



FOUR LAKE REGIONAL INDUSTRIAL DEVELOPMENT AUTHORITY



Serving the Middle Tennessee Counties of Macon, Smith, Sumner, Trousdale, and Wilson

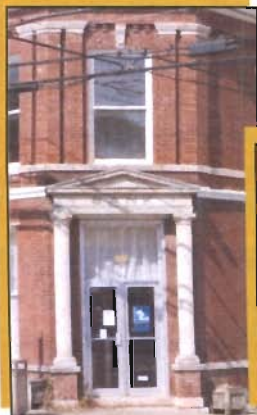
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FISCAL YEAR 2010/2011 ANNUAL REPORT & 23rd ANNUAL BOARD OF DIRECTORS MEETING

12:00 Noon
Blue Grass Yacht & Country Club
550 E. Main Street
Hendersonville, TN



FLRIDA prohibits discrimination on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation & marital or family status.

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Local & National Brochures
The Hartsville Vidette Wind-Down Article



The Four Lake Regional Industrial Development Authority is unique.

In 1974 the Tennessee Valley Authority announced construction of the **world's** largest nuclear power plant at Hartsville, Tennessee.

In 1975 the impacted counties - Trousdale (Hartsville) and the four contiguous counties (Macon, Smith, Sumner and Wilson) formed the Hartsville Project Coordinating Committee to work together with TVA to mitigate impacts as the project was developed.

In 1977 construction employment reached a high of 7,000 at the Trousdale County site.

In 1982 after progressive cutbacks, construction was halted with employment virtually eliminated, resulting in significant economic dislocations in the regional economy.

In 1983 a Farmer Home Administration sponsored analysis, "The Hartsville Project Impact Study" was released calling for the establishment of an industrial development authority to specifically focus on the work of attracting jobs to the area.

Legislation creating the Four Lake Regional Industrial Development Authority was passed by public act of the State Legislature on April 15, 1986. In addition, By-Laws were executed on May 15, 1986.

Enabling legislation (TCA 64-5-201 et seq.) states that the Authority was "created and established for the purpose of developing the resources of the region embracing the counties of Macon, Smith, Sumner, Trousdale and Wilson" More specifically, the Authority "is directed to focus its activity toward economic development and improving employment opportunities in the region"

In 1988 the Authority contracted staff and initiated a work program.

After years of contact and pleas with the then 3-member TVA Board of Directors, approximately 554 acres of the mothballed TVA nuclear site were sold to the Four Lake Authority in June 2002 for regional economic development purposes. The property (see property boundary/infrastructure map on page 3, as well as Concept Map on page 7) was purchased for the appraised value of \$1.7 million with the stipulation that the Four Lake Authority make a minimum of \$1.5 million in infrastructure improvements during the first five years of ownership. These initial infrastructure improvements (water, sewer, and natural gas lines), as well as a 750,000 gallon water storage tank, were completed in 2005.

On April 27, 2007, the Four Lake Authority made the final payment of \$1,700,000 to TVA. **PowerCom Industrial Center** was no longer a vision; it had **become a reality**. In efforts to recoup hundreds of jobs lost throughout the five-county region resulting from the abandoned nuclear plant project at this site, Four Lake continues upgrading existing buildings & infrastructure for its unique industrial/manufacturing incubator program, as well as marketing small and large parcels of land. This summer of 2011 marks the completion of a long anticipated achievement: PowerCom Industrial Center will be equipped with **3-Phase** power throughout the entire site with a back-up substation located on the adjoining TVA property - resulting in the accomplishment of **Dual-Feed Power**.



LEGEND	
	TVA PROPERTY
	POWERCOM PROPERTY



PowerCom Industrial Center



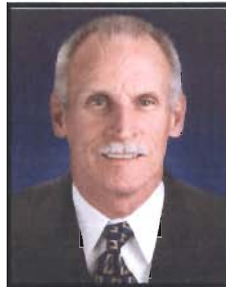
Governing Body & Staff

The Four Lake Regional Industrial Development Authority's administrative attachment is with the State Department of Economic and Community Development.

The Authority is governed by a twenty-one member Board of Directors comprised of the following:

- county mayors/executives of each of the five counties in the region;
- mayors of each county seat municipality in the region, except for Trousdale County (a Metro Government) wherein the County Executive shall appoint a citizen to serve as ex-officio member of the Board;
- mayor of any incorporated municipality in the region with a population in excess of 25,000 (Hendersonville & Mt. Juliet);
- a representative from the Industrial Development Board of each county;
- a representative of the Governor;
- a State Representative and State Senator serving said region; and,
- the representative of the U.S. Congressman serving the Four Lake region.

An Executive Committee, comprised of one Board member from each of the five member counties, provides direct oversight for the Authority's operations. The Executive Committee meets quarterly, or more frequently if required. Members serving for the 2010-2011 fiscal year were the County Mayors/Executives of Macon, Smith, Sumner, Trousdale, and Wilson as follows:



Chairman
Anthony Holt
Sumner County Executive



Vice-Chairman
Randall Hutto
Wilson Co. Mayor



Sec./Treas.
Michael Nesbitt
Smith Co. Mayor



Trousdale Co. Rep.
Jake West
County Executive



Macon Co. Rep.
Shelvy Linville
County Mayor

Other Board members serving for the 2010-2011 fiscal year included:

Macon County

J. Y. Carter, Mayor of Lafayette
Jon Hesson, Industrial Dev. Board

Smith County

Sabra Hodge, Mayor of Carthage
Phillip Piper, Industrial Dev. Board

Sumner County

Jo Ann Graves, Mayor of Gallatin
Scott Foster, Mayor of Hendersonville
Thomas Neal, Jr., Industrial Dev. Bd.

Trousdale County

James McDonald, Commissioner
Philip Holder, Industrial Dev. Bd.

Wilson County

Philip Craighead, Mayor of Lebanon
Ed Hagerty, Mayor of Mt. Juliet
Phil Smartt, Industrial Dev. Board

U.S. Congressional Rep.

Carroll Carman for Diane Black

Governor's Representative

Stephen Chambers

State Senator

Mae Beavers

State Representative

Mark Pody

Staff for the Authority includes:



Donna E. Arrington
Asst. Director/Pgm. Mgr.
dafourlake@aol.com



Jerry C. Clift
Executive Director
jcfourlake@aol.com



Teresa L. Carman
Office Mgr./Secretary
tlcfourlake@aol.com

Affiliated professional support includes (but not limited to):



www.tvaed.com



www.tn.gov/ecd



www.gnrc.org



www.ctas.tennessee.edu/



www.mtida.org



www.ttchartsville.edu



Small Bus. Dev. Ctr.
www.volstate.edu/TSBDC



www.rurdev.usda.gov

POWERCOM INDUSTRIAL CENTER



The PowerCom name and logo were created for the property to reflect the industry-specific marketing plan developed to target companies with a need for a dual-feed, uninterrupted power source. By the fall of 2011, the entire site will contain **3 Phase Power**, as well as a **back-up substation**. There are also plans to equip the PowerCom Industrial Center with state-of-the-art telecommunication capabilities. The availability of a large acreage site, navigable river access, a business incubator, and 328,000 square feet of available warehousing space (see pages 12 & 14 for building locations) are also emphasized in Four Lake's marketing efforts.

Two independent, nationally-recognized site certifications have been achieved for the PowerCom site - a Target-Industry Specific Site with TVA/McCallum-Sweeney Consulting in 2004, as well as a Deal Ready Site through MTIDA/Lockwood Greene in 2005.

Four Lake's 54,000 sf Spec. Building was completed in 2008. A Lease/Purchase Agreement, as well as a Right of First Refusal for adjoining 5.35 acres were completed in March, 2011 with V&C Manufacturing (producer of commercial adhesives) and Christy's (distribution center from California). Concrete floor, dock and office improvements are on-going at this time.



CCA CORRECTIONS CORPORATION OF AMERICA

FACTS ON COMPANY HISTORY, COMMUNITY FACTS AND LOCALIZED IMPACT

TROUSDALE CORRECTIONAL CENTER

Location

- Troup County Correctional Center will be located in unincorporated Troup County, Georgia, near the intersection of US 42 and SR 100, approximately 10 miles north of Dalton.

Facility

- The facility will have a planned capacity of 2,040 beds.
- The facility will be designed according to CCA's proprietary, proprietary model, which incorporates the latest in state-of-the-art architecture and technology.

Customer

- Troup County is the sole provider of CCA's services offering open to the State of Georgia, Georgia's largest provider of corrections services.

Infrastructure

- Located in the State of Georgia, the CCA project is offering open to the State of Georgia, Georgia's largest provider of corrections services.
- The facility will be designed according to CCA's proprietary, proprietary model, which incorporates the latest in state-of-the-art architecture and technology.
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Timeline

- Troup County is the sole provider of CCA's services offering open to the State of Georgia, Georgia's largest provider of corrections services.

CCA HISTORY

Partnering in the State of Tennessee

- In 2008, CCA was awarded a contract by the Tennessee Department of Corrections to provide corrections management services to the State of Tennessee.
- CCA has completed or is currently completing the following projects in the State of Tennessee:
- 11 County Jail/Prison Units, 1000 prisoners in each facility
- Nashville County Correctional Center, Nashville, Tenn.
- Wilkes County Correctional Center, Wilkesboro, Tenn.
- Shelby County Correctional Center, Memphis, Tenn.
- Blount County Correctional Center, Blount County, Tenn.
- South Central Correctional Center, Cookeville, Tenn.
- West Tennessee Correctional Center, Nashville, Tenn.
- Wilkes County Correctional Center, Wilkesboro, Tenn.

Corrections Corporation of America (CCA), the nation's largest provider of corrections management services to federal, state, and local governments, announced its intent on February 22, 2008 to construct Troupdale Corrections Center (on a 108 acre site) in the PowerCom Industrial Center. With its corporate headquarters located in Nashville, CCA designs, builds, finances, owns, operates, and manages correctional and detention facilities.

CCA's site-prep construction efforts began in April, 2008. Presently, the project's facility construction is "on hold", due to the Nation's economic downturn and budget restraints in each state. Once completed, the facility has a planned capacity of 2,040 medium-security beds, employing a minimum of 350 personnel in security, facility management, accounting, nursing, human resources, business management, quality assurance, teaching and education administration. The workforce will have full benefit packages; 85% of the total employment will be drawn from the Four Lake region.

An adjoining dock and eight warehouse/incubator buildings in Village One of PowerCom Industrial Center have undergone extensive rehabilitation since January, 2010. Continued plans are underway for a complete “face-lift” of all buildings within the PowerCom site.



Before



After

Four Lake’s website (www.fourlake.org) activity continues to grow; an extensive update has occurred throughout 2011 - and is always on-going. The completion of a Master Concept Map prepared by TVA’s Technical Services Division occurred in April, 2011. A total of three Concept Plans - Small Acreage Lots, Large Acreage Lots, and a Mixed Lot Concept with Buildings - will prove invaluable with Four Lake Marketing efforts. Mapping support was obtained from previous records of TVA, CCA, and GMC engineering firm.



As part of Four Lake's marketing efforts for the PowerCom Industrial Center, the following are recent examples of 1/2 page printed advertisements appearing in two leading trade publications that track world-wide economic development.

Your address for productivity.

446 ACRE INDUSTRIAL SITE

- Dual-Feed Electric Power
- Cumberland River Access
- Clean-Air Attainment
- 54,000 sq. ft. Spec Building
- Warehousing/Incubator
Totaling 252,000 Leasable Sq. Ft.

Four Lake Authority
P.O. Box 464
100 W. Main
Hartsville, TN 37074
615-374-4607
www.fourlake.org

POWERCOM INDUSTRIAL CENTER

Companies considering expansion into Middle Tennessee should put the 446-acre PowerCom Industrial Center in Trousdale County, Tennessee, at the top of their list.

This development is certified as a target-industry specific site through TVA's Automotive Certification by McCalum-Sweeney Consulting. The site is also a "Deal Ready" site certified through the Middle Tennessee Industrial Development Assn. by CH2M Hill/Lookwood Greene. Local workforce training is provided by the Tennessee Technology Center at Hartsville.

As seen in the Nashville Business Journal's 2011 Book of Lists.

Trade & Industry Development
Data Center Issue
July/August, 2011



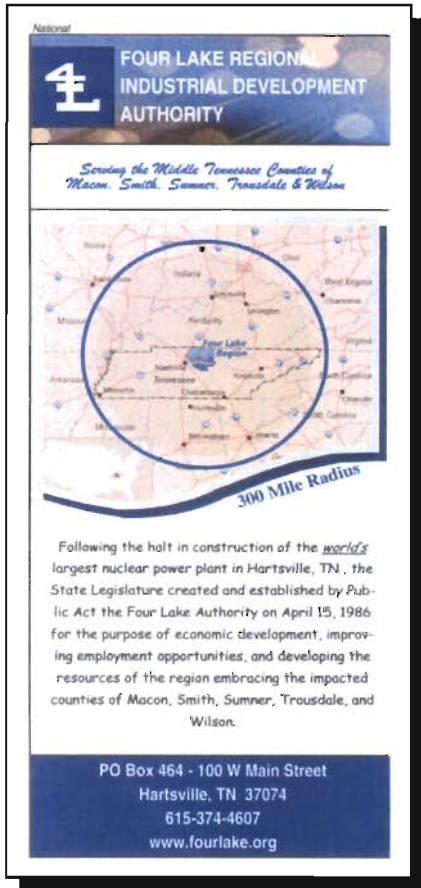
446 ACRE INDUSTRIAL SITE

CERTIFIED DEAL READY SITES

- Dual-Feed Electric Power
- Cumberland River Access
- Clean-Air Attainment
- Warehousing/Incubator
Totaling 252,000 Leasable Square Feet

Four Lake Authority
615-374-4607
P.O. Box 464
100 W. Main
Hartsville, TN 37074
(Nashville's neighbor)
Please visit us soon at www.fourlake.org

POWERCOM INDUSTRIAL CENTER

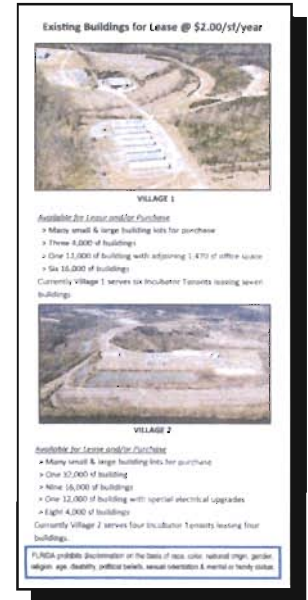


For additional marketing purposes, tri-fold brochures were developed and printed in-house. Two versions were created - one for local distribution and the other for national distribution. The only difference in the two versions is the back-fold. The Local brochure lists Four Lake's Board of Directors and Professional Support Organizations; the National brochure includes Village 1 & Village 2 aerial photos with a listing of available buildings. Both brochures can be found in the back cover pocket.

Local



National



Beginning in March, 2011, the original outer boundaries of the PowerCom site were surveyed and marked with 200 angle iron posts and ten larger "Four Lake" iron markers (pictured at left) through a TVA/Special Opportunities County Grant. This achievement has been long overdue. Prospects now have an accurate vision of boundaries when assessing a desired location within the PowerCom site.

BUSINESS INCUBATOR

The Business Incubator Program, owned and operated by the Four Lake Authority, currently leases 12 buildings totaling 109,470 square feet to ten businesses employing 36 persons. See pages 10-15 for current/active tenant locations & photos in Village 1 and Village 2.

The following is a summary of graduates and current tenants:

- ✓ Armster Reclaimed Lumber, a Connecticut-based entity, refurbishes reclaimed lumber from the land, buildings, and rivers. A division opened at the PowerCom site September, 2008 in a 12,000 sf building with one acre of barren land. The current economic times forced the closing of the TN division on 06/01/09.
- ✓ Covenant Plastics (formerly known as Covenant Displays), after eight years as an Incubator tenant, graduated in 2003 to a new location in Lebanon. The company produces special-order acrylic display stands, primarily for the religious bookstore market. This family-owned business employs seven.
- ✓ Cowan International, Inc. graduated from the Incubator eleven years ago, moving to a permanent location in Red Boiling Springs. The company manufactures cabinetry for the high-end residential market. This family-owned and operated business employs 16.
- ✓ ElecMech Salvage located to a 4,000 sf building in May, 2005. This family enterprise originally began in Cumberland Gap, TN and employs three. They rehab switch boxes and other heavy electrical equipment mainly for mining operations. Mitchell Gibson, owner (see photo on page 13), is always looking to expand.
- ✓ North Central Recycling, a regional trash recycling entity for the North Central Tennessee area, utilizes Trousdale County inmate labor. Since 1994, NCR occupies a 16,000 sf building and continues to provide a valuable service for the Four Lake region (see photo on page 13).
- ✓ Piedmont Gallery, Inc., a flooring and millwork manufacturer with its home office in Fairview, TN, located the cabinetry division and three employees to a 4,000 sf building in October, 2008. This manufacturer utilizes modern-day lumber, as well as river-reclaimed wood types, in the building, designing, and installation of hardwood floors, cabinets, high-end furniture, etc. The owner, Leo Berg, plans to expand the cabinetry division into a second PowerCom 4,000 sf building (see photos on page 15).
- ✓ RDP Properties located to a 4,000 sf building on November 1, 2010. Currently, the two employees are using the building for storage; plans are to work on-site restoring antique vehicles.
- ✓ RMT Mowers, formerly known as A.P. Hicks Ent., Inc., began operations 08/01/07 in a 12,000 sf building, including the two mobile trailer offices located thereon. This operation repairs mowers for state/county/city and contract highway mowing. The current downturn of the nation's economy forced hard times on this company. They left the PowerCom site 04/15/09.



- ✓ Smith County Industrial Coatings, an Incubator graduate of 18 years, has recently fallen on difficult times at its location in Gordonsville. The company was forced to close this year.
- ✓ Southern Debindery occupies two 4,000 sf buildings where they recycle/rebind out-of-edition textbooks. The Lebanon-based company employs three.
- ✓ State of Tennessee/Division of Geology, leases a 4,000 sf building for the storage of rock/core samples gathered in the region. A tenant since 2000, this division of the State's Department of Environment and Conservation studies, analyzes, and records the core findings for future reference. This Geological Division employs two.
- ✓ SunFresh Farms moved to a permanent location on the Wilson County and Smith County line 13 years ago. This family-owned and operated firm produces, packages, markets and ships vegetables and berries for regional markets. They currently employ 6 persons.
- ✓ TN Spring & Metal (formerly known as General Spring) continues to operate its spring manufacturing facility at the site - since 1992. They currently employ 7 and occupy the same 32,000 sf building in Village 1. The industry filed for Chapter 11 bankruptcy in September, 2008 but continues to operate as a newly-reorganized manufacturer.
- ✓ Tennessee Valley Authority leases one 16,000 sf building for the warehousing of varying types of temperature-sensitive instruments, as well as equipment. A tenant since the land transfer and payment in April, 2007, TVA has continuously proved to be a good, helpful neighbor to the Four Lake Authority. The flood of May, 2010 heavily damaged the contents of this building.
- ✓ V&C Manufacturing & Warehousing, a new division of special-order industrial adhesives produced by Volunteer Adhesives of Lafayette, began manufacturing at the site in March, 2010. The new line of PVC adhesive for the plumbing & irrigation industry is currently produced in a 12,000 sf building in Village 1 previously leased by Volunteer Adhesives from 1999-2003. A 1,470 sf lab is also utilized by the 12 employees, as well as a 4,000 sf building for warehousing. V&C and a California distribution center (Christy's) have recently acquired the PowerCom Spec. Building under a Lease/Purchase Agreement.
- ✓ Victory Truck Lighting, formerly known as SOLAS Parts, Inc., located to a 4,000 sf building in April 2006. Two family owners sell new and used truck parts and lights to businesses and small owner operators. Gary Waddell, owner, works diligently to supply customers with a quick turn-around.
- ✓ Volunteer Adhesives relocated to Lafayette in 2003 and continues to thrive in its 30,000 sf building. A producer of special-order industrial adhesives, the company employs 21 full-time workers.











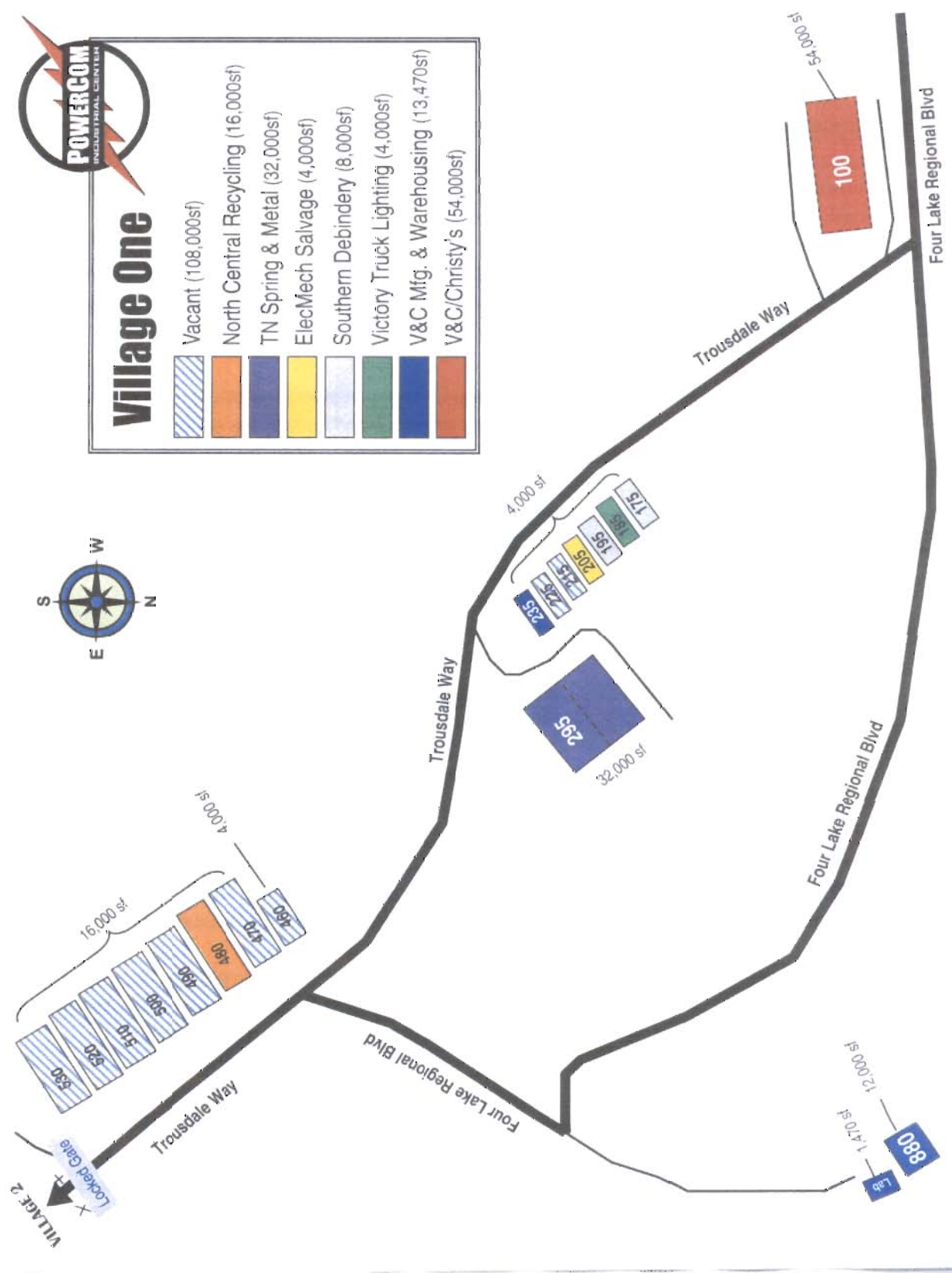
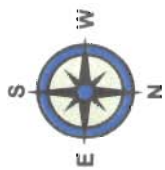
May, 2010 Flood

Waterlines from the CCA property line along Sumner Way are currently being laid to tenants in Village 2. Infrastructure needs throughout the PowerCom site will always be in some sort of "construction mode", as well as the repair & maintenance of existing buildings, roads and the Four Lake river dock.



Village One

-  Vacant (108,000sf)
-  North Central Recycling (16,000sf)
-  TN Spring & Metal (32,000sf)
-  ElecMech Salvage (4,000sf)
-  Southern Debinery (8,000sf)
-  Victory Truck Lighting (4,000sf)
-  V&C Mfg. & Warehousing (13,470sf)
-  V&C/Christy's (54,000sf)





**VILLAGE 1
TENANTS**

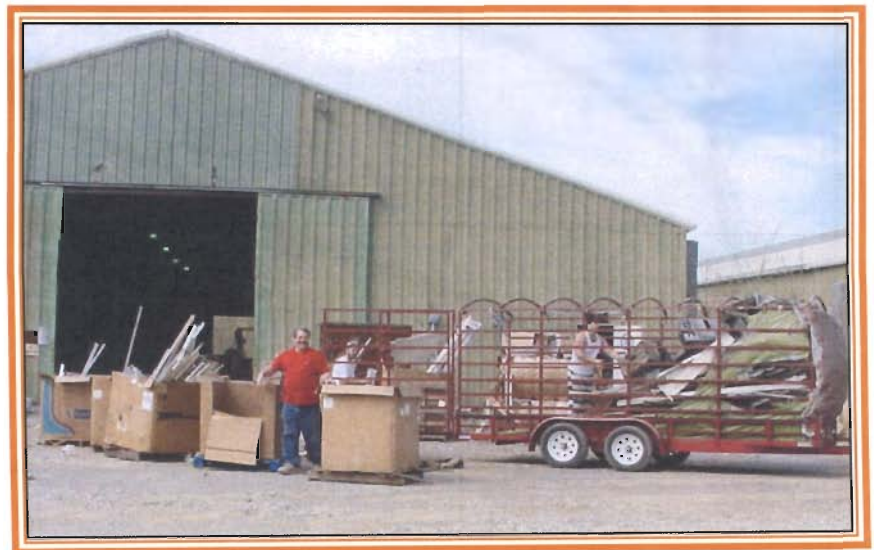


★ V&C ★
Manufacturing



★ Mitchell Gibson,
ElecMech Salvage

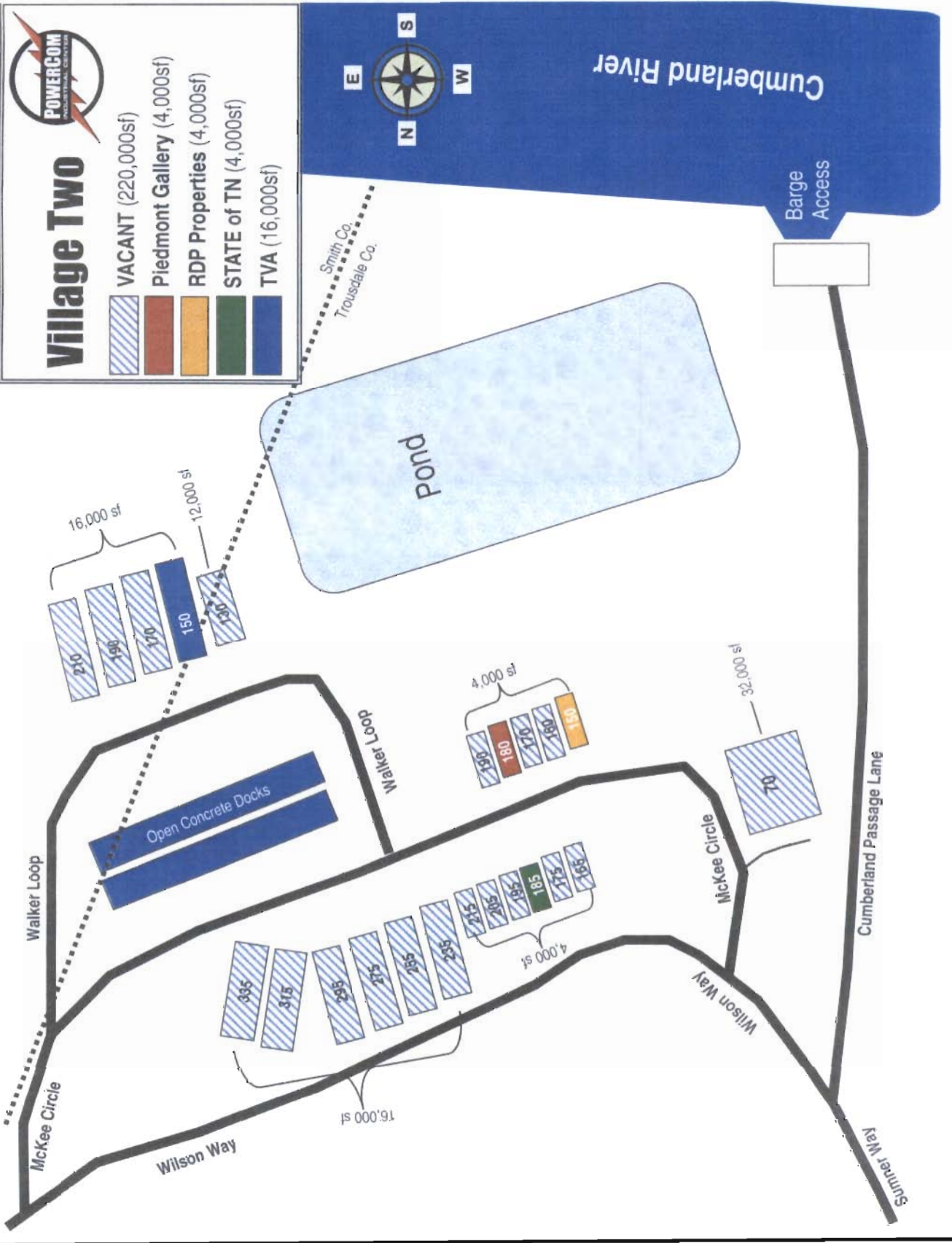
★ North
Central Recycling



POWERCOM
INDUSTRIAL CENTER TRAIL

Village Two

- VACANT (220,000sf)
- Piedmont Gallery (4,000sf)
- RDP Properties (4,000sf)
- STATE of TN (4,000sf)
- TVA (16,000sf)

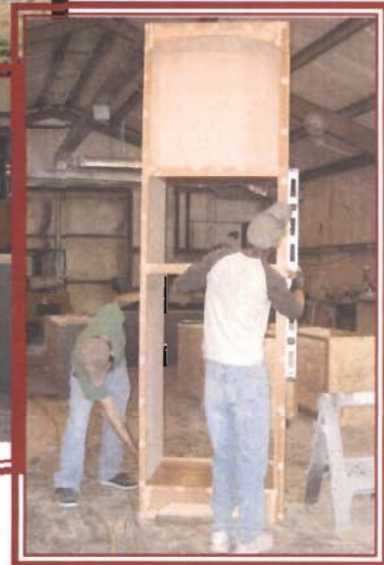




**VILLAGE 2
TENANTS**



★ Jeff, Sr. & Jeff, Jr. Stanley - Piedmont Gallery



A special thanks to our site maintenance men who have proven to be invaluable to the Four Lake office staff & PowerCom maintenance:

AB Harper :

A reliable General Contractor called upon for a plethora of planned & un-expected projects, i.e: road repair, water leaks, roof leaks, painting, plumbing, building maintenance & clean-up.



Arthur "Moose" Harper



Jeff Gregory

Gregory Lawn Care:

Jeff Gregory manicures the Spec. Building acreage & shrubs, as well as the three roadway PowerCom signage; periodically, over-growth around incubator buildings is cleared.

BUSINESS DEVELOPMENT

- ✓ Four Lake assists and houses a satellite office of the Volunteer State Community College TN Small Business Development Center (TSBDC). The Center provides group sessions and one-on-one counseling & training for small business owners and entrepreneurs needing assistance in the FLRIDA region. The services are extended to existing businesses and startups.



Charles Alexander, the Center's Director (pictured at right), as well as Dave Jose provide on-location counseling at the Four Lake office on Wednesday of the third full week each month from 8:00 - 10:00 a.m. For the convenience of interested residents of the Four Lake region, as well as the VSCC/TSBDC region, appointments may be scheduled by calling the Four Lake office.

The VSCC/TSBDC program is funded through the Small Business Administration and Volunteer State Community College.

WORKFORCE DEVELOPMENT

- ✓ The Tennessee Technology Center/Hartsville continues to increase its presence as a quality provider of technical training in the Center's five-county service area (same as the Four Lake Authority region). The Technology Center is a valuable asset to our five counties for both on-campus career centered training and off-campus specific needs centered training to meet the requirements of individual industry or business. In addition to the main campus, TTC/H has five Instructional Service Centers: Trousdale County High School, Hartsville; Tri-County Extension Campus at Red Boiling Springs; Union High Resource Center/Shalom Zone, Gallatin; Wilson County Career and Technical Education Center, Lebanon; and Westmoreland Instructional Center at the old Elementary School.



The TTC/Hartsville strives to fulfill its purpose to "provide high-quality training that is economical and accessible to all residents of Tennessee, thereby contributing to the economic and community development of the communities" in which they serve. The Four Lake Authority's Assistant Director/Program Manager serves on the TTC/H Advisory Committee.

- ✓ The Assistant Director/Program Manager of the FLRIDA is an active Alumnus of Leadership Upper Cumberland, a 15 county regional effort designed to: promote the education and training of persons for leadership and involvement in public affairs of the region; establish channels of communication among regional leaders; and, to assist in the development and enhancement of county leadership programs in each member county.



SOLID WASTE MANAGEMENT

- ✓ The Greater Nashville Regional Council, the Upper Cumberland Development District, and the State Department of Environment & Conservation have assumed direct technical support for the North Central Solid Waste Planning Region (NCPWR). The Four Lake Authority continues to supply the NCPWR, comprised of Macon, Smith, and Trousdale Counties with coordinating/liaison support as it discharges its planning responsibilities under the 1991 Solid Waste Management Act. The NCPWR's 16th Annual Progress Reports have been submitted to the State; we are currently awaiting acceptance by State officials.



NCPWR Board of Directors (l-r): Linville/Macon Co; Nesbitt/Smith Co; Carter/Macon Co; Pat Geho, Chairman/Smith Co; West/Trousdale Co

OTHER ACTIVITIES

MTIDA Middle Tennessee Industrial Development Association
2011 Community Data Profile

HARTSVILLE
Trousdale County

QUICK FACTS

County Seat: Hartsville Year Incorporated: 1833
Area in Square Miles (County): 114 Latitude: 35°47' 23.45"
Elevation: 474' Longitude: W84° 10' 30"
Market Region: Nashville
Distance From Nashville: 47 miles
City URL: <http://www.kentuckyliberty.com>
Additional Incorporated Cities within County: None

POPULATION

	CITY	COUNTY
2000 (Census)	2,393	7,229
July 2009 (Estimate)	2,393	7,822
Percent Population Change	0%	8.4%
2000 - 2009		

CLIMATE

Annual Average Temperature: 59.46°
Average High Temperature: 77.2°
Average Low Temperature: 37.5°
Annual Average Precipitation: 54.55"
Annual Average Snowfall: -
Prevailing Winds: South-Southwest
Mean Length of Frost-Free Period (days): 180-220

TAX STRUCTURE

LOCAL

	Urban Services	County
Property Tax: Rate per \$100 value	\$ 1.2386	\$ 3.00
Rate of Assessment:		
Residential and Farm	25%	25%
Commercial/Industrial	40%	40%
Personal (Equipment)	30%	30%
(Inventory Tax) Raw Materials Only:		
Long Term Debt	\$ 0	\$ 1,289,218
Assessed Valuation	\$ 18,774,542	\$ 125,463,245
School Tax	0%	\$ 0.91
Wheel Tax		\$ 40.00
Head-Month Tax		%

STATE

Sales Tax: 5.7% tax on food and food ingredients; 7% on all other taxable personal property unless specifically exempted.
Local Sales Tax Rate: 2.27%

Income Tax:

- Personal: 6% on Interest & Dividends
- Corporate Excise Tax: 6.5% of Tennessee taxable income
- Transfer Tax: 25% of the greater of net worth or real and tangible property in Tennessee. The minimum tax is \$100.
- Unemployment Tax: New Employees: 2.7% of first \$9,000

Hartsville Promote/Use Site is among several industrial sites in Middle Tennessee to be certified "Clean Fields". For complete information about the site and the Clean Fields program go to www.fourlake.com

This report was prepared with the assistance of the Four Lake Regional Industrial Development Authority, Hartsville, Tennessee.

- ✓ In cooperation with the Middle Tennessee Industrial Development Association, the Four Lake Authority assists in updating and distributing Community Data Sheets for twelve communities in the region.

Lafayette
Carthage
South Carthage
Gordonsville
Gallatin
Hendersonville

Portland
Westmoreland
White House
Hartsville
Lebanon
Mt. Juliet

The Four Lake region's Community Data Profiles, as well as others, can also be obtained from the MTIDA website at: www.mtida.org

- ✓ Assist with investment locations and expansions as requested.

NOTE: Most of the information contained in this Annual Report, and more, can be found on the Four Lake website. Please visit us at www.fourlake.org

2010/2011 GENERAL FUND

Revenues:

Rent (Incubator Buildings)	\$163,418.00
Other	152,381.00

Total Revenues:	<i>\$315,799.00</i>
------------------------	----------------------------

Expenditures:

Salaries/Benefits (ss/mc match, ins., retirement)	\$199,582.00
Travel	6,727.00
Contract Services	21,575.00
Communications	5,682.00
Office Supplies & Equipment	6,163.00
Dues/Fees/Subscriptions	3,025.00
Office Rent/Insurance/Utilities	9,868.00
Miscellaneous	5,656.00
Audit	1,895.00
Advertising	19,753.00

Total Expenditures:	<i>\$279,926.00</i>
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2010/2011 CAPITAL IMPROVEMENTS FUND

Revenues:

TVA In-lieu-of Tax	\$798,977.00
Other (grants & interest)	458,128.00

Total Revenues:	\$1,257,105.00
------------------------	-----------------------

Expenditures:

Spec. Building	\$24,190.00
Utilities (electrical/water/sewer upgrades)	23,305.00
Roads	715.00
Engineering/Administration/Insurance Fees	203,031.00
Rural Dev. Loan Payment	149,916.00
Building/Site Repairs & Maintenance	64,155.00
Other (SOC Grant match, bid ads, site signs)	17,353.00

Total Expenditures:	\$482,665.00
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2010/2011 Year-End Conclusion

“Same song, second verse - could get better . . . could get worse!” A quote from an anonymous observer rightly sums up the past fiscal year.

After 25 years serving the five-county region of Macon, Smith, Sumner, Trousdale, and Wilson, no consideration had ever been given to the possibility of termination beyond the extensive preparation required for reporting to the Sunset Review Committee, as well as the State Funding Board. That is until February, 2011 when a Caption Bill to terminate the Authority was filed in the House by Representative Pody and in the Senate by Senator Beavers.

With each Sunset Review (required by State statutes for all entities created by the Legislature) Four Lake was granted 4-8 years of continued activities in its endeavors to improve economic development and employment conditions within its region. The most recent Review on August 17, 2010 resulted in the Review Committee’s recommendation to extend Four Lake’s existence for five additional years. The recommendation passed in the House unanimously; however, at the end of the 2011 Legislative sessions, Four Lake’s extension was never brought to the floor of the Senate. Thus, on July 1, 2011, the Four Lake Regional Industrial Development Authority, by default, is officially in “Wind-Down” status.

Please see the enclosed article (back-cover pocket) from **The Hartsville Vidette** titled ***“Four Lake to go into wind-down on July 1”*** for a synopsis of the events.

Special-Called meetings of the Executive Committee were held in June and early July, 2011 to address the legal requirements for the wind-down status and to explore possibilities for a “new” Four Lake Authority should the Senate not act on the extension legislation by June 30, 2012. At that time, the Authority would be terminated as it presently exists.

“To Be or Not To Be” has become a guiding factor for the Four Lake Authority in all economic development dealings since February, 2011 of this fiscal year. We surely hope our new fiscal year of 2011/2012 will become “business as usual” for the Four Lake region.

If not, there are not enough pages to hold all the words of gratitude and appreciation Four Lake owes to all who have supported its endeavors and shared in the “regional” vision.

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Four Lake to go into wind-down on July 1

By LIZ FERRELL
Managing Editor

Four Lake Regional Industrial Development Authority will go into wind-down on July 1, 2011.

The fate of the economic development agency came into question earlier this year when Rep. Mark Pody began to publicly question how much Four Lake was costing taxpayers verses how many jobs the agency was creating.

Four Lake passed a Sunset Review last August recommending its extension for another five years, and Tennessee's House of Representatives unanimously passed the bill. But the bill still had to pass the Senate.

A recommendation by the Sunset Review Committee usually ensures passage by both bodies of the legislature and normally brings an extension of anywhere from four to eight years. Four Lake underwent Sunset Reviews in 1999 and 2006, the latter of which extended the agency's existence

through June 30, 2011.

In Feb. 15, Pody and Sen. Mae Beavers filed identically worded bills in the Senate that would terminate Four Lake Authority. But the bills were caption bills that left legislators the option to amend the bills' wording.

Ultimately, both Pody and Beavers pulled their bills, but the result was the same: because the Senate set aside the Sunset Review Committee's recommendation and took no action to pass what the House had pass, Four Lake will automatically go into a one-year "wind-down" status after June 30.

"That means the staff will have to make plans to close the entity," said attorney Bob Rochelle, who serves as counsel for Four Lake Authority. "In addition to trying to recruit industry and jobs, the staff will also have split its time with 'winding down' the organization. They'll have to meet with folks and lay plans to turn over their

assets to the state of Tennessee."

Rep. Pody said the state is cognizant of Four Lake's potential.

"It is going into wind-down, and it's a shame because I believe it's got the potential to be a very good organization with the potential to bring more jobs into our area," he said.

But Pody also said several possible scenarios for the agency's future have been discussed.

"There are several possibilities: whether TVA is interested in purchasing back the properties, whether it might sold at auction," he said. "And even though the property will revert back to the state, the state has the power to give it back to the counties...but I don't want to make conjecture yet."

"During that [wind-down] period of time we'll look at its best use and how it can benefit the five counties. ... I have met with CCA to make sure everything is going to be working out, so that won't change. They know we

want them there ... we are working with them."

Job creation

Four Lake Regional Industrial Development Authority came into existence in 1986 after Tennessee Valley Authority shut down the nuclear power plant it had begun to build on the site.

Since its creation in 1986, Four Lake has been charged with the goal of improving employment opportunities in the five counties it serves. While its numbers are modest, Four Lake's role as an incubator has helped, over the years, to create over 500 jobs and provided a base for new businesses to start up before growing into more permanent locations.

In 2007 Four Lake made the final payment on its purchase of 554 acres from TVA to build PowerCom Industrial Park. In 2008 it sold 108 of those acres to Corrections Corporation of America for the building of a

medium-security facility. But later that year, after clearing and leveling the land and building hundreds of prefabricated cells, the nation's economic downturn forced CCA to suspend completion of the prison indefinitely.

Currently PowerCom Industrial Park houses 10 tenants and 31 employees, a number that will soon increase to 46. V&C Manufacturing has entered into a lease-to-own agreement for the 54,000-square-foot spec building for California Development and will occupy the building on June 15.

Several local businesses graduated from its incubator program, including Covenant Displays, now located in Lebanon; Cowan International, Inc., now in Red Boiling Springs; Smith County Industrial Coatings, located in Gordonsville; and

SunFresh Farms, on the Wilson and Smith county line.

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FOUR LAKE

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Additionally, Four Lake continues to work to provide an infrastructure that will make the park more attractive to tenants. One goal, set out in a 2002 letter to TVA from Four Lake's former executive director Dick Walker, was to offer a location that ensures quality uninterrupted electrical power. Jim Beecham, a representative from Tri-County Electric Membership Corporation, announced at the December quarterly meeting and again at a meeting on April 8, that this goal would be met this summer.

'Set up for failure'

Meanwhile, Rochelle says Four Lake's future has been compromised by its wind-down status.

"They [legislators] may look at it again next year and decide to extend it," he continued. "But Four Lake still has an obligation, by law, to wind down its business. For instance, they have an obligation to build a road for CCA, and some facilities don't yet have power because of the lack of volume of business from CCA. So Four Lake must make arrangements for the state to assume these obligations."

Rochelle said wind-down status almost certainly sets Four Lake up for failure in fulfilling its economic development role.

"Now, finding a lessee for their other properties will be harder, because there's an uncertainty as to who will be the landlord. And because this hasn't happened before, no one knows what approach the state will take. Will it continue to do what Four Lake has been doing? Or will it sell off all the assets and put all the money in the state's bank accounts?"

Rochelle said the assets will not go back to the five counties - Macon, Smith, Sumner, Trousdale and Wilson - that Four Lake was created to serve.

"The statute says that when an agency terminates, the assets and debts go to the state," he said. "But this has never happened before. We've never had a legislator kill a job-creating entity in his home district before. How do we get companies to come in when they don't know who will be there, who their landlord will be, who will be overseeing the development of the industrial park?"

"It's going to be very, very difficult for the Four Lake staff to recruit jobs over the next year and three months, simply because of the uncertainty that's been created," Rochelle

concluded.

Obligations

Four Lake Executive Director Jerry Clift said that despite its wind-down status, the organization will still be able to complete its current projects, which include electrical supply upgrades in two separate areas of the park, known as Village One and Village Two; improvements to the spec building; water extension to Village Two; and a surveying and staking project being performed by local surveyor Carroll Carman. The projects total \$878,761.

But Clift said three obligations in particular will remain for the state to complete after wind-down: a road obligated to CCA, at an estimated cost of \$600,000; sewer extension to Village Two, to the CCA property line, at a cost of \$175,000; and repayment of a Rural Development Loan of nearly \$1.7 million.

Other projects Four Lake had hoped to enter into included providing telecommunications for the area.

"Because no business is going to come to a dead zone," program manager Donna Arrington said. "That was one of the items on our wish list.

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