Tourism Development Project, provide projected attendance for first five years of operation upon completion of project:

	YEAR	In-State Visitors	Out-of-State Visitors	Total Visitors*	% Out-of-State
1	2022	4,899	19,593	24,492	80
2	2023	5,521	22,087	27,609	80
3	2024	5,967	23,868	29,835	80
4	2025	5,983	23,933	29,917	80
5	2026	5,967	23,868	29,835	80

What method was used in developing annual attendance projections?

Total Visitors is based on estimated rooms occupied. These estimates anticipate an 80/20 split of out of state/instate visitors to the proposed hotel.

See attached Exhibit 8, Pro Forma (Investment Model) for additional information (Confidential and Proprietary).

28. **Business Operation** Please check appropriate box indicating nature of business operation - ✓

Twelve-month operation Seasonal operation Special/scheduled events

IF Seasonal operation or Special/scheduled events, please indicate seasons and numbers of days per year project will be open to the public:

IF a 12-month operation, please indicate the number of days per year the project will be open to the public.

29. **Marketing Plan**

Does a marketing plan exist? YES NO IF YES, attach marketing plan to application.

IF YES, identify marketing plan resource: See attached Exhibit 12, Marketing Plan & Budget

Company: Interstate Hotels & Resorts Contact Name: Brett Stewart
St. Address/PO Box: _____

CITY: COUNTY STATE ZIP

PHONES:

(917) 446-8055 Brett.stewart@interstatehotels.com
Office Cell FAX: e-mail

IF NO, please advise future intent regarding advertising:

Please advise advertising budget for five years upon completion of project and breakdown of in-state and out-of-state advertising expenditures:

	Year	Budget	In-State Percentage		Out-of-State Percentage	
1	2020	\$ 979,458.75	10	%	90	%
2	2021	\$ 979,458.75	10	%	90	%
3	2022	\$ 979,458.75	10	%	90	%
4	2023	\$ 979,458.75	10	%	90	%
5	2024	\$ 979,458.75	10	%	90	%

	Television	Radio	Newspaper	Magazine	Other	Method (list below)
1	%	%	%	%	%	
2	%	%	%	%	%	
3	%	%	%	%	%	
4	%	%	%	%	%	
5	%	%	%	%	%	

Please indicate primary markets from which this project will draw attendance:

Primary Market	Percent	Primary Market	Percent
Washington DC	30 %	West Virginia	20 %
Northern Virginia	25 %		%
Maryland	25 %		%

What method was used in determining markets and attendance percentages?

See attached Exhibit 12, Marketing Plan and Budget

30. **Estimated revenue subject to West Virginia Consumer Sales and Service Tax for first ten years of operation following project completion.**

	YEAR	Total Sales	Sales from Existing Facility	Sales from Expanded Facility	Sales from New Facility
1	2022	\$ 10,793,000	\$ 0	\$ 0	\$ 10,793,000
2	2023	\$ 23,318,000	\$ 0	\$ 0	\$ 23,318,000
3	2024	\$ 25,633,000	\$ 0	\$ 0	\$ 25,633,000
4	2025	\$ 26,775,000	\$ 0	\$ 0	\$ 26,775,000
5	2026	\$ 27,999,000	\$ 0	\$ 0	\$ 27,999,000
6	2027	\$ 28,926,000	\$ 0	\$ 0	\$ 28,926,000
7	2028	\$ 29,937,000	\$ 0	\$ 0	\$ 29,937,000
8	2029	\$ 30,876,000	\$ 0	\$ 0	\$ 30,876,000
9	2030	\$ 31,902,000	\$ 0	\$ 0	\$ 31,902,000
10	2031	\$ 32,963,000	\$ 0	\$ 0	\$ 32,963,000

Note that the project is anticipated to open in the beginning of Q3 2022 and therefore only a half year of anticipated sales is included for 2022.

31. **Please list existing tourism operations and locations in the State of West Virginia similar to this Tourism Development Project.**

Greenbrier Resort, White Sulphur Springs, WV
 Resort at Glade Springs, Daniels, WV
 Stonewall Jackson Resort, Roanoke, WV

Application Certification

I, the undersigned on behalf of the applicant, hereby represent and certify that the foregoing application information, including all attachments, is true, complete and accurate and authorize the West Virginia Development Office to review the credit of applicant and any other information to approve or decline this application.

Signature

Print Name

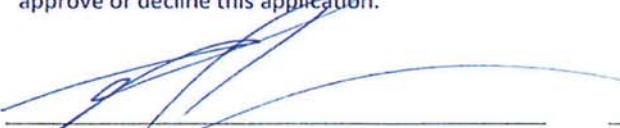
Title

Date


NOTE: This following authorization with accompanying signature is required from **each** principal having an ownership position of 10% or more as shown in Item #7 in preceding pages.

Authorization


I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.

 Signature	DGE, LLC Print Name
Managing Member Title	8/28/19 Date
26-0708988 Social Security Number (TIN)	95.8 % Percentage of Ownership Position

I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.

DocuSigned by:  Signature	Clifford A. White Revocable Trust Print Name
Managing Member Title	8/28/19 Date
xxx-xx-7414 Social Security Number	25 % of DGE, LLC Percentage of Ownership Position

I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.


 Signature	Fredrick D. Schaufeld Revocable Trust Print Name
Managing Member Title	8/28/19 Date
xxx-xx-6368 Social Security Number	25 % of DGE, LLC Percentage of Ownership Position

Copy as needed for additional authorization forms

NOTE: This following authorization with accompanying signature is required from **each** principal having an ownership position of 10% or more as shown in Item #7 in preceding pages.

Authorization

I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.

 _____ Signature	<u>Schaufeld Family, LLC</u> _____ Print Name
<u>Managing Member</u> _____ Title	<u>8/28/19</u> _____ Date
<u>52-2214753</u> _____ Social Security Number (TIN)	<u>25</u> % of DGE, LLC _____ Percentage of Ownership Position

I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.

_____ Signature	_____ Print Name
_____ Title	_____ Date
_____ Social Security Number	_____ Percentage of Ownership Position

I hereby authorize the West Virginia Development Office to review my credit and any other information to approve or decline this application.

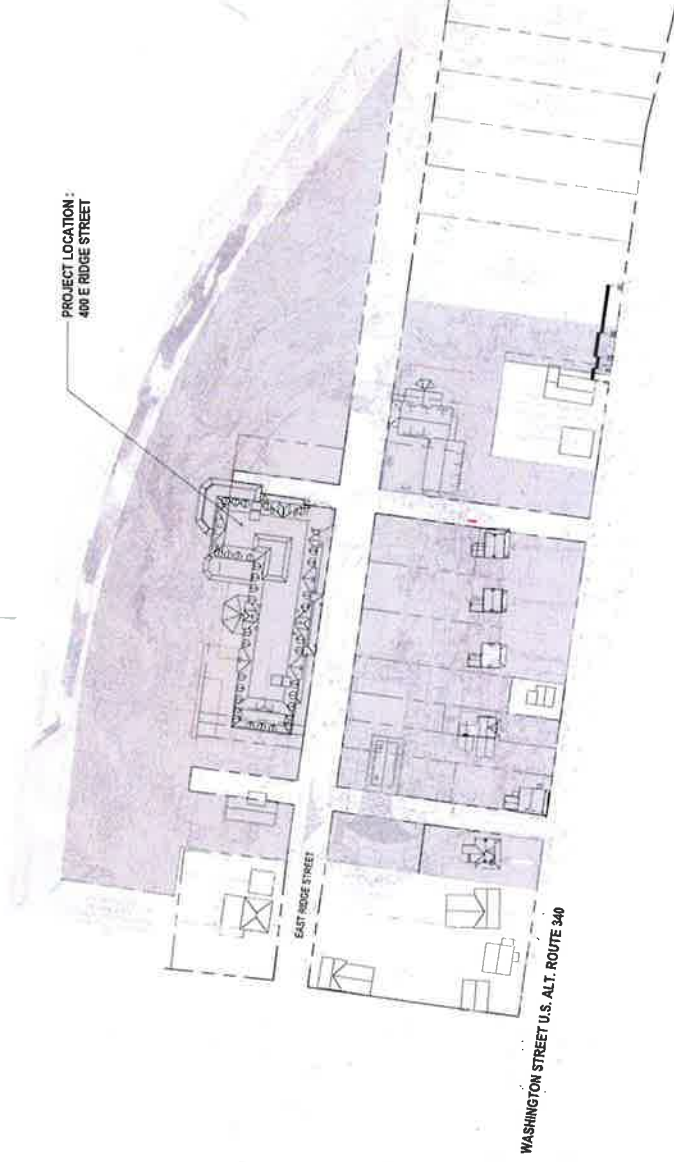
_____ Signature	_____ Print Name
_____ Title	_____ Date
_____ Social Security Number	_____ Percentage of Ownership Position

Copy as needed for additional authorization forms

EXHIBIT

1

TOPO MAP



EXHIBIT

2

RENDERINGS













EXHIBIT

3

REAL ESTATE TAXES

JEFFERSON COUNTY, HARPERS FERRY CORP REAL ESTATE TAXES - 2016 2ND HALF

	A	B	C	D	E	F	G	H
1								
2	<u>Acct #</u>	<u>Map and Parcel</u>	<u>2017 Description (Tax Bill)</u>	<u>Location</u>	<u>Owner</u>	<u>Purchase Price</u>	<u>Date</u>	<u>Additional Information</u>
3	00015210	Map 2 Parcel 46	1 LT Hilltop Hotel	40 E Ridge St (55 Unit)	SWaN	Combined	24-Aug-07	
4	00015309	Map 3 Parcel 1	1 LT -Opposite Hilltop Hotel	Flagpole @ Front of Hotel	SWaN	Combined	24-Aug-07	
5	00015310	Map 3 Parcel 2	1 LT Ridge St	Hotel Rear Parking Lot	SWaN	Combined	24-Aug-07	
6	00015311	Map 3 Parcel 3	1 LT Ridge St	Wedge Adjacent Railroad Tracks	SWaN	Combined	24-Aug-07	
7	00015361	Map 3 Parcel 52	LT #7, 10 PT #9 Block 8B	Old Lodge 8 Unit (Hotel Annex)	SWaN	Combined	24-Aug-07	
8	na	Map 3 Parcel 54	combined with above	New 12 unit (Hotel Annex)	SWaN	Combined	24-Aug-07	
9	na	na	1 LT Opposite Hilltop Hotel	Employee Parking	SWaN	Combined	24-Aug-07	
10	00015211	Map 2 Parcel 47	1 LT Ridge & Lancaster ST	Public Parking	SWaN	Combined	24-Aug-07	Includes Hilltop House Sign and Light
11	00015215	Map 2 Parcel 51	1 LT #4 Block E, Camp Hill	Lot behind Hackley/Johnson Stone	SWaN	Combined	24-Aug-07	
12	00015212	Map 2 Parcel 48	1 LT #1 Block E, Fishbaugh	Brick Prather House, 401 E Ridge	SWaN	Combined	24-Aug-07	(U.S. Army House #97 Natl Signif 1837, Armorer Mechac Kirby)
13	00015214	Map 2 Parcel 50	1 LT #3 Block E, Washington ST	Ship's House	SWaN	Combined	24-Aug-07	(U.S. Army House # 99, Natl Signif 1837, Armorer Joseph McKee 1859)
14	00015197	Map 2 Parcel 34.1	1 AC - Potomac Edison	1 Acre Hotel CMF	SWaN	Combined	24-Aug-07	
15								
16								
17								
18								
19								
20								
21								
22								
23	<u>Acct #</u>	<u>Map and Parcel</u>	<u>2017 Description (Tax Bill)</u>	<u>Location</u>	<u>Owner</u>	<u>Purchase Price</u>	<u>Date</u>	<u>Additional Information</u>
24	00015219	Map 2 Parcel 53	PT #5 Washington St	West half Duplex Wash ST	DGE	215,856.00	31-May-07	(U.S. Army Houses #101 Natl Signif, 1837 Owner Asa Marstellar in 1859)
25	00015233	Map 2 Parcel 55.1	Block F PT LT #8 Camp Hill	Vac Lot Corner Ridge & Columbia	DGE	154,900.00	28-Jun-07	
26	00015204	Map 2 Parcel 41	2 LTS BLK T #1,2	Mentzer House - SWaN Office	DGE	495,000.00	31-Jul-07	(U.S. Army House #98 Natl Signif before 1837, Armorer Jacob Crowl 1859)
27	00015213	Map 2 Parcel 49	1 LT #2 Block E, Smith	Gladis House	DGE	315,912.00	22-Aug-07	
28	00015218	Map 2 Parcel 52.1	PT #5 Block E, Camp Hill	Nelson / Stanhagen Garage	DGE	153,910.00	24-Aug-07	
29	192883	11-004032	9.05 Acres Island Park Map 87, Parcel 14	Byrnes Island, Maryland	DGE	232,786.00	24-Aug-07	
30	00015217	Map 2 Parcel 52	PT LT BLK E #5 Camp Hill	East half Duplex Washington ST	DGE	100,000.00	26-Nov-07	(U.S. Army Houses #100 Natl Signif, 1837 Owner Asa Marstellar in 1859)
31	00015222	Map 2 Parcel 55	BLK F #1 & PT #8-Camp Hill	Mosholder House	DGE	500,000.00	31-Jan-08	
32	00015312	Map 3 Parcel 4	1 lt. Ridge St	894 sq feet at end of Ridge St	DGE	680.00	28-Feb-08	
33	00015638	Map 3 Parcel 13	181 Potomac Street	Lower Town, Stone House	DGE	100,000.00	1-May-18	
34								
35	00015220	Map 2 Parcel 54	Blk E-LT #6A, Goens	Brick Columbia & Washington ST	DGE		24-Aug-07	(Bult circa 1860. Lot owned by Rezin Cross in 1859)
36	00015221	Map 2 Parcel 54.1	Blk E. LT #6B, Goens	Back Lot Corner Columbia & Ridge	DGE		24-Aug-07	
37								
38								
39	00015206	Map 2 Parcel 43	LT#1,PT#2 & Merger Par B1 U Ridge St	Nelson - Stanhagen House	DGE		29-Sep-07	
40	00015207	Map 2 Parcel 44	1LT Ridge ST Seminary LT	Nelson adjacent rear hotel parking	DGE		29-Sep-07	
41	00015209	Map 2 Parcel 45	PT LT Ridge ST	Nelson adjacent rear hotel parking	DGE		29-Sep-07	
42	00015208	Map 2 Parcel 44.1	Parcel G (12 x 132 ft Ridge St	Nelson adjacent rear hotel parking	DGE		29-Sep-07	
43	00015198	Map 2 Parcel 34.2	.77 Acre Potomac Edison	Nelson / Stanhagen Cliff lot	DGE		29-Sep-07	
44								
45								
46	00015224	Map 2 Parcel 56	BLK F LT #2	540 Washington Street	DGE		15-Jun-12	
47	00015225	Map 2 Parcel 57	BLK F Lot #7	Vacant lot Ridge Street	DGE		15-Jun-12	
48	00015226	Map 2 Parcel 58	2 LTS BLK F #3,6 CAMPHILL	580 Washington Street	DGE		15-Jun-12	
49								
50								
51								

EXHIBIT

4A

LETTER FROM
HAPRERS FERRY
WATER WORKS



Corporation of Harpers Ferry

1000 WASHINGTON STREET • P.O. BOX 217

Harpers Ferry, West Virginia 25425

304-535-2206 • FAX 304-535-6520

Wayne Bishop,
Mayor

BARBARA HUMES, JAY PREMACK, HARDWICK S. JOHNSON, JR., CHRISTIAN PECHUEKONIS, CHARLOTTE THOMPSON, COUNCIL MEMBERS
KEVIN GARDEN, RECORDER

July 12, 2019

Laurel Ziemianski
Swan Hill Top House Hotel, LLC
P.O. Box 6247
Leesburg, VA 20178

**RE: Tourism Development Act Letter from Harpers Ferry Water Works
Hill Top House Hotel**

Dear Mrs. Ziemianski:

Per your request, Harpers Ferry Water Works (HFWW) is providing this letter which acknowledges your proposed project known as the "Hill Top House Hotel" which will be located at address 400 East Ridge Street, Harpers Ferry, WV 25425. HFWW plans to provide potable drinking water to the new Hill Top House Hotel. An existing 10-inch PVC waterline exists on Washington Street with an average pressure of approximately 80 PSI. HFWW is currently in the design and permitting phase of a distribution system waterline replacement project. Part of this project includes a new 10" cross with a 6-inch main and cap extending 10-feet along East Ridge Street for future connection to the new Hotel. This cap is adjacent to the hotel site and within 50-feet of the proposed structure. The reported average daily demand of the proposed Hotel is 36,000 gallons per day (GPD). HFWW currently provides approximately 206,000 GPD to its customers in Harpers Ferry and Bolivar. HFWW has a surface water treatment plant with a capacity of 500,000 GPD, which is more than adequate to supply the new Hotel with potable drinking water and irrigation water. HFWW currently owns and operates three (3) ground level steel water storage tanks with a total capacity of 1.2 million gallons, thus sufficient storage capacity is available to supply the new Hotel. It is HFWW understanding that the Hotel will be responsible for providing any and all necessary infrastructure to provide adequate fire protection for the new facilities.

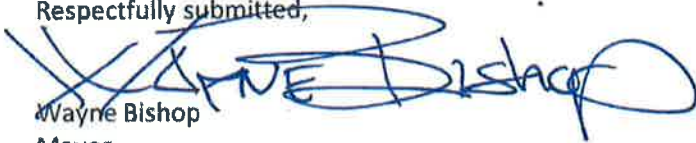
In summary, no new booster pump stations, storage tanks or distribution system line upgrades are necessary for HFWW to accommodate the new Hotel. Several discussions between Swan Hill Top House Hotel, LLC, HFWW and their water engineer (Gwin, Dobson & Foreman, Inc.) have taken place over the past year regarding the project.

Laurel Ziemiński
Swan Hill Top House Hotel, LLC
July 12, 2019
Page Two

HFWW remains able and willing to accommodate the anticipated service needs of the Hotel with potable drinking water. HFWW supports the project and looks forward to continue working with Swan Hill Top House Hotel, LCC, on a successful project.

If you have any questions, please contact our office at your convenience.

Respectfully submitted,


Wayne Bishop
Mayor

Point of Contact:
Brandon Chuvalas
304-535-6555

EXHIBIT
4B

LETTER FROM HARPERS
FERRY/BOLIVAR PSD

Harpers Ferry/ Bolivar PSD
P. O. BOX 235
192 LAKE QUIGLEY DRIVE
HARPERS FERRY, WEST VIRGINIA 25425
(304)-535-2390 FAX (304)-535-2524
harpersferryps@frontiernet.net

July 9, 2019

To: Ms. Laurel Ziemianski

The Harpers Ferry-Bolivar PSD operates the waste water treatment plant and waste water collection system for the two towns. The current daily influent flow to the waste water treatment plant is 211,000 gallons per day, which is based on the average daily flow for a five-year period from 2013 to 2018. The PSD has sufficient capacity to receive waste flow from the proposed Swan Hill Top House Hotel, LLC at the stated daily anticipated rate of 18,000 gallons per day. The PSD has an eight-inch sewer line that runs to the end of East Ridge Street that receives sewer discharge from the existing building. With this in mind, we will need to perform a full analysis of our gravity-fed system prior to final approval/ construction.

The contact person for the PSD is Ed Tennant who can be reached at 304-535-2390 or emailed at harpersferryps@frontiernet.net. If there are any questions please give us a call at the above number. We look forward to working with you on your project.

Thanks,

Eddy Tennant,
Operations Supervisor

EXHIBIT

4C

LETTER FROM
POTOMAC EDISON

August 6, 2019

Swan Hill Top House Hotel, LLC
P.O. Box 6247
Leesburg, VA 20175

Re: ELECTRIC SERVICE AVAILABILITY
Hill Top House Hotel
400 E Ridge Street
Harpers Ferry, WV 25425

Referring to your inquiry, the subject location is within the defined service area of The Potomac Edison Company, doing business as FirstEnergy. FirstEnergy shall provide electric service at this location within the rules and regulations of its Electric Service Tariff as filed with the West Virginia Public Service Commission and other applicable regulations, rules, and statutory requirements.

Any property crossed by or otherwise supporting FirstEnergy's facilities will require a valid right-of-way from the owner.

Potomac Edison has existing electric facilities at the property line of 400 E. Ridge St. Any major components or additional infrastructure will be determined after an official request for service has been submitted to our Customer Service Center at 1-800-686-0011, with detailed load information provided.

I look forward to assisting you with your project.

Sincerely,

Donna J. Dolecki
Distribution Specialist
304-267-3259

EXHIBIT 4D

LETTER FROM
FRONTIER
COMMUNICATIONS



Matthew Clayton
Engineering Manager
Frontier Communications
Ranson WV 25438
(304) 728-2031 (o)
(304) 268-7641 (c)
matthew.clayton@ftr.com

July 8, 2019

Swan Hill Top House Hotel, LLC
108 Loudon St. SW
Leesburg, VA 20175
Attn: Laurel Ziemianski

RE: Frontier Communications Broadband Service Availability for:
**Hill Top House Hotel/ 400 E Ridge Street / Harpers Ferry, WV 25425/ Jefferson
County**

Dear Laurel:

Frontier Communications Corporation ("Frontier"), headquartered in Stamford, CT, has reviewed the subject property and determined it to be located within our service territory. Frontier is a broadband communications provider capable of providing Telephone, High Speed Internet and Multi-Channel Cable TV services.

We would intend to serve customers in the proposed development pursuant to our filed tariffs, and without waiving any rights to recovery of special construction or other costs as provided in those tariffs. Available services include: Telephone, High Speed Internet and Multi-Channel Cable TV (in partnership with DISH TV).

Frontier Communications has fiber optic facilities within 1,000 feet of this location and Business level ethernet services are available in the area.

If you have any further questions, I may be reached at 304-728-2031.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew Clayton".

Matthew Clayton
Frontier Communications



William H. Gordon Associates, Inc.

301 North Mildred Street, Suite 1

Charles Town, WV 25414

304-725-8456 Phone

304-728-0117 Fax

**INTERSECTION ANALYSIS
for
TRAFFIC IMPACTS
of**

**Hilltop House Hotel
Harpers Ferry, West Virginia**



Prepared For:

SWaN Investors
PO Box 6266
Leesburg, VA 20178
(703) 400-3954

Prepared By:

William H. Gordon Associates, Inc
301 N. Mildred Street, Suite #1
Charles Town, WV 25414
(304) 725-8456

Prepared: April 2009



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• Exhibit 2 – Existing Peak Hour Traffic, Lane Geometry, & Level of Service	Page 5
• Exhibit 3 – Projected Background 2012 Peak hour Traffic & Level of Service	Page 6
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• Exhibits 7 – Total Build Out Peak Hour Traffic & Ultimate Lane Geometry and Level of Service	Page 12
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Existing 2009 HCS Reports	Appendix B
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Ultimate 2012 HCS Reports	Appendix D
Photographs of Site and Intersections	Appendix E



I. Executive Summary

The Hilltop House Hotel Project will include a 180-room resort with associated amenities. The project site is located at the intersection of Ridge and Columbia Streets in Harpers Ferry, West Virginia. Access to the proposed project would be via the intersection of Columbia and Washington Streets. Existing Friday afternoon and Saturday Mid-day traffic counts were conducted to determine the peak hour traffic in accordance with WVDOH Traffic Engineering Directive 106-1 dated April 19, 2004. Build-out of the project for the purpose of this intersections analysis is estimated in 2012 and background traffic growth was projected at a rate of 3.0% per year based on WVDOH criteria.

The projected traffic generated by the proposed development is as follows:

- Friday afternoon:
 - 110 peak hour trips
 - Directional distribution of 46 leaving and 64 entering the site
 - Average Daily Trips (ADT) of 1,471
- Saturday mid-day:
 - 130 peak hour trips
 - Directional distribution of 57 leaving and 73 entering the site
 - ADT of 1,474

The intersection of Columbia and Washington Streets is projected to operate with a level of service "A" in the build-out year of 2012 with the additional traffic generated by the hotel.

Therefore, the data and analysis contained in this report indicates that there should be no significant impact on the operations of the existing and proposed intersection within the study area from the traffic generated by the proposed development of The Hilltop House Hotel.



II. Base Traffic Conditions

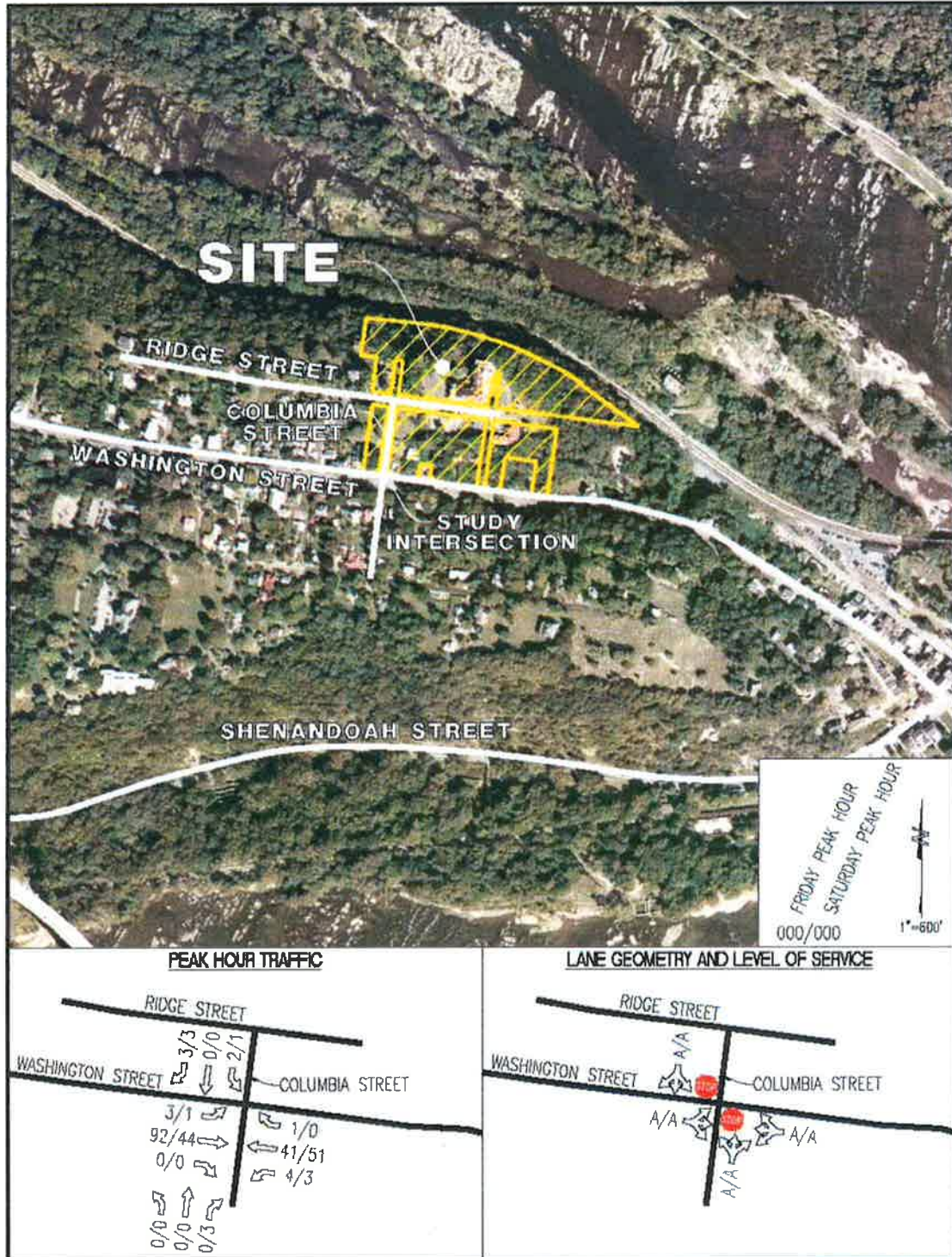
The vicinity map in Exhibit 1 shows the location of The Hilltop House Hotel and the surrounding area. Intersection turning movement counts were conducted manually at the intersection of Columbia and Washington Streets as described in the executive summary. See Appendix E for intersection photographs. The traffic counts were conducted during the Friday afternoon (3:00 PM to 6:00 PM) and Saturday mid-day (11:00 AM to 2:00 PM) peak hour times in accordance with the WVDOH Traffic Engineering Directive 106-1 dated April 19, 2004. See Exhibit 2 for the existing peak hour traffic, lane geometry, and level of service for the intersection of Columbia and Washington Streets. See Appendix A for the existing traffic count data and Appendix B for the existing 2009 HCS+ Analysis worksheets.

A 3-year build out was assumed for the project for the purpose of this intersections analysis. The existing traffic was projected with a growth rate of 3.0% per year up to the design build-out year of 2012. This background traffic was used as the base condition to which the development generated traffic was added. See Exhibit 3 for the projected background 2012 peak hour traffic, lane geometry, and levels of service and Appendix C for the projected 2012 HCS+ Analysis. The intersection remains at the 2009 LOS when projected to 2012 without the addition of the Hilltop House Hotel generated traffic.

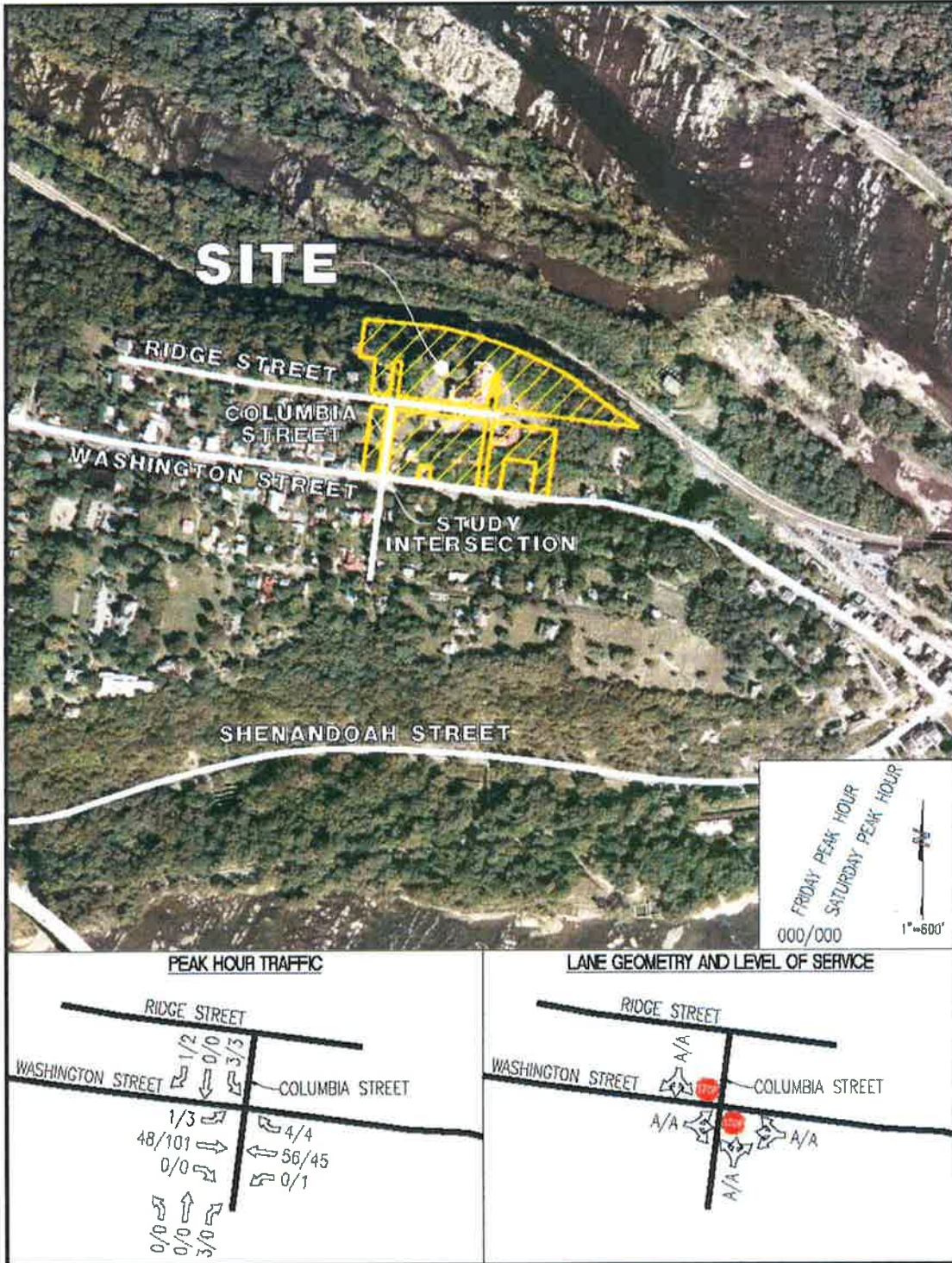
EXHIBIT 1 - VICINITY MAP



**EXHIBIT 2
EXISTING PEAK HOUR TRAFFIC, LANE GEOMETRY & LEVEL OF SERVICE**



**EXHIBIT 3
PROJECTED BACKGROUND 2012 PEAK HOUR TRAFFIC AND LOS**





III. Proposed Development Traffic Conditions

The ITE Trip Generation Manual, 7th Edition was used to calculate the proposed development-generated traffic. Table 2 shows the trip generation calculation for the project. The proposed hotel will have 180 rooms, a restaurant, and bar. See Exhibit 4 for the preliminary site layout. The hotel will be served by traffic entering from Washington Street onto Columbia Street.

Weekday AM Peak Hour			Weekday PM Peak Hour			ADT
In	Out	Total	In	Out	Total	
64	46	110	73	57	130	1,471 Friday
						1,474 Saturday

Note: Calculations based on 180 room hotel with restaurant and bar (ITE Code 310)

Exhibit 5 shows the regional trip distribution. The distribution was based on existing traffic flow, the location of nearby population centers, and the intended directions to be supplied to guests. Exhibit 6 shows the development generated peak hour trip assignment based upon the trip distribution at the study intersection. The intended experience for guests arriving to the hotel would be for them to travel through downtown Harpers Ferry. Deliveries, buses, employees, and a portion of the guests will likely enter the site from Bolivar to the west. All traffic will be directed to exit the hotel to the West through Bolivar and ultimately to the signalized intersection of US 340 and Washington Street.

EXHIBIT 4 - PRELIMINARY SITE LAYOUT

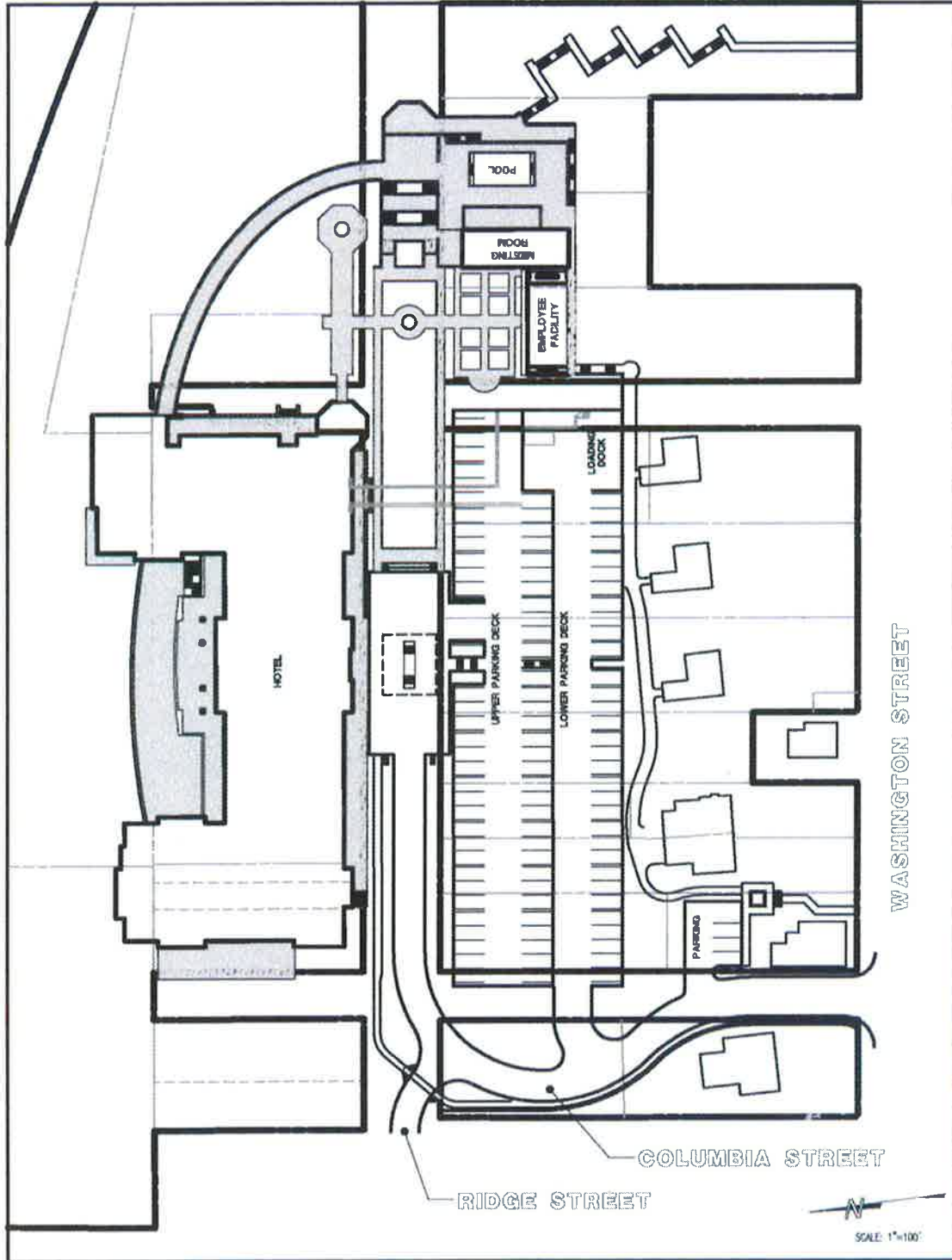
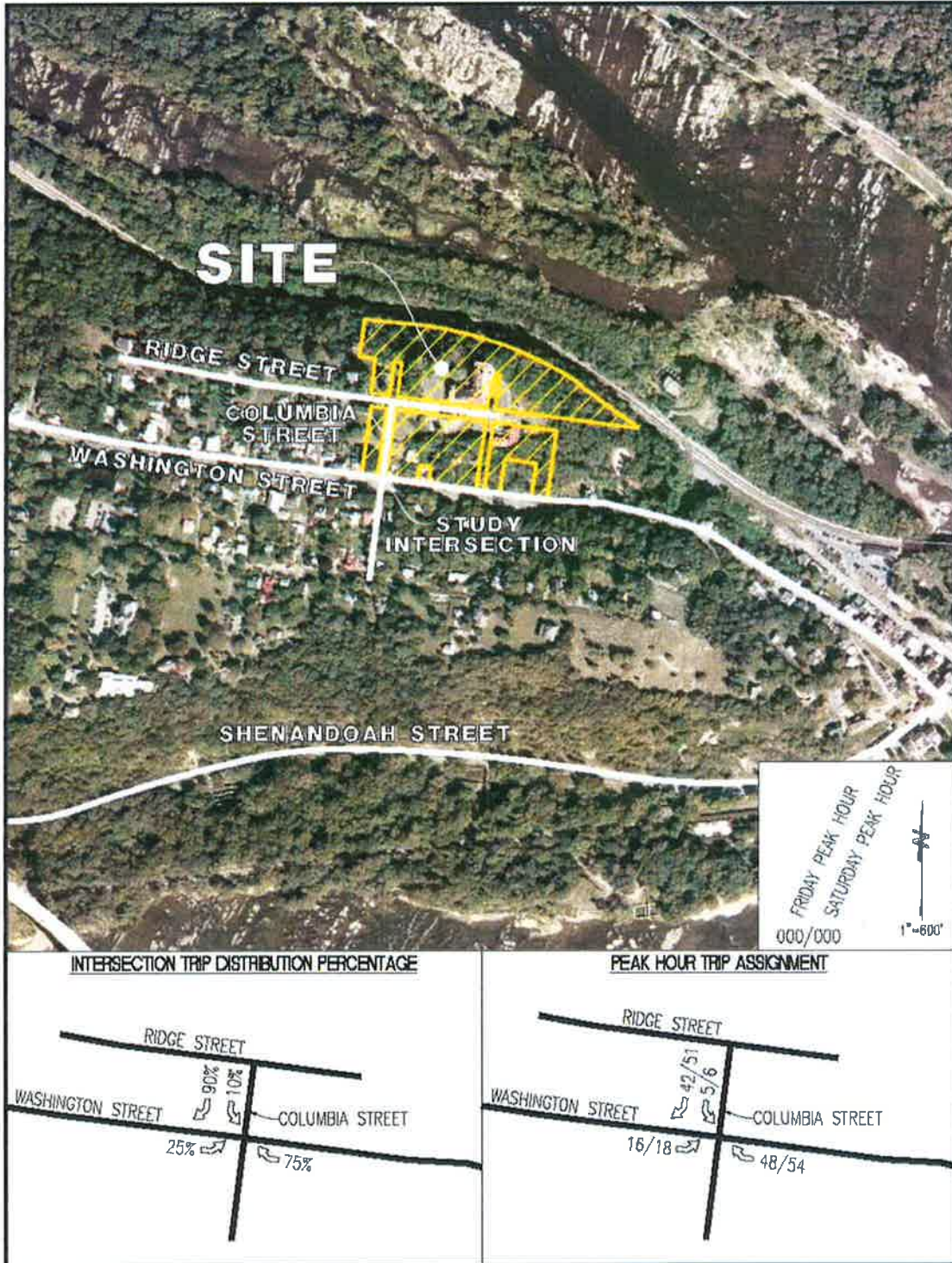


EXHIBIT 5 - TRIP DISTRIBUTION



**EXHIBIT 6
PROJECT GENERATED PEAK HOUR TRIP ASSIGNMENT**





IV. Total Peak Hour Trips at Build Out

The development generated peak-hour traffic was combined with the projected background traffic condition. The resulting peak hour traffic and level of service at the intersection of Columbia and Washington Streets is shown in Exhibit 7. The ultimate HCS calculations can be found in Appendix D and the levels of service is summarized in Table 3 below.

	Projected 2013 LOS		Developed 2013 LOS	
	AM	PM	AM	PM
Intersection	A	A	A	A

Turn Lane Warrant Analysis

The low traffic volumes on Washington Street do not meet the warrants for left-turn lanes identified by exhibit 9-75 from the *2004 AASHTO Policy on Geometric Design of Highways and Streets* at the intersection of Columbia and Washington Streets.

**EXHIBIT 7
ULTIMATE PEAK HOUR TRAFFIC, LANE GEOMETRY & LEVEL OF SERVICE**





VI. Summary of Results and Recommendations

The intersection analysis reveals that the intersections within the study are projected to operate at a level of service of "A" in the build-out year 2012, and that no roadway improvements to these intersections are warranted due to the impacts of the proposed development.

Therefore, the data and analysis contained in this report indicates that there should be no significant impact on the operations of the existing and proposed intersections within the study area from the traffic generated by the proposed development of the Hilltop House Hotel.

EXHIBIT

6

PERMIT CHART

Permit	Jurisdiction	Agency	Nature of Permit	Date Applied	Date Issued	Notes
Construction Stormwater General Permit (WV / NPDES Permit)	WV	Department of Environmental Protection	Stormwater discharge and E&S control during construction			WVDEP Link
WVDOH	WV	Division of Highways	Connection onto Washington Street			Traffic Study in File
Water	Harpers Ferry	Water Works	Domestic Water and Fire Service			
Sewer	Harpers Ferry/Bolivar	Public Service District	Sanitary Sewer			
Easement Plats	WV					After site plan approval
State Historic Permit	WV	State Historic Preservation Office	Environmental Phase 1 Survey Historical/Archaeological Survey			Info
Fire Marshal Permit	WV	State Fire Marshal	Part of building permit			Info
Zoning Compliance Permit	Harpers Ferry	Board of Zoning Appeals (BZA)	Approval of Hotel and development plan			Application
Demolition Permit	Harpers Ferry	BZA	Removal and demolition of existing hotel			
Land Disturbance Permit (SWM)	Harpers Ferry	BZA	Excavation and site improvements			
Conditional Use Permit	Harpers Ferry	BZA	Approval development building uses			
Site Plan Approval & Inspections	Harpers Ferry	BZA	Site plan			
Business Sign Permit	Harpers Ferry	BZA	Permanent or temporary signage			Application

Note: All required permits issued by the town for a project are generally known and referred to as the "Project Permit"

EXHIBIT

7

DEVELOPMENT BUDGET

Confidential and Proprietary
(Delivered in separate,
sealed envelope)

EXHIBIT

8

Financial

Pro Forma

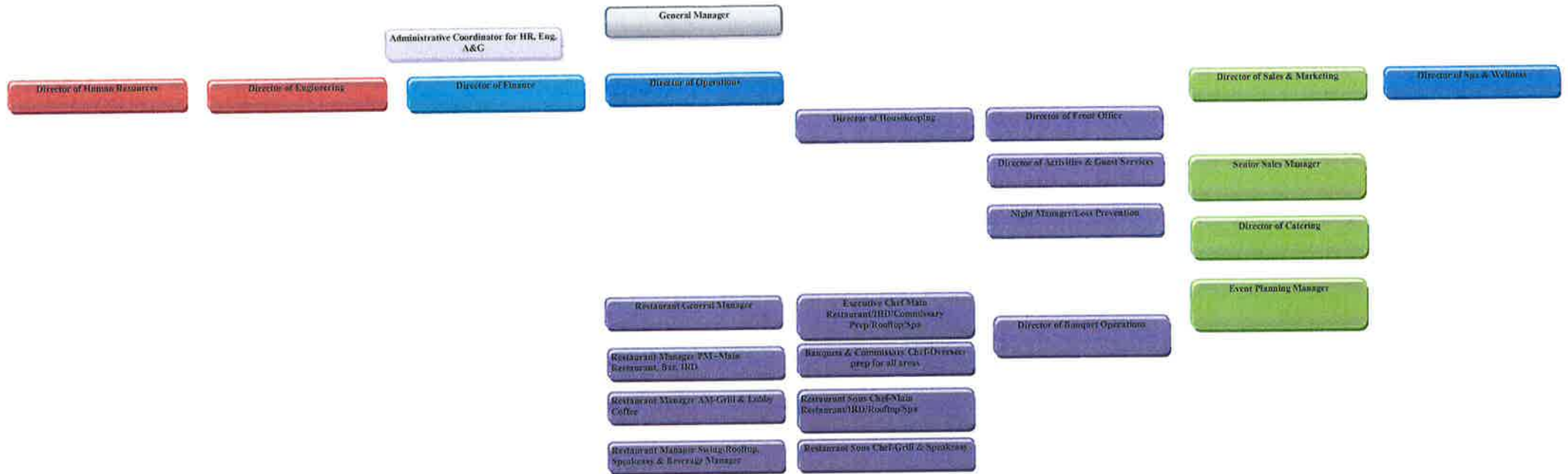
Confidential and Proprietary
(Delivered in separate,
sealed envelope)

EXHIBIT

9

ORGANIZATIONAL CHART

Harper's Ferry Proposed Organizational Chart



EXHIBIT

10

ECONOMIC IMPACT STUDY

Quantifying the state and local economic impacts of the proposed Hill Top House Hotel Project

Prepared by EY Quantitative Economics and Statistics (QUEST)

May 2019



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Executive summary

EY was commissioned by SWaN Hill Top, LLC ("SWaN" or the "Company") to estimate the potential economic benefits related to the construction and operation of the Hill Top House Hotel Project ("Hill Top House" or "Project"), a proposed high-end hotel in Harpers Ferry, West Virginia with approximately 129 rooms in the main hotel, lodge, and ancillary buildings. EY estimated the economic and tax effects related to: (1) temporary impacts during Project construction and build out and (2) the ongoing annual impacts from the proposed hotel's operations. Table ES-1 summarizes the estimated economic and tax impacts.

One-time impacts associated with Project construction are estimated to include:

- An estimated 478 "worker years," averaging 239 direct jobs on-site each year over the 2-year construction period, generating nearly \$29 million in direct personal income;
- More than \$105 million in total economic output (approximately business sales) in West Virginia, including indirect and induced economic effects; and
- Nearly \$7.2 million of state and local tax revenue over 2 years.
- Approximately two-thirds of the total economic impact will remain in Harpers Ferry, primarily construction contractors and laborers working on-site.
- Construction of the proposed Hotel will generate a one-time tax impact of nearly \$1.8 million for Harpers Ferry over 2 years (2-year total) related to on-site construction activity. This tax impact is generated primarily through business and occupation (B&O) tax on the construction contract and will not recur.

The ongoing operating impacts will include:

- 129 jobs at the hotel, supporting 140 total jobs in Harpers Ferry, including indirect and induced economic activity;
- Total impact on Harpers Ferry economic output of \$26.8 million annually; and
- Annual hotel operations will generate an estimated \$1 million in Harpers Ferry taxes on an annual basis, including taxes remitted on visitor purchases. Direct business taxes paid by the Project will account for 40% of the annual tax impact.
- The Project will also generate tax impacts for other local units of government including Jefferson County and Jefferson County School District. Total taxes expected to accrue to these other local units of government are \$2.3 million, of which \$2.2 million is direct property tax paid by the hotel.
- The reported tax impact includes taxes remitted on visitor spending. The analysis estimates that the hotel will remit \$581,200 annually in Harpers Ferry sales tax and hotel/motel occupancy taxes on behalf of visitors. This includes an estimated \$241,200 of Harpers Ferry sales taxes and \$340,000 in Harpers Ferry hotel occupancy tax (net revenue to Harpers Ferry, assuming 50% of revenues will go to the local tourism board). Additionally, \$340,000 will go to the local tourism board (Jefferson County Convention & Visitors Bureau).

Table ES-1. Direct and total economic impacts for Harpers Ferry and West Virginia related to the proposed hotel's construction and operations

Real 2019 dollars

	Direct impact	Total Harpers Ferry impact	Total statewide impact
One-time impact of capital investments			
Average annual employment	239	242	359
Worker Years (2 yr. total)	478	483	718
Labor income (2 yr. total)	\$28,628,600	\$28,802,700	\$39,324,500
GDP (2 yr. total)	\$41,863,600	\$42,202,500	\$60,450,800
Economic output (2 yr. total)	\$71,586,100	\$72,191,700	\$105,151,400
Ongoing impact of hotel operations			
Average annual employment	129	140	217
Labor income (annual)	\$5,230,200	\$5,566,700	\$9,019,300
GDP (annual)	\$13,990,200	\$14,642,300	\$20,638,800
Economic output (annual)	\$25,633,000	\$26,825,800	\$38,203,400

Note: Figures may not appear to sum due to rounding.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

Table ES-2. Total local tax impacts from ongoing hotel operations related to direct, indirect, and induced economic impacts and remitted on behalf of Hotel visitors, by tax type

Real 2019 dollars

	Total tax impact
Harpers Ferry taxes	
Property taxes	\$205,000
Sales & use taxes	
Sales & use taxes, paid by businesses & residents	\$900
Sales & use taxes, paid by visitors	\$241,200
Other local taxes, including B&O	\$216,200
Hotel/Motel Occupancy Tax, Harpers Ferry portion	\$340,000
Total Harpers Ferry taxes	\$1,003,300
Other local taxes	
Jefferson County + School District	\$2,255,400
Other local taxes, statewide	\$76,000
Hotel/Motel Occupancy Tax, local tourism board portion*	\$340,000
Total local taxes, statewide	\$3,674,700

*Jefferson County Convention & Visitors Bureau

Note: Figures may not appear to sum due to rounding.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

Quantifying the state and local economic impacts of the proposed Hill Top House Hotel Project

1. Introduction

EY was commissioned by SWaN Hill Top, LLC ("SWaN" or the "Company") to estimate the potential economic benefits related to the Hill Top House Hotel Project ("Hill Top House" or "Project"), a proposed high-end hotel in Harpers Ferry, West Virginia. This report provides an assessment of the potential economic impacts attributable to the construction and annual operations of the Project, including the number of West Virginia jobs and employee earnings, GDP generated, state and local taxes, and other key economic contributions.

Harpers Ferry is located at the convergence of the Potomac and Shenandoah Rivers and is a popular site for tourists interested in the region's history and outdoor recreation. The headquarters of the Appalachian Trail Conservancy is located in Harpers Ferry, making Harpers Ferry a popular spot for hikers. The rivers and topography of the area have supported businesses catering to outdoor enthusiasts, such as zip line and canopy tours, white water rafting and tubing, backpacking, children's adventure camps, and boating. As a result, tourism to the area tends to be highly seasonal, peaking in the summer months. In addition to local attractions, Harpers Ferry is located near multiple vineyards, golf courses, and the Hollywood Casino at Charles Town Races, providing the opportunity for the proposed hotel to capture a share of the demand that already exists in the greater area.

The analysis presented in this report shows that the development and construction of the proposed Hill Top House Hotel will generate economic and tax benefits for Harpers Ferry and the State of West Virginia, should the Company undertake the project. In addition to the economic benefits of the hotel's construction, the expected annual operations at the hotel will support jobs and tax revenues throughout the state.

2. Approach and terms used in the report

This analysis considers impacts related to:

- (1) One-time (temporary) impact of capital investment – The construction of the proposed hotel will temporarily support jobs in Harpers Ferry and throughout West Virginia, primarily in the construction sector.
- (2) Ongoing (annual) impact of hotel operations – Operations at the proposed hotel will support ongoing jobs and incomes in Harpers Ferry and throughout West Virginia, primarily in hospitality-related businesses.

This study estimates three types of economic effects related to hotel construction and operations:

- **Direct effects:** The hotel's direct impact includes the hotel's projected revenues (direct economic output) and payments to employees (direct jobs and labor income). For the construction period, the direct impacts reflect the temporary on-site construction contractors and total construction expenditures.
- **Indirect (supplier) economic effects:** Indirect effects are the result of the hotel's purchases from local suppliers (e.g., food, cleaning supplies, stationary, utilities, contract security, etc.). As the hotel purchases goods and services from local businesses, these businesses in turn purchase additional inputs from their suppliers in order to meet new demand from the hotel. These supplier sales are captured in the indirect effect, reflecting employment and labor income impacts and the subsequent rounds of supplier purchases in the state and local economies.
- **Induced (employee spending) economic effects:** Induced effects are supported through household consumption spending by employees. Hotel employees and employees of the hotel's suppliers will use a portion of their incomes to purchase goods and services from businesses in Harpers Ferry, as well as other parts of West Virginia. These transactions support employment at businesses such as retailers, restaurants, and service companies.

Direct, indirect, and induced impacts are expressed in terms of five indicators:

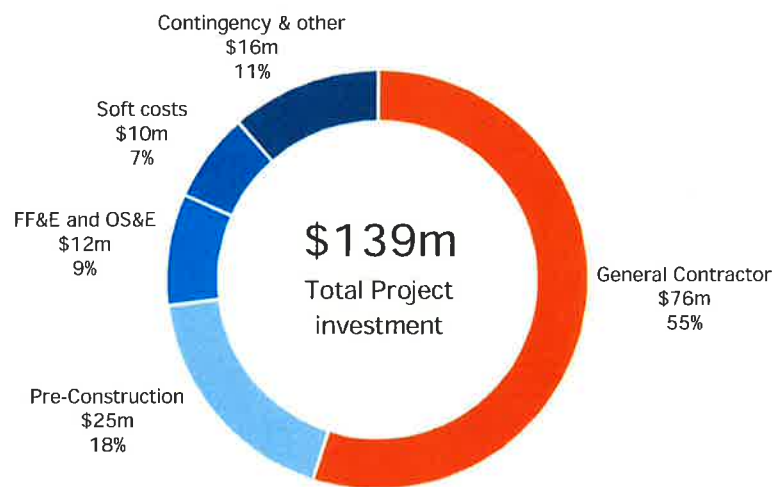
- **Economic output:** Economic output is the broadest measure of economic activity and includes GDP and intermediate input purchases. For the proposed hotel, economic output is equivalent to total room and service revenues. Economic output is the sum of GDP and intermediate demand (purchases from third-party suppliers).
- **Gross Domestic Product (GDP):** GDP, or value added, is a component of economic output and includes labor income, payments to capital, and indirect taxes.
- **Labor income:** Labor income is a component of GDP and includes total employee compensation (value of wages and benefits) and proprietor income.
- **Employment:** Employment reflects the total number of full- and part-time jobs (headcount).
- **State and local taxes:** Estimated taxes include individual and corporate income taxes, sales and excise taxes, and local property taxes paid by businesses and households. Income, property, and sales taxes paid by hotel employees on their incomes and purchases are included as direct taxes. The analysis presents estimates for local taxes collected within Harpers Ferry (all taxing jurisdictions) and other local governments throughout the state.

3. One-time impacts related to Project construction

Based on information compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN, the proposed hotel will require \$139 million in total investment including construction, design, furnishing, and other costs. Of this total spend, over half will be for the construction of the hotel and surrounding infrastructure (see Figure 1). This spending will temporarily increase demand for local construction services, generating nearly \$72 million of direct construction sector economic output and supporting on-site employment. The construction of the proposed hotel in Harpers Ferry will generate economic impacts over the two-year construction period. These impacts are described as "one-time" because they do not recur.

Soft costs, such as design and management, account for \$10 million, and hard costs including furniture, fixtures, and equipment (FF&E) will total \$12 million. These goods and services are assumed to be supplied from vendors outside of West Virginia and are not included in the economic impacts presented in this section.

Figure 1. Composition of capital investments, by type
Millions of dollars



Note: Amount includes escalation.

Source: Data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

Estimated one-time economic impacts

- Direct construction expenditures of nearly \$72 million will support an average of 239 on-site construction contractors per year in Harpers Ferry during the hotel's construction – totaling 478 direct worker years (one-year jobs).
- Including direct (contractor), indirect (supplier), and induced (household spending) economic effects, Project construction will support an average of 242 construction and related jobs per year in Harpers Ferry during the 2-year construction period.

- The total job impact includes construction contractors and engineers, as well as employees at construction material suppliers. Workers supported by capital expenditure impacts in Harpers Ferry will earn an estimated \$28.6 million in total compensation (direct labor income).
- Projected capital investments in the Hill Top House Hotel will generate approximately \$72.2 million of total economic output in Harpers Ferry. Of this total output, \$42.2 million will be attributed to GDP, including \$28.8 million in labor income earned by Harpers Ferry workers.
- While most of the impact will be in Harpers Ferry, additional activity will be supported throughout West Virginia as a result of local construction spending (\$105.2 million of total economic output in West Virginia) – supporting an average of 359 jobs per year statewide (718 worker-years).
- Capital investments will generate \$7.2 million in total state and local tax revenues. Of this total, \$4.6 million will be direct taxes paid by the construction contractor, including more than \$2.0 million of state and local sales taxes on construction materials.¹

Table 1. State and local impacts of planned capital investments
Real 2019 dollars

	Direct impact	Indirect & Induced impact	Total impact
	<i>Construction contractors</i>	<i>Payments made to construction suppliers; Businesses selling to contract employees</i>	<i>Total one-time</i>
Harpers Ferry			
Avg. annual jobs	239	3	242
Worker years	478	5	483
Labor income	\$28,628,600	\$174,100	\$28,802,700
GDP	\$41,863,600	\$338,900	\$42,202,500
Economic output	\$71,586,100	\$605,600	\$72,191,700
WV, statewide			
Avg. annual jobs	239	120	359
Worker years	478	240	718
Labor income	\$28,628,600	\$10,695,900	\$39,324,500
GDP	\$41,863,600	\$18,587,200	\$60,450,800
Economic output	\$71,586,100	\$33,565,300	\$105,151,400

Note: Figures may not appear to sum due to rounding. Worker years are equivalent to the number of jobs lasting an average of one year each.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

¹ Assumes 40% of the \$72 million planned construction spend is subject to state sales tax rate of 6% and local sales tax rate of 1%.

4. Annual economic impacts of hotel operations

4.1 Direct economic impacts

The hotel's direct impacts can be described in terms of economic value generated and distributed, as shown in Table 2. The hotel generates economic value through its sales, shown as direct economic output. The hotel distributes economic value in West Virginia through its payments to in-state suppliers, employees, and governments.²

The analysis assumes that the hotel will employ 129 workers once fully operational (assuming one employee per room). According to the most recent Census estimates, the combined population of Harpers Ferry and neighboring Bolivar was around 1,500 people – with approximately 300 people working in these two towns combined.³ Including current employment in Harpers Ferry and neighboring Bolivar, the direct jobs at the proposed hotel would increase the number of local jobs by 40%.⁴

Hotel employees will earn an estimated \$40,500 in average total compensation, including the value of wages, tips, and benefits – totaling more than \$5.2 million in annual payroll expense (direct labor income).⁵ This average compensation, which is representative of both full-time and part-time workers, reflects an average work week of approximately 34 hours.⁶

Table 2. Economic value generated and distributed, annual
Real 2019 dollars

	Direct hotel operations
Economic value generated in Harpers Ferry	
Rooms	\$13,598,000
Food and beverage	\$9,498,000
Spa	\$1,511,000
Other revenues	\$1,026,000
Direct economic output	\$25,633,000
Economic value distributed in WV	
Local supplier purchases (intermediate demand)	
<i>Within Harpers Ferry</i>	\$251,700
<i>Elsewhere in West Virginia</i>	\$5,461,100
Employees (direct labor income)	\$5,230,200
Governments (taxes)	
<i>Harpers Ferry</i>	\$409,100
<i>Other state & local taxes</i>	\$1,769,000
Total value distributed in WV	\$13,121,100

Note: Figures may not appear to sum due to rounding; Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

² The share of operating inputs purchased from local vendors was estimated using industry averages for the accommodations sector in the IMPLAN models of Jefferson County and WV, reflecting historical purchasing relationships for existing businesses.

³ U.S. Census American Community Survey (ACS) 5-Year Population Estimate (2013-2017) and 2002-2014 LEHD Origin Destination Employment Statistics (LODES).

⁴ U.S. Census 2002-2014 LODES.

⁵ Annual average compensation based on the average for the accommodations sector in the IMPLAN model of Harpers Ferry.

⁶ According to BLS, the average employee in the leisure and hospitality sector worked 34.1 hours per week in 2018.

4.2 Total direct, indirect, and induced economic and tax impacts

Contributions related to operations provide a snapshot of the potential ongoing annual economic impacts of the proposed hotel. The estimated impacts reflect the anticipated annual operations of the hotel, once fully-operational (year 3). Economic impacts include activity in the Town of Harpers Ferry and the State of West Virginia overall.

Estimated annual economic impacts

- Hotel operations will support an estimated 140 direct, indirect, and induced jobs in Harpers Ferry and 217 total jobs throughout the state. This includes jobs at the hotel's suppliers (indirect) and businesses that sell to hotel employees and hotel supplier employees (induced).
- For every 10 direct jobs at the hotel, an additional 7 jobs are supported elsewhere in the state through indirect and induced economic activity – 17 jobs total (statewide employment multiplier of 1.7). This is higher than the average employment multiplier for the existing West Virginia hotel sector of 1.4, reflecting the hotel's high wages and overall worker productivity (economic output per worker), relative to the rest of the sector.
- The total (direct, indirect, and induced) impact on state economic output will be an estimated \$38.2 million, approximately half of which will be state GDP (\$20.6 million).

Table 3. Annual state and local impacts of hotel operations
Real 2019 dollars

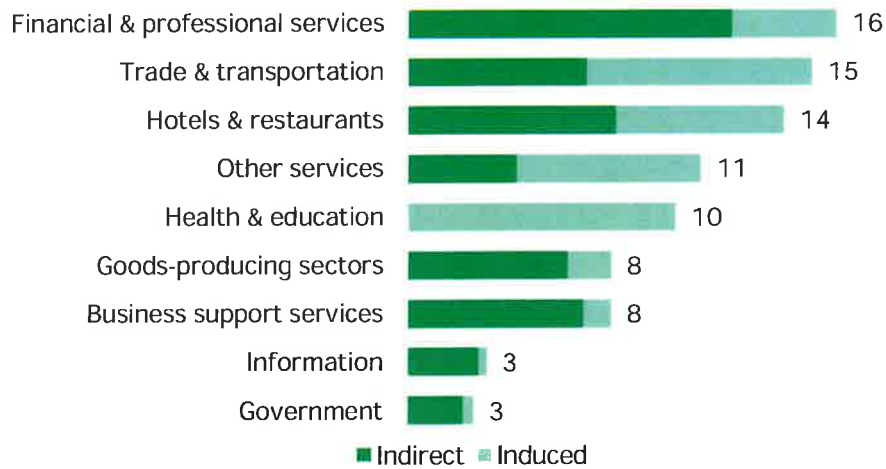
	Direct impact	Indirect & Induced impact	Total impact
	<i>Hotel operations</i>	<i>Hotel suppliers; Businesses selling to employees</i>	<i>Total</i>
Harpers Ferry			
Employment	129	11	140
Labor income	\$5,230,200	\$336,500	\$5,566,700
GDP	\$13,990,200	\$652,100	\$14,642,300
Economic output	\$25,633,000	\$1,192,800	\$26,825,800
WV, statewide			
Employment	129	88	217
Labor income	\$5,230,194	\$3,789,100	\$9,019,300
GDP	\$13,990,194	\$6,648,562	\$20,638,800
Economic output	\$25,633,000	\$12,570,368	\$38,203,400

Note: Figures may not appear to sum due to rounding.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

The hotel will support direct hospitality jobs and also jobs in other sectors as a result of the indirect and induced effects. Two out of every 10 estimated jobs are supported through the indirect effects, totaling 49 indirect jobs statewide at businesses that will sell goods and services to the hotel (e.g. financial and professional services and trade and transportation sectors). An additional 39 permanent jobs will be supported in the state through the induced economic impact – primarily at restaurants, retailers, and in education and health care. See Figure 2.

Figure 2. Distribution of indirect and induced employment, by sector
Statewide indirect and induced employment = 88



Note: Figures may not appear to sum due to rounding.
 Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

5. Estimated state and local tax impacts, by tax type

5.1 Local tax impacts resulting from annual operations and capital expenditures

An analysis of the potential local tax impacts included:

- Construction of the proposed Hotel will generate a one-time tax impact of \$1.8 million for Harpers Ferry over 2 years (2-year total) related to on-site construction activity. This tax impact is generated primarily through the Harpers Ferry B&O tax that is assumed to be paid by the Project's construction contractors, as well as sales and use taxes on construction materials and will not recur.
- Annual hotel operations will generate an estimated \$1 million in Harpers Ferry taxes on an annual basis, including taxes remitted on visitor purchases.
- Direct business taxes paid by the Project will account for 40% of the annual tax impact.
- Based on information compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN, the hotel would generate an estimated \$201,000 per year in Harpers Ferry property taxes on real and personal property. Of this, \$191,000 (95%) would be incremental tax paid on real property improvements, \$2,300 (1%) is the current tax on the existing property, and \$7,800 (4%) would be tax on business personal property. Additionally, the Project will generate an average of \$2.2 million per year in county and school district property taxes.
- A TIF agreement would require that a portion of the \$191,000 in incremental property tax revenues be used to service the TIF bond. Assuming the TIF would be funded from ad valorem real and personal property taxes, the tax increment would generate sufficient revenue to service the bond at an assumed 4.5% interest rate over 30 years.
- The Hotel will generate additional revenues through taxes remitted on visitor spending. The analysis estimates that the hotel will remit \$581,200 annually in Harpers Ferry sales tax and hotel/motel occupancy taxes on behalf of visitors. This includes an estimated \$241,200 of Harpers Ferry sales taxes and \$340,000 in Harpers Ferry hotel occupancy tax (net revenue to Harpers Ferry, assuming 50% of revenues will go to the local tourism board). Additionally, \$340,000 will go to the local tourism board (Jefferson County Convention & Visitors Bureau).

Table 4. Total local tax impacts from ongoing hotel operations related to direct, indirect, and induced economic impacts and remitted on behalf of Hotel visitors, by tax type
Real 2019 dollars

	Direct taxes paid by the hotel	Taxes paid by hotel employees, indirect & induced effects, and remitted on visitor purchases	Total local tax impact
Harpers Ferry taxes			
Property taxes	\$201,100	\$3,900	\$205,000
Sales & use taxes			
Sales & use taxes, paid by businesses & residents	\$600	\$300	\$900
Sales & use taxes, paid by visitors		\$241,200	\$241,200
Other local taxes, including B&O	\$207,400	\$8,800	\$216,200
Hotel/Motel Occupancy Tax, Harpers Ferry portion		\$340,000	\$340,000
Total Harpers Ferry taxes	\$409,100	\$594,200	\$1,003,300
Other local taxes			
Jefferson County + School District	\$2,204,000	\$51,400	\$2,255,400
Other local taxes, statewide	--	\$76,000	\$76,000
Hotel/Motel Occupancy Tax, local tourism board portion*		\$340,000	\$340,000
Total local taxes, statewide	\$2,613,100	\$1,061,600	\$3,674,700

*Jefferson County Convention & Visitors Bureau

Note: Figures may not appear to sum due to rounding.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

5.2 State taxes resulting from capital expenditures and operations

Tax revenues supported by capital investments in the construction of Hill Top House Hotel will provide significant tax revenues for both Harpers Ferry and the State of West Virginia.

- In total, economic activity from hotel construction will generate \$4.4 million in total state taxes over two years. This includes an estimated \$1.7 million of state sales taxes paid on construction materials.
- Capital expenditures for the hotel's construction are estimated to support approximately \$1.0 million in individual income tax revenues for the State of West Virginia.
- In total, economic activity from hotel operations will generate more than \$2 million in total state taxes annually, including an estimated \$1.4 million of state sales taxes remitted on behalf of Hotel guests on their on-site purchases. Through the Tourism Development Credit (TDC), SWaN expects to receive a full rebate of the state sales tax paid during annual operations over the 10-year TDC period.

Table 5. Total state tax impacts from capital expenditures and operations, by tax type
Real 2019 dollars

	Total tax contribution from capital expenditures (cumulative total)	Total tax contribution related to Hotel operations (annual)
State taxes		
Sales & excise taxes		
Sales & excise taxes, paid by business and residents	\$3,055,400	\$306,700
Sales & excise taxes, paid by visitors	n/a	\$1,447,300
Personal income	\$1,020,800	\$234,100
Other state taxes	\$324,600	\$74,500
Total state taxes	\$4,400,900	\$2,062,600

Note: Figures may not appear to sum due to rounding.

Source: EY analysis and data compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN.

Appendix – Study methodology & limitations

Input-output multiplier analysis and the IMPLAN economic model

The estimated economic and tax contributions presented in this study are based on information compiled by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN, specializing in design and procurement, food & beverage and construction, or estimated by EY. The state and local economic and tax impacts related to this activity were estimated using the regional Economic Impact Analysis for Planning (IMPLAN) input-output economic models for Jefferson County and the State of West Virginia, which describe relationships between businesses, households, and governments within each economy. This model follows flows of purchases as purchases of local goods by companies and employees support sales, jobs, and tax revenues. IMPLAN is used by the public sector, as well as private-sector businesses and other researchers and is based on widely accepted methodology for estimating these types of economic linkages.

The magnitude of each economic effect is described in terms of an economic multiplier. The multipliers in the IMPLAN model are based on the Leontief matrix, which estimates the total economic requirements for every unit of direct output in a given industry using detailed inter-industry relationships documented in the input-output model. The input-output framework connects commodity supply from one industry to commodity demand by another. The multipliers estimated using this approach capture all of the upstream economic activity (or backward linkages) related to an industry's production by attaching technical coefficients to expenditures. These output coefficients (dollars of demand) are then translated into dollars of GDP and labor income and number of employees based on industry averages.

In general, tax impacts are estimated based on the historical relationship between state and local tax collections (by tax type) to economic activity (measured as personal income). This ratio estimates the effective tax rates for each tax type as a share of total personal income. This approach assumes that the proposed hotel's employees and employees supported from the indirect and induced economic activity will generate taxes at the average effective rate on economic activity.

Interpretation of results and limitations of the analysis

The accompanying analyses were prepared for the use of SWaN. The analyses conducted in this report constitute neither an examination nor a compilation of prospective financial statements nor the application of agreed-upon procedures thereto in accordance with the attestation standards established by the American Institute of CPAs (AICPA). Accordingly, EY does not express an opinion on or offer any other assurances as to whether the analyses are presented in conformity with AICPA presentation guidelines or as to whether the underlying assumptions provide a reasonable basis for the analyses.

The reader should be aware of the following limitations and assumptions when interpreting the results:

- Information on projected capital expenditures and hotel operations was provided to EY by Interstate Hotels & Resorts and other hotel development and management industry specialists retained by SWaN, specializing in design and procurement, food & beverage and construction, for the purpose of this report. This data has not been independently audited or validated by EY. As such, EY offers no opinion on the validity of the data provided by the Company, although it was reviewed for general reasonableness and internal consistency.

- Indirect and induced contributions are estimated using the 2017 detailed IMPLAN input-output economic model of Jefferson County and the State of West Virginia. This methodology is widely used to assess indirect and induced economic linkages.
- Results for Harpers Ferry were estimated as a share of the county-wide indirect and induced estimates from the IMPLAN model of Jefferson County. County results were allocated to Harpers Ferry based on the town's historical share of employment within each sector in the indirect and induced impact.
- In general, indirect and induced tax impacts are estimated based on state and county averages for all industries and households. These estimates do not incorporate industry-specific tax rates, exemptions, or bases.
- Direct state and local sales and use taxes on construction materials were estimated based on the applicable statutory tax rates (6% state; 1% local), assuming 40% of construction expenditures are on taxable materials.
- Hotel accommodations taxes were estimated based on the 5% hotel accommodations tax rate for Harpers Ferry. State and local sales taxes paid by hotel visitors were estimated based on hotel revenues, less revenues for spa services, as personal services are exempt in West Virginia. Estimated taxes paid by hotel guests are not included in the tax impact tables.
- The economic impacts presented in this study (including employment and labor income) reflect the work location. These are jobs that will be based in West Virginia and could be filled by residents or non-residents.
- Given Harpers Ferry's proximity to Virginia and Maryland, the projected capital expenditures and hotel operations will likely support economic activity in these two states. However, the economic impacts presented in this study do not reflect any economic contributions to these two states.

EXHIBIT

11

RECRUITMENT PLAN

EXHIBIT

12

MARKETING PLAN

Confidential and Proprietary
(Delivered in separate,
sealed envelope)

Note: The following Exhibits are additional documents requested in the instructions to the application

EXHIBIT

13

Attached are the following:

1. Certificate of Good Standing from the State Tax Department.
2. Certificate of existence from the Secretary of State
3. The Developer has no employees; therefore, no proof of worker's compensation coverage or good standing certificate from the Bureau of Employment Programs/Workforce WV exists as of the date of application.



STATE OF WEST VIRGINIA
State Tax Department, Taxpayer Services Division
P.O. Box 3784
Charleston, WV 25337-3784



Dale W. Steager, State Tax Commissioner

SWAN HILLTOP HOTEL, LLC
PO BOX 6266
LEESBURG VA 20178-7440

Letter Id: L0514014144
Issued: 08/23/2019
Account #: 2003-7967

RE: Business Registration Certificate

The West Virginia State Tax Department would like to thank you for registering your business. Enclosed is your Business Registration Certificate. This certificate shall be permanent until cessation of business or until suspended, revoked or cancelled. Changes in name, ownership or location are considered a cessation of business; a new Business Registration Certificate and applicable fees are required. Please review the certificate for accuracy.

This certificate must be prominently displayed at the location for which issued. Engaging in business without conspicuously posting a West Virginia Business Registration Certificate in the place of business is a crime and may subject you to fines per W.Va. Code § 11-9.

When contacting the State Tax Department, refer to the appropriate account number listed on the back of this page. The taxes listed may not be all the taxes for which you are responsible. Account numbers for taxes are printed on the tax returns mailed by the State Tax Department. Failure to timely file tax returns may result in penalties for late filing.

Should the nature of your business activity or business ownership change, your liability for these and other taxes will change accordingly.

To learn more about these taxes and the services offered by the West Virginia State Tax Department, visit our web site at www.tax.wv.gov.

Enclosure

atL006 v.19

Save a stamp and your time. You can now view, file and pay taxes at <https://mytaxes.wvtax.gov>

More taxes will be available for online access in the future.

TAX	FILING FREQUENCY	ACCOUNT NUMBER
Business Registration Tax		2003-7967
Combined Sales & Use Tax	Combined Sales & Use Monthly	2379-6898
Pass Through Entity Tax	Partnership Annual	2033-4255

State of West Virginia



Certificate

I, Mac Warner, Secretary of State of the State of West Virginia, hereby certify that

SWAN HILLTOP HOTEL, LLC

was duly authorized under the laws of this state to transact business in West Virginia as a foreign limited liability company on August 23, 2007.

The company is filed as an at-will company, for an indefinite period.

I further certify that the company has not been revoked or administratively dissolved by the State of West Virginia nor has the West Virginia Secretary of State issued a Certificate of Cancellation or Termination to the company.

Accordingly, I hereby issue this Certificate of Authorization

CERTIFICATE OF AUTHORIZATION

Validation ID:6WV3C_RWMQB



*Given under my hand and the
Great Seal of the State of
West Virginia on this day of*

May 14, 2019

Mac Warner

Secretary of State



STATE OF WEST VIRGINIA
State Tax Department, Taxpayer Services Division
P.O. Box 885
Charleston, WV 25323-0885



Dale W. Steager, State Tax Commissioner

SWAN HILLTOP HOTEL, LLC
PO BOX 6266
LEESBURG VA 20178-7440

Letter Id: L0798243776
Issued: 08/23/2019

West Virginia State Tax Department

Statement of Good Standing

EFFECTIVE DATE: August 23, 2019

A review of tax accounts indicates that SWAN HILLTOP HOTEL, LLC is in good standing as of the effective date of this document. Please note, this Statement of Good Standing expires on **November 21, 2019**.

The issuance of this Statement of Good Standing shall not bar any audits, investigations, assessments, refund or credits with respect to the taxpayer named above and is based only on a review of the tax returns and not on a physical audit of records.

Sincerely,

Nicole Grant, Tax Unit Supervisor
Taxpayer Services Division

WEST VIRGINIA
STATE TAX DEPARTMENT
BUSINESS REGISTRATION
CERTIFICATE

ISSUED TO:
SWAN HILLTOP HOTEL, LLC
16009 RIVER FARM LN
LEESBURG, VA 20176-5919

BUSINESS REGISTRATION ACCOUNT NUMBER: **2003-7967**

This certificate is issued on: **08/23/2019**

*This certificate is issued by
the West Virginia State Tax Commissioner
in accordance with Chapter 11, Article 12, of the West Virginia Code.*

*The person or organization identified on this certificate is registered
to conduct business in the State of West Virginia at the location above.*

This certificate is not transferrable and must be displayed at the location for which issued.

This certificate shall be permanent until cessation of the business for which the certificate of registration was granted or until it is suspended, revoked or cancelled by the Tax Commissioner.

Change in name or change of location shall be considered a cessation of the business and a new certificate shall be required.

TRAVELING/STREET VENDORS: Must carry a copy of this certificate in every vehicle operated by them.
CONTRACTORS, DRILLING OPERATORS, TIMBER/LOGGING OPERATIONS: Must have a copy of this certificate displayed at every job site within West Virginia.



STATE OF WEST VIRGINIA
State Tax Department, Taxpayer Services Division
P.O. Box 885
Charleston, WV 25323-0885



Dale W. Steager, State Tax Commissioner

DGE, LLC
PO BOX 6247
LEESBURG VA 20178-7437

Letter Id: L1130384320
Issued: 07/30/2019

West Virginia State Tax Department

Statement of Good Standing

EFFECTIVE DATE: July 30, 2019

A review of tax accounts indicates that DGE, LLC is in good standing as of the effective date of this document. Please note, this Statement of Good Standing expires on **October 28, 2019**.

The issuance of this Statement of Good Standing shall not bar any audits, investigations, assessments, refund or credits with respect to the taxpayer named above and is based only on a review of the tax returns and not on a physical audit of records.

Sincerely,

Nicole Grant, Tax Unit Supervisor
Taxpayer Services Division

State of West Virginia



Certificate

I, Mac Warner, Secretary of State of the State of West Virginia, hereby certify that

DGE, LLC

was duly authorized under the laws of this state to transact business in West Virginia as a foreign limited liability company on January 09, 2017.

The company is filed as an at-will company, for an indefinite period.

I further certify that the company has not been revoked or administratively dissolved by the State of West Virginia nor has the West Virginia Secretary of State issued a Certificate of Cancellation or Termination to the company.

Accordingly, I hereby issue this Certificate of Authorization

CERTIFICATE OF AUTHORIZATION

Validation ID:0WV7J_Q9K8G



*Given under my hand and the
Great Seal of the State of
West Virginia on this day of*

May 14, 2019

Mac Warner

Secretary of State

Note: The following Exhibits are additional documents requested in the instruction to the application

EXHIBIT

14

Attached are the following:

1. The Developer is still in the preliminary phase of its investment decision and has not commenced operations on the project as of the date of application; therefore three years of financial statements are not available.
2. Applicant's tax returns for past three years unless audited financial statements (confidential and proprietary submitted by separate sealed envelope).
3. The developer has not filed any quarterly tax returns as of the date of application.
4. For the Annual income & expense projections for ten years and assumptions and notes please see Exhibit 8 (Financial Pro Forma) (confidential and proprietary submitted in a separate sealed envelope).
5. For a comprehensive explanation regarding economic impact of the project, including how the project will likely attract at least twenty-five percent (25%) of its visitors from outside the State of West Virginia; Will likely have development/expansion costs in excess of one million dollars (\$1,000,000); Will likely have significant and positive economic impact on the state considering: (i) The extent to which the project will compete directly with or complement existing tourism attractions in the state, and (ii) The amount by which increased tax revenues from the project will exceed the credit given; Will likely produce sufficient revenues and public demand to be operation and open to the public for a minimum of one hundred (100) days per year; and Will likely provide additional employment opportunities in the State of West Virginia please see Exhibit 8 (Financial Pro Forma) (confidential and proprietary submitted in a separate sealed envelope).

EXHIBIT

15

Ownership and Key Management
Information

Confidential and Proprietary
(Delivered in a separate,
sealed envelope)

EXHIBIT

16

FULL SOCIAL SECURITY NUMBERS

Confidential & Proprietary
(Delivered in a separate,
sealed envelope)