

- A. TIGER GRANT APPLICATION
- B. CONTACT INFORMATION Northwest Tennessee Regional Port Authority
211 East Court Street
Dyersburg, Tennessee 38024
ATTENTION: J. E. Williamson, Jr., Chairman
(731) 287-4600 / jew@despower.com

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C. PROJECT DESCRIPTION

The purpose of this application is to seek funding for the completion and commencement of operations of an intermodal port located at [Cates Landing](#), which is in the rural [Northwest Corner of Tennessee on the Mississippi River](#). The project, known as the Port of Cates Landing, addresses the needs of a very rural, economically distressed area of Tennessee and the United States. This application also addresses transportation challenges in this distressed, rural area by linking existing transportation modalities of truck, rail and Mississippi River barges through a state of the art intermodal River Port.

The completion and operation of the Port will create immediate job and economic stimulation in this economically distressed area, establish long-term employment opportunities, enhance community livability and provide a unique, strategic intermodal port that will promote the economic competitiveness of the local region and the nation.

The applicant is the [Northwest Tennessee Regional Port Authority](#), a public, non-profit Tennessee port authority and industrial development corporation organized pursuant to the Tennessee Port Authority Act codified in Tennessee Code Annotated Section 7-87-101 et seq. The Port Authority was incorporated in a Regional cooperative effort by the three (3) rural Tennessee counties of [Dyer, Lake and Obion](#), which surround the [site of the Port of Cates Landing](#).

The Port of Cates Landing will consist of a 9,000 foot, slack water harbor with a state of the art, [intermodal dock and freight transfer system](#), providing intermodal rail, truck and river barge connections on the eastern shore of the Mississippi River. The harbor's channel is the deepest of any port between Baton Rouge, Louisiana, and St. Louis, Missouri. The intermodal dock and connected facilities will all be constructed above the [Mississippi River's 100 year flood plain](#). An industrial park comprising 350 acres is being developed adjacent to the Port site by the County of Lake, Tennessee, for use by industries and transport firms requiring Port services. The Port is applying for designation as a [Foreign Trade Zone](#) and will serve as a new national and international intermodal freight hub from its strategic mid-continent location on the Mississippi River.

The Port of Cates Landing has been in the planning and development stage by regional partners for more than 20 years. Phase I of the Port's construction, consisting primarily of the dredging of the 9,000 foot slack water harbor, will be completed by the [U.S. Corps of Engineers](#) in December, 2009. The project site of 1100 acres, including 350 acres of wetland mitigation lands, has been acquired and is ready for construction. All conditions for the Phase II build-out and completion of the Project are in place and "shovel ready" for the [start of construction which is scheduled for final completion by January 1, 2012](#), subject, however, to TIGER Grant funding.

The Port of Cates Landing is located at the geographical center of the contiguous United States in Northwest Tennessee on the Mississippi River's east bank, [90 miles north of Memphis, Tennessee](#), 59 miles south of Cairo, Illinois, and [70 miles downstream from the confluence of](#)

[the Mississippi and Ohio Rivers](#). Cates Landing is within [one day's drive to seventy-six percent \(76%\)](#) of the United States' major markets. The site is [30 miles](#) from both the main line of the [Canadian National Railroad](#) and the Interstate 155 Mississippi River Bridge, and in close proximity to [Interstates 40, 55, 24, 155 and the I-69 corridor](#). Most importantly, the Port of Cates Landing is located on the [Mississippi River](#) which, as the largest navigable river in North America, is the most important inland waterway in the nation.

The [Port site](#) is also situated upon a plateau of [3,000 undeveloped contiguous](#) acres above the [Mississippi's 100 year flood plain](#). The combination of the Port's high elevation and deep harbor channel will allow continuous Port operations irrespective of high water, flood conditions or low water, drought conditions. The undeveloped, adjacent plateau of open lands also provides ample, developable space for the growth and expansion of Port facilities, and for staging and mobilization of men and material during periods of war or national emergency.

An analysis of the costs and benefits of the project was performed by Murat Arik, Ph.D., and David A. Penn, Ph. D. at the Business and Economic Research Center at Middle Tennessee State University in August, 2009, and compiled in the Final Report, entitled [Contributions of Proposed Investment in the Northwest Tennessee Regional Port at Cates Landing to the Regional Economy](#). In the Report, the economic feasibility of the Port of Cates Landing is indicated by a [cost benefit ratio of between 2.89 and 6.21](#). The cost benefit ratio considers the economic impact of the Project upon a seven (7) county Region in Northwest Tennessee which surrounds the Port of Cates Landing, including the three (3) counties which created the Northwest Tennessee Regional Port Authority, Dyer, Lake and Obion counties, and the four (4) additional, adjacent counties of Lauderdale, Crockett, Gibson and Weakley. [This seven \(7\) county Region](#) is referred to in the Middle Tennessee State University Report, and in this application, as the Region. The core Region, consisting of the three (3) counties of Dyer, Lake and Obion, is referred to hereinafter as the core Region.

The combination of Cates Landing's mid-continent location on the Mississippi River, its high elevation above the 100 year flood plain, and its close proximity to railroads and highways, make the Port a highly desirable and strategic location for an intermodal freight handling and industrial complex. Because of these factors, and since 1997, [national and international firms](#) representing more than \$1.5 billion in capital investment have investigated Cates Landing as the venue for new industrial facilities. In the absence of an operating Port facility, however, the potential of Cates Landing as an intermodal Port could not be realized. Now, with the construction of the 9000 foot deep dredged, slack water harbor, Cates Landing is "shovel ready" for completion of the Phase II construction of the project, which includes the build-out of the loading dock and connecting intermodal barge, rail and roadway freight transport facilities.

D. PROJECT PARTIES

The applicant for TIGER grant funding is the [Northwest Tennessee Regional Port Authority](#), a public, non-profit Tennessee port authority and industrial development corporation organized pursuant to the Tennessee Port Authority Act, codified in Tennessee Code Annotated

Section 7-87-101 et seq. The Port Authority was incorporated in a Regional cooperative effort by the three (3) rural Tennessee counties of [Dyer, Lake and Obion](#), which border the site of the Port at Cates Landing. The Northwest Tennessee Regional Port Authority is governed by an [eight \(8\) person Board of Commissioners](#) who are appointed by the governing bodies of the three (3) counties of Dyer, Lake and Obion. Commissioners who are appointed to the Port Authority's Board are not compensated and donate their time as Commissioners for the public good.

The Port of Cates Landing is the result of the regional collaboration of the three (3) county sponsors and their efforts in partnership with private and public entities, including the local, state and federal governments and agencies identified below.

Federal Partners

Several federal governmental agencies and organizations have already provided funding for the Phase I portion of the Project, scheduled for completion in December, 2009. A total of [\\$14.9 million](#) has been invested in the Project to date by federal, state, local governments and other funding sources. The U.S. Corps of Engineers was first on board by committing approximately [\\$4.3 million](#) to the design engineering and dredging of the harbor. Once the U.S. Corps of Engineers and federal Environmental Protection Agency had approved the Project, the Port applied to the [USDA Rural Development](#) and received funding in the amount of \$440,000. This successful application and funding illustrates the support of the Regional and state offices of USDA Rural Development. The Northwest Tennessee Development District also applied on behalf of the Port to the Delta Regional Authority for funding of an additional \$328,000. These funds helped springboard additional funding from yet another federal agency, [TVA, in the amount of \\$200,000](#).

State Partners

The State of Tennessee has already invested or is in the process of investing [approximately \\$3.1 million](#) through the Tennessee Department of Transportation, the Tennessee Department of Economic & Community Development, the Tennessee Department of Environment & Conservation, Tennessee Department of Agriculture, and the Tennessee Department of Labor & Workforce Development.

Local Partners

In addition to the federal and state funding identified above, [all twenty-one \(21\) counties in West Tennessee](#) are actively supporting the Port's development. The three county sponsors of [Dyer, Lake and Obion](#), have pledged their full faith and credit to the guarantee of Port Authority revenue bonds totaling [\\$2.2 million](#). These dollars were used to match federal and state grant dollars and leverage the financing of the cost of the Project. The county of Lake, individually, has issued general obligation bonds of [\\$2.75 million](#) for the acquisition and development of the adjacent industrial park. This support of the Project by remote counties in West Tennessee and by partnered financial guarantees is unprecedented in the history of the

Region and the State of Tennessee.

Other organizations in West Tennessee assisting the Project through financial or other support include the West Tennessee Industrial Association, the University of Tennessee at Martin, Tennessee, Dyersburg State Community College, the Tennessee Technology Centers at Newbern and Ripley, Tennessee, Northwest Tennessee Development District, Memphis Area Chamber of Commerce, Tiptonville Chamber of Commerce, Ridgely Chamber of Commerce, Dyer County Chamber of Commerce, Obion County Chamber of Commerce, Obion County Industrial Board, Weakley County Industrial Board, Gibson Electric Cooperative, Tenn-Ken Railroad, Dyersburg Electric System, Younger & Associates, and Reelfoot Area Chamber of Commerce.

E. GRANT FUNDS AND SERVICES OF PROJECT FUNDS

The applicant requests an approximate total of [\\$35 million \(\\$34,768,347.00\)](#) for the completion of the Phase II construction of the Port of Cates Landing. The applicant further requests that 100% of the requested TIGER Grant funds be applied to the cost of the Phase II project to complete the Port of Cates Landing. The requested TIGER grant funds will be used to fund the Phase II costs of engineering, land procurement, construction, contract administration, legal, permitting and contingencies, all as set forth in detail in the [Phase II Project Budget – Port of Cates Landing](#).

As stated previously, \$14.9 million has already been invested by the Port Authority, and local, state and federal funding partners for completion of [Phase I of the project](#) which included engineering design and planning, environmental permitting and compliance, site acquisition and harbor construction. Almost \$5.0 million of this sum was raised through the combination of Port Authority revenue bonds guaranteed by the Port's three county sponsors ([\\$2.2 million](#)) and Lake County General Obligation Bonds ([\\$2.75 million](#)) issued for the development of the adjacent industrial park. Other funding was derived from loans and guarantees from regional electric cooperatives, private donations, state and federal funding sources, and contract matches from the U. S. Corps of Engineers.

F. SELECTION CRITERIA

- (1) Primary Selection Criteria
 - (a) Long-Term Outcomes

Once completed, the Port of Cates Landing will generate substantial, long term benefits to the nation and the Region through (1) the providing of a new state of the art, intermodal distribution hub of national and international significance at a strategic flood free venue in the nation's center; (2) the stimulation of historic levels of capital investment, job creation and economic activity in the impoverished and economically distressed region of Northwest Tennessee; and (3) the protection of the environment through responsible land development and

the exploitation of the Mississippi River for the efficient, inexpensive and environmentally sustainable transport of large volumes of the nation's domestic and international freight.

(i) State of Good Repair

The project will improve the condition of existing transportation facilities and systems and will minimize life cycle costs. Currently, there is no intermodal port at Cates Landing or anywhere else in Northwest Tennessee. As a result, there is no means, currently, to connect existing road and rail systems in the Region to barge traffic on the Mississippi River. The completion of the Port of Cates Landing will result in a state of the art, intermodal Port and industrial venue which will promote substantial improvement to the Region's existing system of highways and railroads. By connecting existing state and federal highways, and railroads, to the Mississippi River, increased volumes of freight, and efficiencies in the handling of freight, will be achieved. In addition, and as a result of the transfer of large volumes of freight from truck and rail carriers to river barges, the life cycle costs of Regional highways and railroads will be minimized. As a further result of the Port of Cates Landing, the cost of freight transportation to Regional producers will be substantially reduced. The statistical analysis and evidence of these facts is set forth below.

All freight is currently transported in the Region by the combination of [truck \(80%\) and rail \(20%\)](#). Within 3 to 5 years of commencement of Port operations, the Region will have the benefit of the Port's state of the art intermodal transport facility which will reduce [truck hauled freight on highways by 22.2% and Vehicle Miles Traveled \(VMT\) by 69.7%](#). This shift of freight from truck to barge will generate a transportation cost savings in the Region of [\\$2.2 million](#) in initial years and [\\$60.4 million](#) (present day value) over the 50 year life of the Port. This shift will also result in annual reductions in fossil fuel consumption of [870,026 gallons](#) and in [green house gas \(CO₂\) emissions of 8,760 tons, and will prevent 563 gallons of hazardous material spills annually](#).

Because of the reduction of VMT over Regional highways resulting from the shift of freight from truck to river barges at the Port, the cost of maintenance of Regional highways will be substantially reduced. The current annual truck VMT for the core Region is 5,460,208 miles. The VMT for the core Region after completion of the Port, will be 1,211,052 miles, for a reduction of 4,249,156 miles. The current annual truck VMT for the surrounding Region is 4,135,616 miles. The annual VMT for the surrounding Region after Port completion will be 1,694,084 miles, for a reduction of 2,441,532 miles. ([MTSU BERC Study 2009 p. 28](#)).

[A Highway Cost Allocation Study](#) was prepared by the US Department of Transportation Federal Highway Administration and was a part of the ["Comparison of Cost for Maintaining Highway and Waterway Freight Transportation Systems" dated April 9, 2007](#). The study indicates that highway pavement maintenance cost per mile for an 80,000 lb. five-axle combination vehicle truck is [\\$0.409](#).

The reduction of [4,249,156 miles](#) for the core Region with a maintenance cost of

[\\$0.409/VMT](#) equates to an annual cost savings of [\\$1,737,905.00](#). The reduction of [2,441,532](#) miles for the surrounding Region with a maintenance cost of \$0.409/VMT equates to an annual cost savings of [\\$998,587.00](#). The total annual maintenance cost of regional highways, conservatively, will be reduced by [\\$2,736,492.00](#).

The Port of Cates Landing is also part of a Regional and state effort to improve the condition of existing transportation facilities and systems and maintain same in a state of good repair. The Port of Cates Landing Project will serve as a catalyst for the rehabilitation, reconstruction and upgrade of existing, Regional surface transportation systems. The [Port is the reason for a program of rehabilitation, reconstruction and upgrade](#) by the Tennessee Department of Transportation (TDOT) of key highways in the Core Region. State Routes 22 and 78, which connect the Port to Interstates 40, 55, 24, 155 and the I-69 corridor will be re-routed around towns and rural communities for direct access of freight hauling to the Port, thereby limiting safety risks and congestion in residential areas.

The first project, scheduled by TDOT for 2011, is the \$22.0 million realignment and upgrade of [State Route 22](#), into a 4.5 mile super-two lane, from the Port to Highway 78 in Tiptonville. [Subsequent projects](#) include the re-routing and expansion of State Route 22, east from Lake County to I-69 in Obion County; and the re-routing and expansion of State Route 78, south from Lake County to the I-155 Mississippi River Bridge and I-69 in Dyer County. The connection of the I-155 Mississippi River Bridge, the improved State Route 78, US 51 and the future I-69 will occur at a major intersection on I-155 in Western Dyer County.

Regional rail systems will also be improved. The Port's on-site rail system includes (i) a [small rail yard](#) and dockside loading spur on the Port site and; (ii) a spur of [approximately 4.5 miles connecting the River Port and adjacent Industrial Park to TennKen Railroad mainline](#). The Canadian National North American mainline, approximately 30 miles to the south, is connected to the [Port by the TennKen short line railroad](#). The TennKen mainline has been continuously upgraded in the past decade and is fit for the rail demand of the Port. All new rail extensions are designed to national Class I standards for maximum durability and to minimize life cycle costs.

A principal objective of the Port of Cates Landing Project is the rehabilitation and upgrade of existing surface transportation systems in the Region that threaten future economic growth and stability due to their poor condition. As stated above, the Port of Cates Landing will not be operational until the completion of the Phase II build-out project for which TIGER grant funding is sought. In the absence of the Port of Cates Landing, and in the absence of all the Regional rail and highway improvements projects which are dependent upon the Port, the economic stability and growth of all of Northwest Tennessee are threatened. Current economic conditions in the Region are impoverished and highly unstable; and will further decline if the Port of Cates Landing and the related upgrades of regional surface transportation systems are not completed and fully integrated.

The current economic conditions in [Dyer, Lake](#) and [Obion](#) Counties are bleak in comparison to state and federal standards. All three of the Port's county sponsors qualify as

economically distressed under [42 USCA § 3161](#) in terms of per capita income. Average per capita income in the Region is [66.36% of the Nation's average](#) and [unemployment is 4.4% higher](#) than the nation at 14.1%. Between 2000 and 2008, [the Region lost 1.26% of its population](#), indicating the exodus of working population due to low job opportunities. Furthermore, [17.92% of the Region's population](#) live below the poverty line.

Lake County, in particular, is the most distressed and impoverished county in the Region. It has the [15th highest poverty rate](#) among more than 3,000 counties surveyed in the nation. Approximately [39.2% of Lake County's residents](#) live below the national poverty line, which is 26.2% higher than the national average. County per capita income in 2007 was [45.22%](#) of the national average.

As of June, 2009, unemployment in Lake County was only [0.8% above](#) national average. Unfortunately, this relatively small unemployment rate results from the lack of job opportunities and resulting exodus of workers, causing a loss of total population. From 2000 to 2008, the [County's population declined 8%](#) compared to an increase nationally of 8.04% over the same period.

With the completion of the Port of Cates Landing and all the related improvements to the Region's transport systems, current economic conditions will stabilize and substantially improve, in the short and long terms.

The most significant economic impact of the Port to the Region will be new jobs. Within three (3) to five (5) years of commencement of Port operations, a [total of 783 new jobs](#) will be created in support of Port and marine operations. The addition of industrial tenants at the Port's adjacent industrial park and firms supporting Port operations will create an [additional 203 new jobs](#). Other new jobs, indirectly related to the Port or induced by the project throughout the Region, will [total 717](#) (Total is the sum of 496 Indirect jobs and 221 Induced jobs). [Past interest](#) in Cates Landing by firms engaged in steel production indicate strong potential for location of a steel mill in the Port's adjacent industrial park. Within 3 to 5 years of commencement of operations, a new steel mill would produce an [additional 300 to 370 direct new jobs](#) in steel production. The commencement of Port operations will also reverse the trend of layoffs and unemployment in the Region due to business closings and lack of market opportunity, generally. During 2008 and 2009, the three counties of Dyer, Lake and Obion suffered a total [of 1,459 business employee layoffs](#). Over the same period, the four counties of Crockett, Gibson, Lauderdale and Weakley had [layoffs of 2,715](#), resulting in a total decline throughout the Region of [30.63%](#). See also, <http://www.bls.gov>. The Port of Cates Landing will reverse this trend by improving the Region's competitiveness in material and international markets and reducing the number of business closings, thereby preserving existing jobs. Specifically, new opportunities for import and export trade will result in the [preservation of 2,293 jobs](#), including [1063 jobs](#) in the core Region and [1230 jobs](#) in the four county outer Region. These factors will reduce the Regional unemployment rate by [6.5%](#).

On a short term basis, [406](#) new jobs will result from construction activities associated

with the Phase II build-out of the Port. For the location and initial construction of a steel mill in the adjacent industrial park, an [additional 1,778 new jobs](#) are expected short term.

As a result of new job opportunities discussed above, personal income in the Region will increase on a long term basis between [\\$59.7 million and \\$87.3 million](#), annually. Individual wages will [increase 62.84% in Lake County, 37.61% in Obion County and 22.54% in Dyer County](#). [As a result of increases in personal wages and income, the rate of poverty in the core Region will be reduced by nearly 50%.](#)

On a long term basis, Port operations will generate new business revenues to the Region of [\\$259.2 million annually](#). With the addition of one steel mill comparable to those expressing past interest, additional business revenues of [\\$204.5 million](#) will be incurred. In the short term, Regional business revenues associated with construction activities will generate [\\$45.9 million](#), and will [increase to \\$236 million](#), with the location of a steel mill comparable in size to those expressing past interest.

Possibly the most significant economic impact of the Port to the Region and the nation will be the contribution of new Gross Regional Product (GRP) to the national economy. On a long term basis, Value Added GRP totaling [\\$90.2 million](#), annually, will be generated by the Port. With the addition of steel mill operations, Value Added GRP will increase to [\\$133 million](#). This new Value Added GRP constitutes a net gain to the nation's Gross National Product and promotes growth of the nation's economy and competitiveness in international trade.

In summary, the rehabilitation of the Region's existing surface transportation systems and their connection to the Port will stabilize and improve the Region's economy through the creation of jobs, the increase of per capita incomes, the reduction of poverty and the stimulation of new business and production for the Region and the nation.

The Port of Cates Landing project is also appropriately and well capitalized. To date, [\\$14.9 million](#) has been invested in the Project for construction of the harbor channel, land acquisition, engineering and permitting. Of this sum, the Port Authority is responsible only for the repayment of the outstanding [Port Authority revenue bonds, in the amount of \\$2.2 million](#). With the additional investment of the requested TIGER Grant funding, in the amount of \$35 million, the percentage of debt to equity will be four percent (4%). This minimal debt to equity percentage evidences the strength of the Port's capitalization.

The capital structure of the Port and investment to date of \$14.9 million by the Port's funding partners is also appropriate in light of the high, benefit-cost ratio for the Project. An analysis of the costs and benefits of the project was performed by Murat Arik, Ph.D., and David A. Penn, Ph. D. at the Business and Economic Research Center at Middle Tennessee State University in August, 2009, and compiled in the Final Report, entitled [Contributions of Proposed Investment in the Northwest Tennessee Regional Port at Cates Landing to the Regional Economy](#). In the Report, the economic feasibility of the Port of Cates Landing is indicated by a [cost benefit ratio of between 2.89 and 6.21](#). The cost benefit ratio considers the economic

impact of the Project upon the [seven \(7\) county](#) Region in Northwest Tennessee which surrounds the Port of Cates Landing.

The high ratio indicating the Port's feasibility, and its substantial economic impact, have been independently verified by the [U. S. Corps of Engineers](#), the [University of Memphis](#) and Dr. Sharon Younger of [Younger & Associates](#) of Jackson, Tennessee. The classification of the seven (7) county Region, including the core Region of the Port's three sponsoring counties of Dyer, Lake and Obion, as "economically distressed", adds compelling justification for the Project.

The Port of Cates Landing will also provide a sustainable source of revenue for long term operation and maintenance of the Port. On the basis of a survey of potential Port users, the Port's [Business Plan](#) projects average annual gross revenues of [\\$461,000](#) over the first three (3) years after commencement Port operations. The average net income of [\\$207,461.00](#) will increase over time but is sufficient to fund repayment of the Port Authority's \$2.2 million revenue bonds and additional capital investment.

The Project has also been designed to optimize the long term cost of the Project and to minimize maintenance and replacement costs. During the dredging of the harbor channel, dredged spoils were deposited upon [86 low lying and unimproved acres](#) adjacent to the harbor. By preserving the dredge spoils on-site, as opposed to wasting in the main river channel, the adjacent low lands have been converted to developable property for long term Port usage and expansion at minimal cost. The Port's site improvements, including the dock and rail extensions, are designed for a useful life of 50 years without major maintenance or replacement. The dock structure employs the patented [Open Cell](#) engineering design which provides for long term use and minimal maintenance in the harshest conditions over a useful life of 50 years. All these measures contribute to the optimizing of the cost of the Project and minimizing of maintenance and replacement cost.

The economic impact resulting from the completion of the Port of Cates Landing, including new jobs, job retention, economic growth and capital investment by the Region's private sector, will also provide a sustainable, new source of revenue to Regional counties which will increase tax revenues to historic levels, particularly in impoverished Lake County. Within three (3) to five (5) years, state revenues will also increase from new sources of sales and business taxes resulting from the Port of Cates Landing. The federal government will, within three (3) to five (5) years of the commencement of Port operations, also receive new tax revenues from Port related individuals and businesses, and from the resulting value added Gross Regional Product of [\\$90.2 million to \\$133 million](#), annually.

In conclusion, the expected benefits of the Port of Cates Landing, attributable to state of good repair, as specifically analyzed hereinabove, will consist of and include savings in Regional transportation costs of [\\$2.2 million](#) annually and [\\$60.4 million](#) (present day value) over the 50 year life of the Port); savings in Regional highway maintenance ([\\$2.7 million, annually](#)); the stabilization and enhancement of the Region's economy through the creation of more than [1,700](#)

[new jobs](#), the preservation of more than [2,200 existing jobs](#), the increase in personal wages and income in the Region of between [\\$59.7 million and \\$87.3 million](#), annually, the reduction of poverty in the core Region by fifty percent (50%), the increase in Regional business revenues in excess of [\\$259.2 million](#), and the addition of Value Added Gross Regional Product and Gross National Product of between [\\$90.2 million and \\$133 million](#), annually.

(ii) Economic Competitiveness

The Port of Cates Landing will promote the economic competitiveness of the United States by producing long term growth in employment, production and related high value economic activity.

With regard to long term growth in employment, the Port of Cates Landing will allow for business expansions, hiring and private sector production in the Economically Distressed Area of Northwest Tennessee. Within three (3) to five (5) years of commencement of Port operations, a total of [783 new jobs](#) will be created in support of Port and marine operations. The addition of industrial tenants at the Port's adjacent industrial park and firms supporting Port operations will create an additional [203 new jobs](#). Other new jobs, indirectly related to the Port or induced by the project throughout the Region, will [total 717](#). [Past interest](#) in Cates Landing by firms engaged in steel production indicate the strong potential for location of a steel mill in the Port's adjacent industrial park. Within 3 to 5 years of commencement of operations, a new steel mill would produce an additional [300 to 370 direct new jobs](#) in steel production. The commencement of Port operations will also reverse the trend of layoffs and unemployment in the Region due to business closings and lack of market opportunity, generally. During 2008 and 2009, the three counties of Dyer, Lake and Obion, suffered a total of [1,459 business employment layoffs](#). Over the same period, the four counties of Crockett, Gibson, Lauderdale and Weakley had [layoffs of 2,715](#), resulting in a total decline throughout the Region of [30.63%](#). See also, <http://www.bls.gov>. The Port of Cates Landing will reverse this trend by improving the Region's competitiveness in national and international markets and reducing the number of business closings, thereby preserving existing jobs. Specifically, new opportunities for import and export trade will result in the [preservation of 2,293 jobs](#), including [1063 jobs in the core Region](#) and [1230 jobs](#) in the four county outer Region. These factors will reduce the Regional unemployment rate by [6.5%](#).

On a short term basis, [406](#) new jobs will result from construction activities associated with Phase II build-out of the Port. For the location and initial construction of a steel mill in the adjacent industrial park, an [additional 1778 new jobs](#) are expected short term.

As a result of new job opportunities discussed above, personal income in the Region will increase on a long term basis between [\\$59.7 million and \\$87.3 million, annually](#). Individual wages will increase [62.84% in Lake County, 37.6% in Obion County and 27.54% in Dyer County](#). As a result of increases in personal wages and income, the rate of poverty in the core Region will be reduced by [nearly 50%](#).

On a long term basis, Port operations will generate new business revenues to the Region of [\\$259.2 million annually](#). With the addition of one steel mill comparable to those expressing past interest, additional business revenues of [\\$204.5 million](#) will be incurred. In the short term, Regional business revenues associated with construction activities will generate [\\$45.9 million](#), and will [increase to \\$236 million](#), with the location of a steel mill comparable in size to those expressing past interest.

The core Region affected by the Port of Cates Landing, comprised of the three (3) counties of Dyer, Lake and Obion in Northwest Tennessee, is an Economically Distressed Area as defined in [42 USCA § 3161](#), due to low per capita income. The combination of the state of the art intermodal transport facility at the Port of Cates Landing, and the new, private sector industrial and transportation firms utilizing the Port, will result in the expansion of Regional businesses, including industrial and transportation firms; and the hiring of new employees in this Economically Distressed Area of Northwest Tennessee.

The Port of Cates Landing will also contribute to the Region's and the nation's high value economic activity. Specifically, the Port of Cates Landing, and the related industrial and transportation firms locating in the Region, will contribute substantially each year to the national economy. On a long term basis, Value Added GRP totaling [\\$90.2 million, annually](#), will be generated from Port related business activity. With the addition of steel mill operations, Value Added GRP will [increase to \\$133 million](#). This new Value Added GRP will constitute a net gain to the national Gross National Product and will promote growth of the nation's economy and competitiveness in international trade.

Finally, the Port of Cates Landing will improve the long term efficiency, reliability and cost competitiveness in the movement of goods for several reasons. All freight is currently transported in the Region by the combination of [truck \(80%\) and rail \(20%\)](#). Within 3 to 5 years of commencement of Port operations, the Region will have a state of the art, intermodal transport system which will reduce truck hauled freight on highways by [22.2% and Vehicle Miles Traveled \(VMT\) by 69.7%](#). This shift of freight from truck to barge will generate a transportation cost savings in the Region of [\\$2.2 million](#) in initial years and [\\$60.4 million](#) (present day value) over the 50 year life of the Port. This shift will also result in an annual reduction in fossil fuel consumption of [870,026 gallons](#), in green house gas (CO₂) emissions of [8,760 tons](#), and the prevention of [563 gallons](#) of hazardous material spills, annually.

The shift of the majority of bulk freight transport from truck and rail carriers to barge will also produce efficiencies and savings arising from the inherent advantages from the capacity and cost of river barge transport. According to the Department of Transportation, a truck carries one ton of freight [59 miles per gallon](#) of fossil fuel. A railroad can carry that same ton of freight [202 miles per gallon](#) of fossil fuel. However, a barge will carry one ton of freight [514 miles per gallon](#) of fossil fuel. For this reason, a barge is approximately [8.7 times more efficient in terms of fossil fuel](#).

The reliability and efficiency of freight transport through the Port will also be supported

by the unique geographical features of Cates Landing which allow for continuous year round Port operation irrespective of Mississippi River conditions and flooding. The [Port site](#) at Cates Landing is situated upon a plateau of [3,000 undeveloped contiguous acres](#) above the Mississippi's [100 year flood plain](#). The Port's harbor channel, dredged to a depth of 14 feet, is the deepest channel of any Port between Baton Rouge, Louisiana and St. Louis, Missouri. The combination of the Port's high elevation and deep harbor channel will allow continuous Port operations during both high water, flood conditions and low water, drought conditions. The undeveloped adjacent 3,000 acres also provide ample opportunity for the growth and expansion of Port facilities, and for staging and mobilization in times of war or national emergency.

The combination of cost savings and efficiency inherent with intermodal barge transport, and continuous year-round, operational capacity will enable the Port of Cates Landing to contribute long term reliability, efficiency and cost competitiveness in the transport of the nation's goods and freight.

In summary, the expected benefits of the Port of Cates Landing with regard to economic competitiveness, as evidenced by the statistical analysis provided hereinabove, include the long term growth in employment through the creation of more than [1,700](#) new jobs and the preservation of [approximately 2,300](#) existing jobs, the production of high value economic activity creating an increase in Regional business revenues in excess of [\\$259.2 million](#) and the addition of Value Added Gross Regional Product and Gross National Product of between [\\$90.2 million and \\$133 million, annually](#); and the improvement of long term efficiencies, reliability and cost-competitiveness in the movement of goods through the use of intermodal truck, rail and barge connectivity resulting in savings in Regional transportation costs of [\\$2.2 million, annually](#), and [\\$60.4 million](#) (present day value) over the 50 year life of the Port; and savings in Regional highway maintenance cost of [\\$2.7 million, annually](#).

(iii) Livability

The Port of Cates Landing will benefit and have a positive impact on qualitative measures of community life in Lake County, Tennessee, and throughout the Region.

The Port of Cates Landing will improve public mobility through the stimulation of improvements, extensions and connections of existing state and federal highways in the Region. The Port will also enhance intermodal freight transportation throughout the Region and connect rail, truck and river barge transportation at the Port's state of the art intermodal Port facility on the Mississippi River.

The livability and quality of life in Lake County and the entire adjacent Region will be improved by the Port of Cates Landing primarily as a result of the financial impact the Project will have upon the Region. As an economically distressed Region, livability issues are currently prejudiced by the loss of jobs, very low per capita income, poverty, and the loss of population.

The Report of Middle Tennessee State University's Business and Economic Research

Center indicates that the completion of the Port of Cates Landing and commencement of intermodal Port operations will reduce poverty in the Region by [nearly fifty percent](#) (50%), and will increase personal income in the Region on a long term basis between [\\$57.9 million and \\$87.3 million, annually](#). In the short term, Regional business revenues associated with construction activities will generate [\\$46 million, and will increase to \\$236 million](#), with the location of a steel mill, comparable in size to those expressing past interest. On a long term basis, the Port of Cates Landing will generate new business revenues to the Region of [\\$259.2 million](#), annually. Port operations will result in an increase in individual wages in [Lake County of 62.84%, in Obion County of 37.6%, and in Dyer County of 22.54%](#).

Within three (3) to five (5) years of commencement of Port operations, a total of [783 new jobs](#) will be created in support of Port and marine operations. The addition of industrial tenants at the Port's adjacent industrial park and firms supporting Port operations will create an additional [203 new jobs](#). Other new jobs, indirectly related to the Port or induced by the project throughout the Region, will [total 717](#). [Past interest](#) in Cates Landing by firms engaged in steel production indicate strong potential for location of a steel mill in the Port's adjacent industrial park. Within 3 to 5 years of commencement of operations, a new steel mill would produce an additional [300 to 370 direct new jobs](#) in steel production. The Port will also improve the Region's competitiveness in national and international markets which will result in fewer plant closings and more retained jobs. Specifically, new opportunities for import and export trade will result in the [preservation of 2,293 jobs](#), including [1063 jobs](#) in the core Region and [1230 jobs in the outer Region](#). As a result of the Port, the Region's unemployment will be reduced by [6.5%](#).

The creation of new jobs, the retention of existing jobs, the lowering of the Region's rate of unemployment and poverty, and the stimulation of Regional economic activity will add measurable benefits to the Region's livability.

Through the growth of Port related private businesses, revenues to local governments in the economically distressed Region will be increased through property taxes and sales taxes. With increased tax revenues of [\\$2.0 million annually](#), local governments will improve services to their citizenry through improved public services, such as fire and police service, K through 12 public education facilities, improved and new parks and recreational facilities, libraries and public health facilities.

The Port of Cates Landing is also the product of careful planning in which community participation has been involved. Specifically, in the planning of the construction of the Port of Cates Landing and adjacent industrial Park, the State of Tennessee Department of Economic and Community Development, [Building Finance Committee](#), conducted a public hearing on October 27, 2006, to gather input from the public and local citizens regarding the Project and the issuance of general obligation bonds to finance the acquisition and construction of the industrial park. In addition, the State of Tennessee Department of Transportation has conducted numerous [hearings to gather public](#) input on the various [highway improvement projects](#) planned in connection with the Port of Cates Landing. Finally, the County of Lake and City of Tiptonville have conducted [public hearings](#) for purposes of local land use planning for the Port Project.

In summary, the livability of the Region will be substantially enhanced by the Port of Cates Landing both through the creation of improved transportation systems and the improvement of the distressed economic conditions which currently exist in the Region. Specifically, the expected benefits of the Port of Cates Landing in terms of livability include the stabilization and enhancement of the Region's economy through the creation of more than [1,700 new jobs](#), the preservation of more than [2,200 existing jobs](#), the increase in personal wages and income in the Region of between [\\$59.7 million and \\$87.3 million](#), annually, the [reduction of poverty in the core Region by nearly fifty percent \(50%\)](#), the increase in Regional business revenues in excess of [\\$259.2 million](#), and the increase of local Regional government tax revenues of [\\$2.0 million annually](#), to fund improved municipal services.

(iv) Sustainability

The Port of Cates Landing will promote a more environmentally sustainable transportation system for the Region and the nation.

All freight is currently transported in the Region by the combination of [truck \(80%\) and rail \(20%\)](#). Within 3 to 5 years of commencement of Port operations, the Region will have a state of the art intermodal transport hub and system which will reduce truck hauled freight on highways by [22.2% and Vehicle Miles Traveled \(VMT\) by 69.7%](#). This shift of freight from truck to barge will generate a transportation cost savings in the Region of [\\$2.2 million](#) in initial years and [\\$60.4 million](#) (present day value) over the 50 year life of the Port. This shift will also result in an annual reduction in fossil fuel consumption of [870,026 gallons](#), in green house gas (CO₂) emissions of [8,760 tons](#), and the prevention of [563 gallons](#) of hazardous material spills annually.

These savings arise from the inherent efficiency of barge transport. According to the Department of Transportation, a truck carries one ton of freight [59 miles per gallon](#) of fossil fuel. A railroad can carry that same ton of freight [202 miles per gallon](#) of fossil fuel, and a barge will carry one ton of freight [514 Miles per gallon](#) of fossil fuel. Accordingly, a barge is approximately 8.7 times more efficient in terms of fossil fuel consumption.

Other aspects of the Port have been designed to maintain and protect the environment long term. The project has been designed and engineered utilizing existing topographical features to promote surface drainage into the water shed of the Mississippi river, as opposed to neighboring residential or recreational areas, including the Reelfoot Lake water shed. This drainage plan will preserve adjacent residential and community areas, and water sheds, from surface waters draining through the Port site.

The Port Authority has already acquired 310.4 acres of approved [wetland mitigation lands](#), and has already mitigated 77 acres of wetlands impacted to date by the harbor construction. In addition, 154 acres of previously cultivated agricultural land has already been converted to natural wetland habitat. The Port's reserve of 156 acres of approved lands, fit for

mitigation purposes, insures its ability to inexpensively mitigate impacted wetlands during expansions of the Port.

The environmental impact of the entire Port project was analyzed by the [U. S. Corps of Engineers](#) and reported in the Environmental Assessment and the Finding of No Significant Impact ([FONSI](#)) published on August 13, 2004. The Project was also environmentally reviewed by the Tennessee Valley Authority (TVA) which issued a ([FONSI](#)) on November 16, 2007. These reports evidence the environmental sustainability of the Project.

Because of the lengthy harbor channel (9,000 foot) and the plateau of 3,000 undeveloped acres adjacent to the Port's site, all above the 100 year flood plain, Cates Landing can be expanded many times beyond the size of the Phase II project boundary without additional prejudice to the local environment or adjacent water sheds. All favorable environmental factors present in the current project will be equally available for expansions of the Port far into the future.

Lastly, the Port is committed to reducing noxious emissions from trucks, trains, tugboats and cargo handling equipment by conformance to [Clean Ports USA Standards](#). This non-regulatory program of the Environmental Protection Agency (EPA) has guidelines for reduction of diesel engine emissions and a program will be instituted to insure guide line compliance of all operations. Actual performance will be documented over time with measures instituted to achieve the highest possible standards. All the factors described above will promote an environmentally sustainable system for transportation in the Region and the nation.

The expected benefits of the Port of Cates Landing related to sustainability, as evidenced by the statistical analysis set forth above, include the annual reduction in fossil fuel usage of [870,026 gallons](#), the annual reduction in green house gas (CO₂) emissions of [8,760 tons](#), the prevention of [563 gallons of hazardous material](#) spills, annually, the preservation of adjacent water sheds and developments from surface water drainage, the preservation of additional wetlands, and the minimizing of water borne and air borne pollution from spills and emissions through the operation of the slack water harbor and the adherence to the standards of the EPA's [Clean Ports USA](#) Standards.

(v) Safety

The Port of Cates Landing will improve safety in the Region by reducing the number, rate and consequences of surface transportation-related crashes, and injuries and fatalities among drivers in the United States and the Region.

The combination of highway improvements stimulated by the Port and the shift of more than [50% of bulk freight hauling](#) in the Region from truck to barge will result in a reduction of fatalities and personal injuries over the 50 year life of the Port, producing a savings of between [\\$147 million and \\$386 million](#).

The Port will also improve safety through its “slack water” harbor. As a slack water harbor, Port operations will be performed in still waters, far removed from the turbulence and currents of the Mississippi River. Slack water harbor operations can be more safely performed than in comparably sized, swift water ports, where river currents and turbulence are ever present.

The slack water harbor also provides protection to downstream locales from accidental spills of fuel or more toxic substances. In the event of a release of harmful substances, the slack water harbor allows for effective and inexpensive containment and collection of spilled materials, which would otherwise be carried downstream. The natural, slack water characteristic of Cates Landing’s harbor contributes to the overall safety and protection of Port workers and the public.

The expected benefits of the Port of Cates Landing attributable to safety, evidenced by the statistical analysis set forth hereinabove, include a reduction of fatalities and personal injuries over the 50 year life of the Port resulting in savings of between [\\$147 million and \\$386 million](#), and the maintenance of safe working conditions for Port personnel attributable to the Port’s “slack water” harbor.

Evaluation of Project Performance

The Chairman of the Northwest Tennessee Regional Port Authority will serve as Project Director for the monitoring and evaluation of the short term goals related to the successful completion of the Project, including the contractor’s adherence to the [construction schedule](#), the commencement of construction within ninety (90) days of TIGER Grant award and the completion of the Project on or before January 1, 2012.

The success of the project on a long term basis will be monitored and evaluated by the Business and Economic Research Center of Middle Tennessee State University. The long term benefits and objectives including job creation, increased per capita income, savings in transportation costs to Regional producers and related demographic measures, will be measured by the University through the use of State of Tennessee Department of Labor and Workforce Development data, and by data compiled by the U. S. Department of Commerce, Bureau of Censes.

(b) Job Creation and Economic Stimulus

The Port of Cates Landing will promote short and long term job creation and preservation of existing jobs and will promote new and expanded business opportunities during the construction of the Project and thereafter.

The applicant requests a total of approximately [\\$35 million \(\\$34,768,347.00\)](#) for the completion of the construction of the Port of Cates Landing, Tennessee. The applicant requests 100% of the requested TIGER Grant funds be applied to the cost of the Phase II project for completion of the Port of Cates Landing. The requested TIGER Grant funds will be used to fund

the cost of engineering, construction, contract administration, legal, permitting and contingencies and are listed in detail on the schedule of [Phase II Project Budget – Port of Cates Landing](#).

As stated previously, [\\$14.9 million](#) has already been invested by the Port Authority and Regional, state and federal funding partners for completion of Phase I of the project, which included engineering design and planning, environmental permitting and compliance, site acquisition and harbor construction. Almost \$5.0 million of this sum was raised through the combination of Port Authority revenue bonds guaranteed by the Port's three county sponsors ([\\$2.2 million](#)) and Lake County General Obligation Bonds issued for the development of the adjacent industrial park ([\\$2.75 million](#)). Other funding was derived from loans and guarantees from regional electric cooperatives, private donations, state and federal funding sources, included grants and loans from state agencies, TVA and contract matches from the Corps of Engineers.

Within three (3) to five (5) years of commencement of Port operations, a total of [783](#) new jobs will be created in support of Port and Marine operations. The addition of industrial tenants at the Port's adjacent industrial park and firms supporting Port operations will create an additional [203](#) new jobs. Other new jobs, indirectly related to the Port or induced by the project throughout the Region, will [total 717](#). [Past interest](#) in Cates Landing by firms engaged in steel production indicate strong potential for location of a steel mill in the Port's adjacent industrial park. Within 3 to 5 years of commencement of operations, a new steel mill would produce and additional [300 to 370 direct new jobs](#) in steel production. The Port will also improve the Region's competitiveness in national and international markets which will result in fewer plant closings and more retained jobs. Specifically, new opportunities for import and export trade will result in the [preservation of 2,293 jobs](#), including [1063 jobs in the Core Region](#) and [1230 jobs in the outer Region](#). As a result of the Port, the Region's unemployment will be reduced by [6.5%](#).

On a short term basis, [406](#) new jobs will result from construction activities associated with the Phase II, build-out of the Port. For the location and initial construction of a steel mill in the adjacent industrial park, an additional [1,778](#) jobs are expected.

The new job opportunities discussed above will increase personal income in the Region on a long term basis between [\\$59.7 million and \\$87.3 million](#), annually. A large number of these new jobs will be in the transportation, warehousing and manufacturing sectors, for which wages are significantly higher than the average wage paid in the Region. These new wages will increase individual wages in [Lake County by 62.84%](#), [in Obion County by 37.6%](#) and [in Dyer County by 22.54%](#).

On a long term basis, Port operations will generate new business revenues to the Region of [\\$259.2 million annually](#). With the addition of one steel mill comparable to those expressing past interest, additional business revenues of [\\$204 million](#) will be incurred. In the short term, Regional business revenues associated with construction activities will generate [\\$45.9 million](#), [and will increase to \\$220.3 million](#), with the location of a steel mill, comparable in size to those expressing past interest.

Possibly the most significant economic impact of the Port project to the Region and to the nation will be the contribution of new Gross Regional Product (GRP) to the nation's economy. On a long term basis, Value Added GRP totaling [\\$90.2 million](#), annually, will be generated by the Port. With the addition of steel mill operations, Value Added GRP will increase to [\\$133 million](#). This Value Added GRP constitutes a net gain to the national economy and Gross National Product and promotes the growth of the nation's economy and competitiveness in international trade.

The combination of all the foregoing new jobs, preserved jobs, increases in personal and business income, reduction of poverty and Value Added Gross Regional Product will materially stabilize the Region's declining condition and provide substantial new economic growth and opportunity.

The construction of the Port will also comply with the Recovery Act, the Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 issued by the Office of Management and Budget on April 3, 2009 and federal laws guaranteeing equal opportunity. The Project will promote the creation of jobs opportunities for low-income workers. The Project will also provide maximally practicable opportunities for small business and disadvantaged business enterprises, including veteran owned, and disabled veteran-owned small businesses. The Project will also make effective use of community based organizations in connecting disadvantaged workers with economic opportunities. The Project will also support entities that have a sound track record on labor practices and compliance with Federal laws ensuring that American workers are safe and treated fairly. Finally, the Project will implement best practices, consistent with civil rights and equal opportunity laws

The construction of the Port of Cates Landing will also comply with Section 1602 of the Recovery Act (Preference for Quick-Start Activities). The following evidence is provided:

- (i) Project Schedule – ([Focum Lannom Project Schedule](#))
- (ii) Environmental Approvals – ([Corps FONSI](#) and [TVA FONSI](#))
- (iii) Legislative Approvals – (Bond Resolutions [Port Authority](#), [Lake](#), [Dyer](#) and [Obion](#) Counties)
- (iv) State and Local Planning – ([City of Tiptonville Plans of Services](#))
- (v) Technical Feasibility – ([Corps of Engineers](#) and [Forcum Lannom Contractors](#) Engineering Report)
- (vi) Financial Feasibility – ([MTSU BEREC Study 2009](#)).

The Port of Cates Landing will be completed on or before January 1, 2012, subject to approval of this TIGER grant funding request.

2. Secondary Selection Activity
 - (a) Innovation Strategies

The Port of Cates Landing will utilize innovative approaches in transportation systems as well as “cleaner air” initiatives.

The dock of the Port facility will incorporate an [open cell design](#), which is a patented loading dock format designed to withstand extreme climate conditions and seismic disturbance. The cell is formed by a wall of steel pilings, backfilled with engineered earthen fill. The open cell is very durable and resistant to deterioration from wave erosion. The open cell is also easily expandable on both sides. The open cell dock allows for maximum weight loads of freight and equipment and maximizes the useful life of the dock facility. Maintenance is minimal, as is risk of damage due to seismic or climate conditions.

The Port will also incorporate [weigh scales](#) at the terminal’s load and unload locations for truck and rail usage. On-site, scales will insure accurate on-site load weights and insure both truck and rail compliance with applicable weight limitations. This on-site load, weight management capability will eliminate the overloading and deterioration of connecting highways and railroads.

The Port is also committed to reducing emissions including fine particulates, sulfur oxides, ozone forming nitrogen oxides and hydrocarbons emitted from diesel engines of cargo handling equipment, trucks, locomotives and tugboats. The Applicant will require the Port Operator and Fleet Owners to conform to the [Clean Ports USA standards](#), regarding diesel engine emission reduction. A program will be outlined, developed and managed by the Port utilizing these guidelines. A baseline will be established, operating performance will be tracked over time and opportunities will be taken to achieve the highest possible standards. These measures will provide for cleaner and more efficient Port operations.

(b) Partnership

(i) Jurisdictional and Stakeholder collaboration:

The Port of Cates Landing is the result of a Regional collaboration of local governments, private businesses, and state and federal governments and agencies, many of whom are not traditionally involved in transportation projects.

Local Partners

All twenty-one (21) [Counties in West Tennessee](#) are supporting the development of the Port. The three county sponsors of [Dyer](#), [Lake](#) and [Obion](#), have pledged their full faith and credit to the guarantee of Port Authority revenue bonds totaling [\\$2.2 million](#). These dollars were used to match federal and state grant dollars and leverage the financing of the cost of the Project. The County of Lake, individually, has issued general obligation bonds of [\\$2.75 million](#) for the acquisition and development of the adjacent industrial park. This support of the Project by remote counties in West Tennessee and by partnered financial guarantees is unprecedented in the

history of the Region and in the State of Tennessee.

Other organizations assisting the Project through financial or manpower support include the West Tennessee Industrial Association, the University of Tennessee at Martin, Tennessee, Dyersburg State Community College, the Tennessee Technology Centers at Newbern and Ripley, Tennessee, Northwest Tennessee Development District, Tiptonville Chamber of Commerce, Ridgely Chamber of Commerce, Dyer County Chamber of Commerce, Obion County Chamber of Commerce, Obion County Industrial Board, Weakley County Industrial Board, Gibson Electric Cooperative, Tenn-Ken Railroad, Dyersburg Electric System, Younger & Associates, and Reelfoot Area Chamber of Commerce.

State Partners

The State of Tennessee has already invested or is in the process of investing [approximately \\$3.1 million](#) through the Tennessee Department of Transportation, the Tennessee Department of Economic & Community Development, the Tennessee Department of Environment & Conservation, Tennessee Department of Agriculture, and the Tennessee Department of Labor & Workforce Development.

Federal Partners

Several federal governmental agencies and organizations have already provided funding for Phase I of the project, scheduled for completion in December, 2009. A total of [\\$14.9 million](#) has already been invested in the Project by federal, state, local governments and other funding sources. The U. S. Army Corps of Engineers was first on board by committing [\\$4.3 million](#) to the process of dredging out the Harbor. Once the U. S. Army Corps of Engineers and federal Environmental Protection Agency had approved the Project, the Port applied to the [USDA Rural Development](#) and received funding in the amount of \$440,000. This successful application and funding illustrates the support of the Regional and state offices of USDA Rural Development. Next, the Northwest Tennessee Development District applied on behalf of the Port to the Delta Regional Authority for funding of an additional \$328,000. These funds helped springboard additional funding from yet another Federal agency, [TVA, in the amount of \\$200,000](#).

To date, [\\$14.9 million](#) has been invested in the Phase I development of the Port of Cates Landing, which included the dredging and construction of the 9,000 foot harbor channel, property acquisitions and permitting. TIGER Grant funding of the Phase II Project cost, in the amount of \$35 million is necessary for the [timely completion](#) of the project and commencement of intermodal Port operations.

(ii) Disciplinary Integration

As illustrated above, the Port of Cates Landing is the beneficiary of support and funding by federal, state and local agencies, and private businesses due to the value of the Port as an intermodal transportation facility. However, of great importance is the additional support of

groups focused on issues of livability, environmental protection, energy conservation and economic competitiveness. The integration in the planning process of all these groups and their concerns has allowed the Port to achieve other benefits unrelated to public transportation.

In the earliest planning stages, thought went into how the Project would affect conditions of livability in Northwest Tennessee. The Region is among the most poverty stricken and economically distressed in the State of Tennessee and the nation, and in dire need of economic development. The people of the Region will need additional education and job-skills training to fill the jobs generated by the Port. This need is already being addressed through the University of Tennessee at Martin, Dyersburg State Community College and the two (2) State vocational schools in the Region. The Tennessee Department of Workforce and Labor Development is already at work as well to assist in the preparation of new job skill proficiency. The increase in jobs in the Region will also require more affordable housing for the population. The Tennessee Housing Development Agency and the USDA Rural Development Housing department are ready to assist the area with new housing programs providing rental and new home ownership opportunities. Port officials have also committed to compliance with the Clean Port of USA program to minimize emissions and waste. The integration of planning for all these varied issues is evidenced by the wide support of the Project by diverse organizations.

C. Program Specific Criteria

On the basis of current existing demand in the Region, without consideration to new business locations or increased demand arising from the existence of Port facilities, approximately [1.6 million tons](#) of bulk freight are predicted to pass through the Port annually. This demand for Port services has been verified from surveys by the [U. S. Corps of Engineers](#) and by the Northwest Tennessee Regional Port Authority. The long term demand for Port Services is also evidenced by the investigation of Cates Landing by national and international firms representing more than [\\$1.5 billion in capital investment](#) over the past twelve (12) years. All these firms required an operating Port and harbor to support their activities. However, with the completion of the Port's build-out, renewed interest in Cates Landing and new locations of substantial industrial expansions are expected.

As stated previously, the key to Cates Landing's success is its efficiency on multiple levels. The transfer of [1.6 million tons](#) of freight annually in the Region to barge from truck and rail carriers will be 8.7 times more efficient, producing a savings annually in fossil fuel consumption of [870,026 gallons](#) and a transportation cost savings of approximately [\\$2.2 million annually](#) and [\\$60.4 million](#) (present day value) over the 50 year life of the Port. The slack water harbor will enable efficient barge handling in still waters, without excessive tug boat maneuvering as required in swift water currents. The [central geographic location](#) of Cates Landing also provides an efficient tie to existing rail, road and bridges to complete the intermodal, mid-continent connection. The efficient coalescence of savings in fuel, cost and existing transport assets is one key to Cates Landings' efficiency.

The combination of deep dredged harbor channel (the deepest channel between Baton

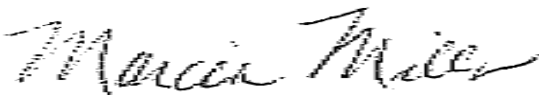
Rouge, Louisiana, and Cairo, Illinois) and high elevation of Cates Landing above the [100 year flood plain](#) also allows for efficiencies from continuous, year round Port operation irrespective of flood or drought conditions. Likewise, the efficient [open cell design](#) of the dock structure includes seismic considerations to resist deterioration from earth quakes and other climatic forces.

The [location](#) at mid-continent on the Mississippi River, within one days' drive of 76% of U. S. major markets, makes Cates Landing an important national security asset. The military's National arsenal in Milan, Tennessee, at the outer boundary of the Region's 50 mile limit, will be efficiently accessed in times of war or national need through the Port of Cates Landing. Likewise, the expansive plateau of [3,000 acres](#) adjacent to the Port provides ample space for the staging of men and material for military and national emergencies. The combination of these factors add strategic importance to the Port of Cates Landing.

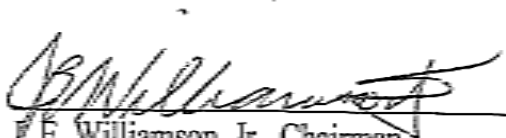
G. FEDERAL WAGE RATE REQUIREMENT

Certification of the Northwest Tennessee Regional Port Authority
of Federal Wage Rate Requirement

The Northwest Tennessee Regional Port Authority does hereby certify and affirm that it will strictly comply with the requirements of Subchapter IV of Chapter 31 of Title 40, United States Code with respect to wages and fringe benefits paid by or on behalf of the Northwest Tennessee Regional Port Authority.



Marcia Mills, Secretary
Northwest Tennessee Regional Port Authority



J. E. Williamson, Jr., Chairman
Northwest Tennessee Regional Port Authority

DATE: September 15, 2009

H. NATIONAL ENVIRONMENTAL POLICY ACT REQUIREMENT

The construction of the Port of Cates Landing, including both Phase I which will be completed in December, 2009, and Phase II, for which TIGER Grant funding is requested, will not significantly impact the natural, social and/or economic environment. The review of the Project pursuant to the National Environmental Policy Act has been performed and completed by both the Tennessee Valley Authority and the U. S. Corps of Engineers, and both agencies have issued a separate Finding of No Significant Impact.

The review of the Project by the U. S. Corps of Engineers occurred in 2004 and included the publishing of an Environmental Assessment on August 13, 2004, and the issuance of a

Finding of No Significant Impact also on [August 13, 2004](#).

This Project was environmentally reviewed by the Tennessee Valley Authority which issued a [Finding of No Significant Impact](#) on November 16, 2007.

U. S. Fish & Wildlife, Tennessee Wildlife Resources Agency and the Tennessee Department of Environment and Conservation also executed a cooperative agreement in August, 2004, stipulating the absence of any negative environmental impact as a result of the Project.

I. ENVIRONMENTALLY RELATED FEDERAL, STATE AND LOCAL ACTION

In August, 2004, the U. S. Corps of Engineers issued an Aquatic Resource Alteration Permit (ARAP) authorizing the construction of both Phase I and Phase II of the Port of Cates Landing. Project Reference Numbers: NRS04.123; TNR120673; HUC-12 080101000106.

Additional permits required for the construction of Phase II include a Aquatic Resource Alteration Permit (ARAP) issued by the Surface Transportation Board of the U. S. Department of Transportation relating to the four and one-half mile rail connection of the Port site to the TennKen short haul rail line, and a Storm Water Pollution Prevention Permit issued by the State of Tennessee Department of Environment and Conservation.

Aside from the permits identified above, no other permits of any Federal, State or local governments are required to be obtained for the project.

J. PROTECTION OF CONFIDENTIAL BUSINESS

This application of the Northwest Tennessee Regional Port Authority does not contain any confidential commercial or financial information.