

**TAX INCREMENT FINANCING PLAN
THE MYRIAD BOTANICAL RESORT
TUNICA COUNTY, MISSISSIPPI
MAY 2006**

ARTICLE I

A. Preamble

The administration and implementation of this *Tax Increment Financing Plan, The Myriad Botanical Resort, Tunica County, Mississippi, May 2006* (the “TIF Plan”), will be administered by Tunica County (the “County”).

The issuance of Bonds, Notes, or other debt obligations to provide funds to finance the costs of infrastructure and related site improvements identified in the TIF Plan shall be an undertaking of the County whereby the County may issue Tax Increment Financing Bonds or other debt as authorized herein to finance the project as more fully described herein.

The Tax Increment Financing and other funds as identified herein will be used to defray the cost of infrastructure and related site improvements and other activities to serve the Myriad Botanical Resort Project (the “Project”) and the community as a whole.

The total cost of the infrastructure and site improvement project, defined below, is estimated to be \$73,400,000, which will be funded through (i) federal or state grants; (ii) local funds of the County; (iii) tax increment financing bonds issued in an amount not to exceed \$70,000,000 by the County pursuant to the TIF Plan and Section 21-45-1, *et seq.* Mississippi Code of 1972, as amended (the “TIF Act”); (iv) Regional Economic Development Act funding as authorized by Section 57-64-1, *et seq.* Mississippi Code of 1972, as amended (the “REDA Act”); (v) Urban Renewal Bonds of the City pursuant to an Urban Renewal Plan and Section 43-35-1, *et seq.* Mississippi Code of 1972, as amended (the “Urban Renewal Act”); (vi) Public Improvement District financing as provided for in Section 19-31-1, *et seq.* Mississippi Code of 1972, as amended (the “PID Act”); (vii) Special Assessment as authorized by Section 21-41-1, *et seq.* Mississippi Code of 1972, as amended (the “Special Assessment Act”); and (viii) any other bonds permissible to be issued by the County without limitation.

The Project will consist of the development of approximately 540 acres located along the Mississippi River in Tunica County, Mississippi. The following description of the Project was provided by the developer, Myriad World Resorts of Tunica, LLC:

The Myriad Botanical Resort Project is a multi-attraction themed resort designed to be an international destination, including a cable supported structure covering its 18-hole golf course permitting play on a 7/24 basis. The Project will emphasize the spirit and history of Mississippi and the Mississippi River – the Heartland of America – a story that will intrigue the mind of the global guest seeking travel and leisure. The Project will be situated on 540 acres along the Mississippi River in Tunica County, Mississippi for year-round enjoyment of the following resort attractions:

- 80,000 square foot casino
- 1,200-room 4-star hotel
- 375,000 square foot convention center
- 250,000 square feet of retail (Phase I); 750,000 square feet for total build out
- 18-hole golf course (7,205 yards)

- 2,500-seat venue
- Luxury Spa
- Water Park
- Snow Park (called the Snow Globe)
- Five other casinos

In addition to the features listed above, the Project may include an ice feature with various trails and skating rinks, a water feature with aquariums and lagoons, and a 450-foot high observation wheel called The Mississippi Eye. Additional entertainment venues such as Lucid, a three-level multi-media night club, music amphitheaters, a 2,500-seat arena with regular and premium seating options will be included as well as various thematic designs throughout the property.

The differing elements of the Project will be linked by an indoor waterway transportation system and an elevated people-mover ground transportation system. Other infrastructure requirements will be supported by applying state-of-the-art technology such as solar power, climate control and air-filtration technologies, security, and maintenance technologies.

The Project also has expansion space available for the development of vacation villas along the golf course. This Project, the most ambitious resort development planned for Tunica County, would target a broad spectrum of visitors including:

- Casino players
- Families
- Conventions, exhibitions and trade shows (particularly botanical shows)
- Golf enthusiasts

B. Statement of Intent

The County may issue Tax Increment Financing Bonds or Notes, pursuant to the authority outlined hereinabove, in one or more series, in an amount not to exceed SEVENTY MILLION DOLLARS (\$70,000,000), which will be secured solely by a pledge of the increased ad valorem taxes generated by the construction and development of the Project, which funds will be used to pay the cost of constructing various infrastructure improvements that may include but not limited to, installation of utilities such as water, sanitary sewer, and natural gas lines; relocation of utilities; installation and relocation of electrical services; public transportation system and related costs; installation of storm drainage; construction of roadways with curb and gutter, sidewalks, multi-use paths, parking (including garages); installation of traffic signalization and signage; site improvements; grading; landscaping of rights-of-way; purchase of rights-of-way necessary for the installation of the infrastructure improvements described hereinabove; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health, and welfare.

C. Public Convenience and Necessity

The public convenience and necessity requires participation by the County in the project. The public interest will be served by the County's participation in the infrastructure costs of the Project. The Project will accomplish the following, which will provide for the public convenience and necessity and serve the best interests of the citizens of the County:

1. Construction of the Project will represent a private investment of approximately \$3,000,000,000.
2. Increased real and personal property taxes generated from the development are projected to be as follows:

Real and Personal Property Taxes

County	<u>Millage Rates</u>	<u>Current Taxes</u>	<u>After Project Taxes</u>	<u>Increase</u>
Real	13.85	\$ 491	\$ 5,891,790	\$ 5,891,299
Personal	13.85		335,658	335,658
School District				
Real	28.65	\$1,016	\$12,187,710	\$12,186,694
Personal	28.65		<u>694,340</u>	<u>694,340</u>
Total		<u>\$1,507</u>	<u>\$19,109,498</u>	<u>\$19,107,991</u>

3. The development of the 540 acres will include new businesses, retailers, and amenities and will help diversity and expand the County's growing tax base.
4. Tax Increment Financing will enable the County to attain a quality level that would not otherwise be attainable.
5. The Project will create the highest quality resort development in the State of Mississippi.
6. The Project will create hundreds of construction jobs with an estimated payroll in the tens of million dollars.
7. At buildout, the Project will create approximately 7,500 permanent full-time and part-time jobs with a combined annual payroll of approximately \$250,000,000.

ARTICLE II

A. Redevelopment Project Description

The Project will consist of the development of 540± acres located along the Mississippi River in Tunica County. The following is a description of the Project provided by the developer:

The Myriad Botanical Resort is a multi-attraction themed resort designed to be an international destination, including a cable supported structure covering its 18-hole golf course permitting play on a 7/24 basis. The Project will emphasize the spirit and history of Mississippi and the Mississippi River – the Heartland of America – a story that will intrigue the mind of the global guest seeking travel and leisure. The Project will be situated on 540 acres along the Mississippi River in Tunica County, Mississippi for year-round enjoyment of the following resort attractions:

- 80,000 square foot casino
- 1,200-room 4-star hotel
- 375,000 square foot convention center
- 250,000 square feet of retail (Phase I); 750,000 square feet for total build out
- 18-hole golf course (7,205 yards)
- 2,500-seat venue
- Luxury Spa
- Water Park
- Snow Park (called the Snow Globe)
- Five other casinos

In addition to the features listed above, the Project may include an ice feature with various trails and skating rinks, a water feature with aquariums and lagoons, and a 450-foot high observation wheel called The Mississippi Eye. Additional entertainment venues such as Lucid, a three-level multi-media night club, music amphitheaters, a 2,500-seat arena with regular and premium seating options will be included as well as various thematic designs throughout the property.

The differing elements of the Project will be linked by an indoor waterway transportation system and an elevated people-mover ground transportation system. Other infrastructure requirements will be supported by applying state-of-the-art technology such as solar power, climate control and air-filtration technologies, security, and maintenance technologies.

The Project also has expansion space available for the development of vacation villas along the golf course. This Project, the most ambitious resort development planned for Tunica County, would target a broad spectrum of visitors including:

- Casino players
- Families
- Conventions, exhibitions and trade shows (particularly botanical shows)
- Golf enthusiasts

B. Project Location

1. Legal Description and Map

Attached hereto as Exhibit I is a map of the land upon which the Project will be located. This map identifies the TIF District from which the tax revenues will be generated to finance the TIF Bond debt. Attached as Exhibit II is a description of the TIF District.

2. *Environmental Characteristics and Zoning*
The Project site is comprised of approximately 540 acres. Development of the site will require road construction, road widening, traffic signalization, utilities such as water, sanitary sewer, drainage, and landscaping. The Project will consist of permitted uses as allowed by the County's Zoning Ordinance.

C. **Company Information**

1. *Name of Company*
Myriad World Resort of Tunica, LLC
2. *Address of Company*
#1000 10050 112 Street
Edmonton, Alberta
Canada, T5K2J1
3. *Tax I.D. Number*
4. *Local Contractors or Agents*
None

ARTICLE III

ECONOMIC DEVELOPMENT IMPACT DESCRIPTION

A. Job Creation

Construction Jobs

The construction of the Project is expected to create hundreds of construction jobs with a construction payroll estimated to be in the tens of million dollars.

Permanent Jobs

The number of permanent jobs to be created from this development is 7,500. The estimated payroll for permanent jobs should exceed \$250,000,000.

B. Financial Benefit To the Community

Ad Valorem Tax Increases

The construction and development of The Myriad Botanical Resort will generate significant ad valorem tax revenues for the County and the School District. The following are estimates of new ad valorem tax revenues expected to be generated by the development:

Real and Personal Property Taxes

	<u>Millage Rates</u>	<u>Current Taxes</u>	<u>After Project Taxes</u>	<u>Increase</u>
County				
Real	13.85	\$ 491	\$ 5,891,790	\$ 5,891,299
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Real	28.65	\$1,016	\$12,187,710	\$12,186,694
Personal	28.65		<u>694,340</u>	<u>694,340</u>
Total		<u>\$1,507</u>	<u>\$19,109,498</u>	<u>\$19,107,991</u>

Retail Sales

Below is a tabular presentation of the estimated annual sales expected to be generated from the Project in year one:

<u>Retail Sales</u>	<u>Sales Tax To State</u>
\$149,560,000	\$10,469,200

C. Satellite Development

Satellite development will create community benefits not included in the data provided hereinabove.

The Myriad Botanical Resort will spur development around the Project resulting in construction of new buildings and opening of new businesses, which will result in new investments, new construction, and new jobs.

Satellite development will result in increased ad valorem taxes, increased retail sales tax rebates, additional new jobs, and new and increased payrolls for the community.

ARTICLE IV

THE OBJECTIVE OF THE TAX INCREMENT FINANCING PLAN

The primary objective of the TIF Plan is to serve the public convenience and necessity by participating in The Myriad Botanical Resort. The TIF Plan will provide financing to construct infrastructure and other improvements to serve the 540-acre development as described in detail in the preamble to this TIF Plan.

The infrastructure improvements will be constructed in accordance with standards, codes, and ordinances of the County.

The improvements will provide for the health and welfare of the public by providing for safe and adequate roadway improvements, adequate utilities, which may include water, gas, sanitary sewer systems, and drainage systems. The area will be landscaped.

ARTICLE V

***A STATEMENT INDICATING THE NEED AND PROPOSED USE OF THE
TAX INCREMENT FINANCING PLAN IN RELATIONSHIP TO THE
REDEVELOPMENT PLAN***

The use of Tax Increment Financing is needed as an inducement that will result in the development of vacant and underdeveloped property in Tunica County, Mississippi.

The proposed use of the Tax Increment Financing Plan is to provide a financing mechanism for the construction of infrastructure improvements necessary to serve the public that will utilize the induced development.

ARTICLE VI

**A STATEMENT CONTAINING THE COST ESTIMATE OF THE REDEVELOPMENT PROJECT,
PROJECTED SOURCES OF REVENUE TO MEET THE COSTS, AND
TOTAL AMOUNT OF INDEBTEDNESS TO BE INCURRED**

A. Cost Estimate of Redevelopment Project

The development of the Project will represent a private investment of approximately \$3,000,000,000. The County may issue bonds as authorized in the preamble of this TIF Plan, in one or more series, in an amount not to exceed \$70,000,000. The funds will be used for construction of infrastructure improvements that may include, but not limited to, installation of utilities such as water, sanitary sewer, and natural gas lines; relocation of utilities; installation and relocation of electrical services; public transportation system and related costs; installation of storm drainage; construction of roadways with curb and gutter, sidewalks, multi-use paths, parking (including garages); installation of traffic signalization and signage; site improvements; grading; landscaping of rights-of-way; purchase of rights-of-way necessary for the installation of the infrastructure improvements described hereinabove; capitalized interest; engineering; TIF Plan preparation fees; other incidental costs; and related professional fees. The construction of the aforementioned improvements will be undertaken to provide for the public convenience, health, and welfare.

Proceeds of the Bonds or Notes may also be used to fund capitalized interest and/or a debt service reserve fund as may be permitted under Section 21-45-1, *et seq.*, Mississippi Code of 1972, as amended.

B. Projected Sources of Revenue To Meet Costs

Myriad World Resorts of Tunica, LLC will secure financing for the private investment. The County will pledge the ad valorem tax increases from the real and personal property generated from the development of the TIF District to finance the Tax Increment Financing Bonds.

C. Total Amount of Indebtedness To Be Incurred

The County will issue up to \$70,000,000 in TIF Bonds, Notes, or other debt obligations, in one or more series, which will be secured by the County with the pledge of incremental increases in ad valorem real and personal property taxes generated by the development of the TIF District. The *Tax Increment Financing Redevelopment Plan, Tunica County, Mississippi, 2006* and the *Tax Increment Financing Plan, The Myriad Botanical Resort, Tunica County, Mississippi, May 2006* shall be undertaken by the County including, but not necessarily limited to, the issuance of Bonds or Notes or other debt obligations to provide funds to defray the cost of infrastructure improvements.

It is expected that Bonds or Notes or other debt obligations can be obtained at an annual interest rate of not more than 5.0% for up to 20-year tax increment debt obligations. Annual principal and interest payments are estimated to be up to approximately \$5,616,981 assuming the 5.0% rate and tax increment obligations over a period of up to twenty (20) years.

The new ad valorem real and personal property taxes for the County resulting from construction and development of the Myriad Botanical Resort are estimated to be \$6,226,957 after the build out of the Project. It is requested that as much as is necessary of this ad valorem real and personal property tax payment be pledged to the payment of the tax increment debt obligations. The only obligation of the County with respect to the payment of the debt obligations will be the

pledge of the new ad valorem real and personal property tax revenues generated from the development of the property identified in Exhibits II and III attached hereto.

Of the total estimated principal and interest payments of \$5,616,981, the County will pledge the entirety of the added increments of ad valorem taxation on the real and personal property generated by the construction and development in the TIF District to service the debt. This added increment of ad valorem taxation is estimated to be about \$6,226,957, and the surplus, estimated to be \$609,956, is to be deposited in the general funds of the County to be used for any lawful purpose.

The amount of bonds, the timing of the issuances, and the percentage of debt service to be repaid by the County shall be determined pursuant to further proceedings of the County.

ARTICLE VII

REAL PROPERTY TO BE INCLUDED IN TAX INCREMENT FINANCING PLAN

The real property to be included in this TIF Plan from which the ad valorem real and personal property tax revenues will be generated to finance the bonds will be the 540-acre tract consisting of the Myriad Botanical Resort.

ARTICLE VIII

DURATION OF THE TAX INCREMENT FINANCING PLAN'S EXISTENCE

The duration of the *Tax Increment Financing Plan, The Myriad Botanical Resort, Tunica County, Mississippi, May 2006*, will not exceed twenty (20) years.

ARTICLE IX

ESTIMATED IMPACT OF TAX INCREMENT FINANCING PLAN UPON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH A REDEVELOPMENT PROJECT IS LOCATED

A. Ad Valorem Tax Increases

The construction and development of the Myriad Botanical Resort will generate significant ad valorem tax revenues for the County and the School District. The following are estimates of new ad valorem tax revenues expected to be generated by the development:

Real and Personal Property Taxes

	<u>Millage Rates</u>	<u>Current Taxes</u>	<u>After Project Taxes</u>	<u>Increase</u>
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Total		<u>\$1,507</u>	<u>\$19,109,498</u>	<u>\$19,107,991</u>

B. Retail Sales

Below is a tabular presentation of the estimated annual sales expected to be generated from the Project in year one:

<u>Retail Sales</u>	<u>Sales Tax To State</u>
\$149,560,000	\$10,469,200

ARTICLE X

THE GOVERNING BODY SHALL BY RESOLUTION, FROM TIME TO TIME, DETERMINE (i) THE DIVISION OF AD VALOREM TAX RECEIPTS, IF ANY, THAT MAY BE USED TO PAY FOR THE COST OF ALL OR ANY PART OF A REDEVELOPMENT PROJECT; (ii) THE DURATION OF TIME IN WHICH SUCH TAXES MAY BE USED FOR SUCH PURPOSES; (iii) IF THE GOVERNING BODY SHALL ISSUE BONDS FOR SUCH REDEVELOPMENT PROJECT; AND (iv) SUCH OTHER RESTRICTIONS, RULES AND REGULATIONS AS IN THE SOLE DISCRETION OF THE GOVERNING BODY OF THE COUNTY SHALL BE NECESSARY IN ORDER TO PROMOTE AND PROTECT THE PUBLIC INTEREST.

Through the adoption of the *Tax Increment Financing Plan, The Myriad Botanical Resort, Tunica County, Mississippi, May 2006*, the Governing Body of the County acknowledges the above and shall adopt the necessary resolutions when deemed necessary and appropriate.

ARTICLE XI

PLAN OF FINANCING

The TIF Plan provides for the County to issue the TIF Bonds, Notes, or other debt obligations, which will be secured by the County with the pledge of incremental increases in ad valorem real and personal property taxes generated by the Project described in this Plan.

Such decision on the most advantageous method for the County to incur the debt will be made pursuant to further proceedings of the County.

The project may be funded in whole or in part through the following sources: (i) federal or state grants; (ii) local funds of the County; (iii) tax increment financing bonds issued in an amount not to exceed \$70,000,000 by the County pursuant to the TIF Plan and Section 21-45-1, *et seq.* Mississippi Code of 1972, as amended (the "TIF Act"); (iv) Regional Economic Development Act funding as authorized by Section 57-64-1, *et seq.* Mississippi Code of 1972, as amended (the "REDA Act"); (v) Urban Renewal Bonds of the City pursuant to an Urban Renewal Plan and Section 43-35-1, *et seq.* Mississippi Code of 1972, as amended (the "Urban Renewal Act"); (vi) Public Improvement District financing as provided for in Section 19-31-1, *et seq.* Mississippi Code of 1972, as amended (the "PID Act"); (vii) Special Assessment as authorized by Section 21-41-1, *et seq.* Mississippi Code of 1972, as amended (the "Special Assessment Act"); and (viii) any other bonds permissible to be issued by the County without limitation.