

MACIE M. ROBERSON

County Executive, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079



TELEPHONE
7382

September 28, 2006

Building Finance Committee
Office of Special Projects
Tennessee Department of Economic & Community Development
Nashville, Tennessee

Re: Northwest Tennessee Regional Port and Industrial Park
Cates Landing, Northern Lake County, Tennessee

Ladies and Gentlemen:

The County of Lake provides you herewith twelve (12) original copies of our Application for Certificate of Public Purpose and Necessity in connection with the development of the Northwest Tennessee Regional Port Authority's Intermodal Port Facility and a Three Hundred Fifty (350) acre Industrial Park at Cates Landing in Northern Lake County Tennessee. On behalf of Lake County, Tennessee, I respectfully request that a Certificate of Public Purpose and Necessity be issued for the proposed property acquisition of the Port River Terminal and Industrial Park, both of which are described more fully below.

For several years federal, state and local community, business and governmental leaders/officials have been examining the development of a Mississippi River Port and Industrial Park in Northern Lake County, Tennessee. Because of the Topography of the region, Cates Landing, which is located approximately 4 miles North of Tiptonville, Tennessee, is the only location on the Eastern Bank of Mississippi River, between Memphis Tennessee and Cairo Illinois that is above the 100 year flood plain. As a result of a bend in the Mississippi River an optimum year round slack water harbor is created somewhat naturally due to the River's own hydraulics.

The Proposed Northwest Tennessee Port will be an Intermodal Freight Transfer Facility and Industrial Park Complex designed to exploit the unique geography and existing river, rail and highway transportation assets already in place. The River Port will be comprised of a River Terminal and will include a cross-dock, and trans-load facility which will be designed to handle, Barge to Rail, Barge to Truck and Truck to Rail. The Industrial Park will be comprised of the adjacent 350 acres of flat lands north of the City of Tiptonville. The optimum use envisioned for

the Park is one which would exploit the River, and the proximity to I-55, I-40, I-24 as well as the planned I-69 corridor, and the main line Canadian National Railway. Being centrally located in Mid-America makes this location even more obvious as a venue for the project.

In order to understand fully the scope of the Project as well as Lake County's role in the Project's development, the enclosed Executive Summary of the Northwest Tennessee Regional Port is offered and incorporated herein by reference.

The aggregate cost of the project is currently estimated to be approximately \$22,000,000.00. Various federal, state and local revenue sources have made commitments to this Project, including Two Million (\$2,000,000.00) Dollars from U.S. Department of Commerce, Economic Development Administration; Two Hundred Thousand Dollars (\$200,000.00) Tennessee Valley Authority; Two Hundred Forty Thousand Dollars (\$240,000.00) United States Department of Agriculture; Five Million Five Hundred Thirty Eight Thousand Dollars (\$5,538,000.00) Tennessee Department of Transportation; Two Million Five Hundred Five Thousand Dollars (\$2,505,000.00) State of Tennessee Direct Special Appropriation; Nine Hundred Four Thousand Six Hundred Dollars (\$904,600.00) Tennessee Department of Economic & Community Development; One Seven Hundred Nineteen Thousand Nine Hundred Forty Dollars (\$1,719,940.00) Gibson County Electric (low interest loan) and (infrastructure improvements); Three Hundred Thirty Nine Thousand and Sixty Dollars (\$339,060.00) Delta Region Development Authority; Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000.00) Lake County Land Purchase General Obligation Bonds; and Two Million Two Hundred Thousand Dollars (\$2,200,000.00) Northwest Tennessee Regional Port Authority Revenue Bonds. These funding sources when combined with the Three Million One Hundred Eighty Three Thousand Eight Hundred Dollars committed by the United States Army Corps of Engineers, total the complete estimated project cost of \$21,943,400.00.

Included in the initial development costs of the overall Project which encompasses both the harbor and the industrial park are (i) \$1,875,000.00 for road improvements which includes 1,600 lineal feet of new road construction estimated at \$637,000.00; 2,900 lineal feet of improvements to an existing county maintained road, estimated at \$232,000.00; and 17,000 lineal feet of minor road improvements to State Route 22 estimated at \$680,000.00. (ii) \$5,060,000.00 for new railroad track development estimated to be 4 3/4 miles in length. (iii) \$70,000.00 for utility improvements which are associated solely with the harbor facilities only. The industrial park utility improvements will be made in a "bird in hand" method, with engineering and construction based upon the individual future tenant.

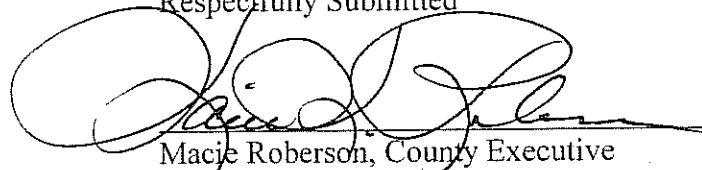
The current estimates for the Port River Terminal are \$6,450,000.00 which include the Bulkheads, curbs dock piers, 16 foot cells and two Dolphins, and are currently believed to be sufficient for the construction of a General Purpose Terminal.

The revenues to be used to pay for the development costs of the port and industrial park are discussed in the materials provided, however, to summarize the Port Project and Industrial Park should create approximately 3,000 direct new jobs and approximately 2,400 indirect new jobs. This coupled with an capital expenditures in the 100 Million Dollar range should produce more than 4 Million Dollars of additional local tax revenue. Considering the fact that in year 2004, Lake County's revenues were in \$1,300,000.00 range, the new local tax revenue is more than 3 times Lake Counties current revenues.

Over the past twenty (20) years, local economic development agencies in Northwest Tennessee have fielded inquires from major corporations regarding the Cates Landing site's suitability for development. In all more than One Billion Dollars (\$1.0 Billion) in projects have investigated the area as a potential site for transportation and manufacturing facilities. Most if not all found the site to be ideal, but for the presence of a fully developed Port and Industrial Park. The projections found within this Application are based on modest 10% factor in determining the impact. Everyone who spends any time reviewing this matter agrees that the impact on Northwest Tennessee, and the surrounding areas would be huge, and sorely needed in an area that has traditionally been beset by poverty and low income. This fact is the main reason why so many Federal, State and Local funding sources have stepped forward and offered support. With this combination of funding the amounts of money necessary to modestly bring this Port and Industrial Park into existence is easily within Lake County's grasp.

Lake County and its citizens sincerely appreciate the Board's review and consideration of this Application for Certificate of Public Purpose and Necessity for the Northwest Tennessee Regional Port Authority Project and Industrial Park. If there is anything further that is needed or desired, please do not hesitate to give me a call.

Respectfully Submitted



Macie Roberson, County Executive
Lake County, Tennessee

MACIE M. ROBERSON

County Executive, Lake County
Box 1 • Court House
229 Church Street
Tiptonville, Tennessee 38079

TELEPHONE
7253-7382



May 26, 2006

Mr. J.E. Williamson, Jr., Chairman
Northwest Tennessee Regional Port Authority
P.O. Box 664
Dyersburg, Tennessee 38024

Re: Agreement regarding Development of Industrial Park
and Port River Terminal

Dear Jimmy:

I confirm herein below the agreement reached by and between Lake County, Tennessee and the Northwest Tennessee Regional Port Authority ("Port Authority") regarding the development of a Three Hundred Fifty (350) acre Industrial Park adjacent to the Port and the purchase of One Hundred (100) acres for the Port River Terminal.

Current plans call for the creation of a harbor facility on or near the old casting field at Cates Landing. One Hundred (100) acres of undeveloped land will be acquired by Lake County as part of the site of the River Terminal. In addition it is extremely important to the development of the Port that an industrial park be developed for locating new industries that want or need to use the new Port facilities. Lake County has also agreed to undertake the development of an Industrial Park in conjunction with the creation of the Port facility.

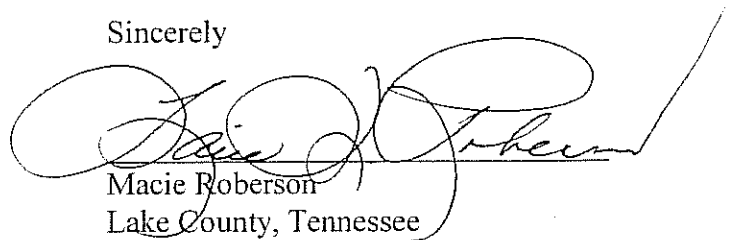
Lake County agrees to fund the acquisition of the undeveloped land for the Port River Terminal Facility and the Industrial Park and, if necessary, to exercise the power of eminent domain. Lake County agrees further to contribute funding up to a total of \$2,750,000.00 along with various Federal, State and other Local Agencies for the overall development of the Port and Industrial Park. Once construction is completed, under the provisions of T.C.A. § 7-87-107, Lake County will convey legal title to the Port River Terminal Facility and Industrial Park to the Port Authority for management and lease. It is anticipated that the revenues generated in part from the management of the Port facilities and Industrial Park will be sufficient to pay the Port Authority's on-going operations. The Port Authority currently plans to issue Revenue Bonds to finance its obligations regarding the construction of the wet facility and dredged material disposal facilities. Pursuant to T.C.A. § 7-87-107, the Port Authority will remit to Lake County Payments in Lieu of Taxes, which will be used in part to retire Lake County's bond indebtedness hereinafter discussed.

As you know, Lake County does not have the financial capability to develop the Industrial Park out of its current funding sources. In order to develop the Industrial Park and contribute to the Development of the Port, Lake County will need to secure financing through the issuance of General Obligation Bonds. A condition precedent to the issuance of General Obligation Bonds is the receipt of a Certificate of Public Purpose and Necessity from the Building Finance Committee for the State of Tennessee pursuant to T.C.A § 13-16-207. To obtain the Certificate, the County must prepare and submit a detailed application to the Building Finance Committee setting forth the details of not only the financing but the engineering, design, revenues, costs, construction and legal actions required for the development of the Industrial Park.

The Port Authority has agreed to under take the compilation of the proposed Application and has retained professional consultants in the fields of financing, engineering, design and law to perform the various services required for the Application. This letter agreement serves as a portion of this Application. The Port Authority will fund the costs of preparing the application including the costs of the professional services required therewith. Once completed the Application will be submitted on behalf of Lake County. I and other Lake County Official stand ready to participate with representatives of the Port Authority in securing the Certificate of Public Purpose and Necessity, and to therefore cooperate in the development of the Port and associated Industrial Park.

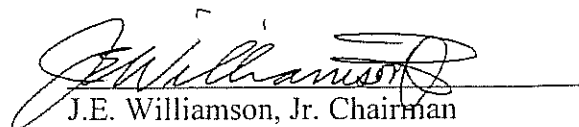
If the Port Authority is in agreement with the foregoing plan of action and funding, please indicate the same by signing this letter in the space below. This letter is intended to supercede any prior agreements between us regarding this important cooperative initiative.

Sincerely



Macie Roberson
Lake County, Tennessee

The Northwest Tennessee Regional Port Authority hereby agrees to the foregoing plan of action and funding of Lake County's Application for Certificate of Public Purpose and Necessity this 26th day of May, 2006.



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

