



2110 North Patterson Street
 Post Office Box 1963
 Valdosta, GA 31603-1963
 Telephone (229) 259-9972
 Facsimile (229) 259-9973
 E-Mail: info@industrialauthority.com

November 12, 2009

Mr. Jay Hollis
 Project Manager, Site Acquisition
 Corrections Corporation of America
 10 Burton Hills Boulevard
 Nashville, Tennessee 37215

Dear Mr. Hollis:

The Valdosta-Lowndes County Industrial Authority is honored that the Corrections Corporation of America is considering locating a Corrections Facility in Valdosta-Lowndes County Georgia. We are committed to promoting and developing economic development in our community and stand ready to assist you in this significant business endeavor by providing the necessary resources to help you quickly develop, establish and begin operations in Valdosta-Lowndes County.

Considering your commitment to make an initial capital investment of \$120,000,000 million dollars, the creation of 400 new jobs and a timely announcement of your decision to locate a Corrections Facility in Valdosta-Lowndes County, we recommend that the Valdosta-Lowndes County Industrial Authority Board of Directors approve the following economic incentives:

Economic Incentive	Estimated Value
Tax Abatement (Lowndes County General and School Tax)	\$5,448,867
Real Estate (Land)	2,750,000
Site Access Acceleration/Deceleration Turn Lane and Roadway	500,000¹
Water/Sewer Line Extension to Site	500,000²
Phase I Environmental Assessment	3,000
Land Boundary Survey	5,000
Total	\$9,205,867

¹ Incentive capped at \$500,000

² Incentive capped at \$500,000

- **Tax Abatement (\$5,448,867)** – Corrections Corporation of America will receive a ten (10) year Schedule of graduated local tax abatement. The Schedule is based on estimates of Ad Valorem tax rates and real estate growth rates over the term of the Schedule. The term and annual interest rate of the Schedule is determined by the amount of your capital investment in real and personal property, and the number of new jobs with above average wages you create in our community over a thirty-six (36) month period. (*Tax Rate Abatement Schedule attached.*)
- **Real Estate (\$2,750,000)** – Corrections Corporation of America will receive a donation of 100 acre tract of land along US Highway 84 and Inner Perimeter Road in Valdosta, GA. The tract of land is currently zoned M-2 and is suitable for the construction of a corrections facility. Except for engineering, design and construction plans, Corporation of America should not incur any additional cost or expenses for development of the land or to begin construction of a corrections facility other than the standard construction/building permit fees identified in the Modified Package 1 Level Feasibility Study. (*Conceptual Site Layout Attached*)
- **Site Access Roadway (\$500,000¹)** - Valdosta-Lowndes County Industrial Authority (V-LCIA) will coordinate with the Georgia Department of Transportation and fund the construction of an Access Road to the proposed site with an acceleration/deceleration lane along Inner Perimeter Road.
- **Water/Sewer Line Extension to Site (\$500,000²)** – Valdosta-Lowndes County Industrial Authority will coordinate with the City of Valdosta and Lowndes County and fund the construction of water/sewer line extensions to the proposed site.
- **Phase I Environmental Assessment (\$3,000)** – Valdosta-Lowndes County Industrial Authority will coordinate and fund a Phase I Environmental Assessment.
- **Land Boundary Survey (\$5,000)** – Valdosta-Lowndes County Industrial Authority will coordinate and fund a Land Boundary Survey.
- The Valdosta-Lowndes County Industrial Authority will coordinate with Valdosta-Lowndes County government agencies to provide expedited and fast track permitting for building and infrastructure facilities.
- The Valdosta-Lowndes County Industrial Authority will commit to work with you to coordinate with the City of Valdosta and Lowndes County Georgia to negotiate the standard utility rates for commercial industrial customers and a rate term that is mutually beneficial to Corrections Corporation of America and Valdosta-

Lowndes County Georgia. The current standard commercial industrial utility rates are: (1) water - \$1.27 per 100 ccf; (2) sewer - \$2.54 per 100 ccf.

- The Valdosta-Lowndes County Industrial Authority will work with the Georgia Department of Economic Development and the Georgia Department of Community Affairs to identify and obtain Job Tax Credits through the Business Expansion and Support Act (BEST) that may be available to the Corrections Corporation of America.
- The Valdosta-Lowndes County Industrial Authority will partner with you to secure low interest Industrial Revenue Bond Financing as required.

The State of Georgia also offers a wide range of *Workforce and Job Training* programs designed to assist businesses in developing and growing to realize their full potential. These programs include:

- **Georgia Department of Labor** – Upon determination of the specific job skills required by Corrections Corporation of America, applicant recruitment, screening to company-defined criteria, referral, and provision of office space for new employee interviews is administered by the Georgia Department of Labor Career Center. The requirement to qualify is to hire at least one Georgia employee. This service is funded through the Federal Unemployment Tax Act (FUTA).
- **Georgia Hire** – Additional recruitment services are available through Georgia Hire, a unique economic development tool offered by the University System of Georgia. Corrections Corporation of America can use an easy 10-point search engine to search through resumes of college-educated students and alumni who are actively looking for employment. Students and alumni can post resumes, which remain active for 180 days, and Georgia companies can search them. Corrections Corporation of America can also post job listings for a small fee. All of Georgia's public universities and most private universities and colleges participate in GeorgiaHire.com.
- **The HOPE Scholarship** – Georgia's *Hope Scholarship* is a unique program designed to reward motivated students with financial assistance in degree, diploma, or certificate programs at any eligible Georgia public college or university. Financial assistance covers tuition, mandatory fees, and a book allowance. To qualify, the student must be a Georgia resident and must have graduated from high school in 1993 or later, with at least a "B" or 3.0 cumulative average. There are no family restrictions.

Georgia residents who choose to attend one of Georgia's public technical colleges to earn a certificate or diploma are eligible for *HOPE Grant* assistance, regardless of high school graduation date or grade point average.

On behalf of Valdosta-Lowndes County, I thank you for considering us as a location for an expansion of your corrections facility operations. We look forward to the opportunity to welcome and integrate Corrections Corporation of America into our community.

Best Regards,

A handwritten signature in black ink, appearing to read 'B. Lofton', written in a cursive style.

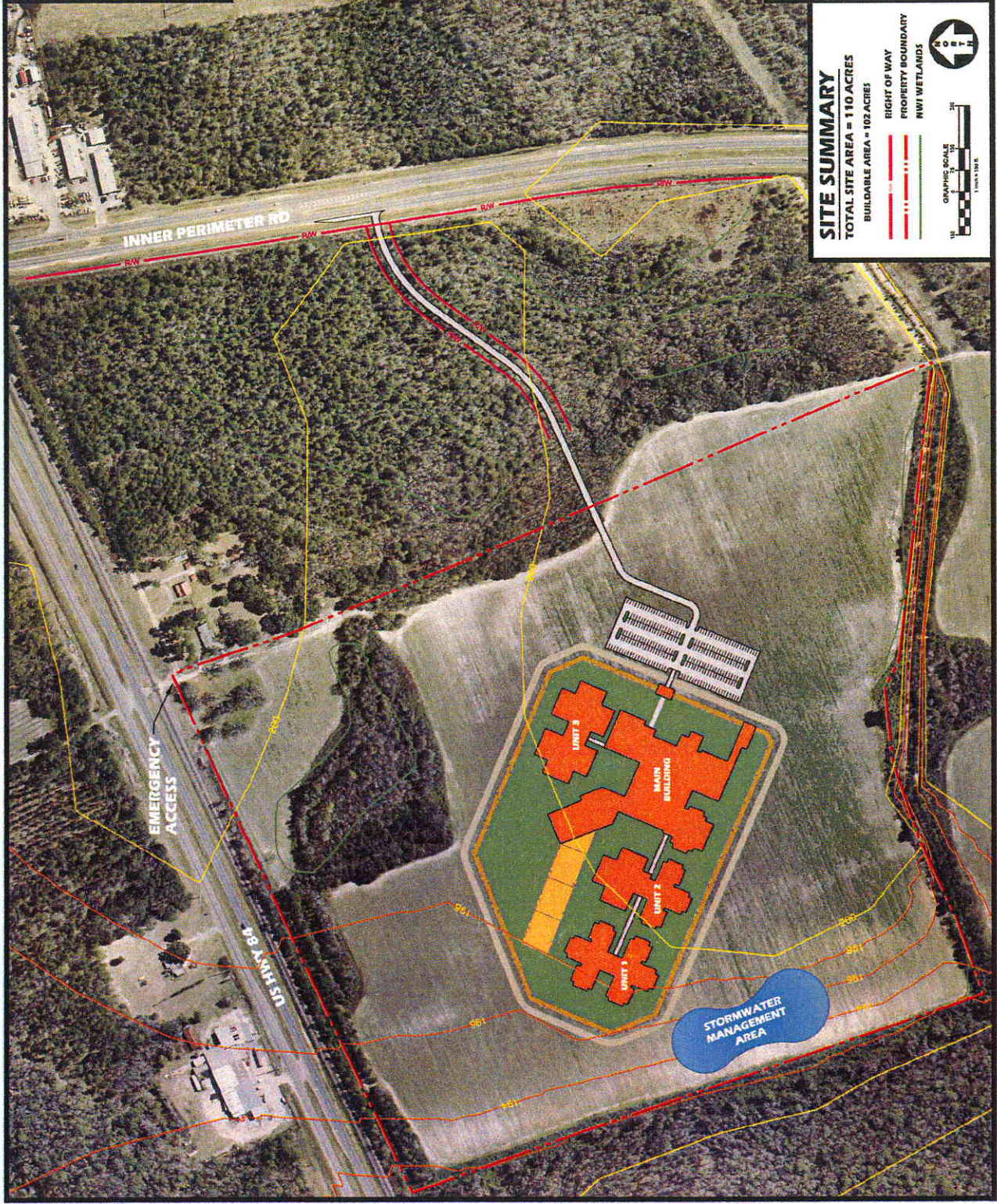
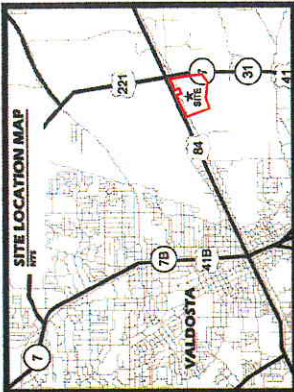
Brad Lofton
Executive Director
Valdosta-Lowndes County Industrial Authority
Valdosta, Georgia 31603

PROPOSED LEASE AND PROPERTY TAX IMPLICATIONS
PROJECT EXCEL



ASSUMPTIONS:	
ESTIMATED PROJECT VALUE - REAL PROPERTY	\$115,000,000
ESTIMATED PROJECT VALUE ISSUE - PERSONAL PROPERTY RATE	5.00%
TERM IN YEARS	10

Year	Depreciation % from County Per Prop Tax Return	Adjusted Personal Property	Real Property	Total Property FMV	40% Assessed Value	Ad Valorem Rate - County	Ad Valorem Rate - School Board	Total Ad Valorem Tax	Leasehold Estate Percentage	Prospect Portion of County Taxes	Prospect Portion of School Board Taxes (75%)	Total Prospect Portion	Exempt Portion Total	Payment to Authority	Jobs Commitment
Construction Year 1		\$ -	\$ 35,000,000	35,000,000	14,000,000	10.00%	15.10%	351,540	0.00%	-	-	-	351,540	25,000	N/A
Construction Year 2		-	70,000,000	70,000,000	28,000,000	10.00%	15.10%	703,080	0.00%	-	-	-	703,080	50,000	N/A
1	95%	4,750,000	115,000,000	119,750,000	47,900,000	10.00%	15.10%	1,202,769	7.04%	33,733	542,647	576,380	626,388	100,000	250
2	90%	4,275,000	115,000,000	119,275,000	47,710,000	10.00%	15.10%	1,197,998	14.43%	68,879	540,495	609,373	588,625	100,000	320
3	85%	4,037,500	115,000,000	119,037,500	47,615,000	10.00%	15.10%	1,195,613	22.19%	105,711	539,418	645,129	550,483	100,000	400
4	79%	3,752,500	115,000,000	118,752,500	47,501,000	10.00%	15.10%	1,192,750	30.34%	144,183	538,127	682,310	510,440	100,000	N/A
5	73%	3,467,500	115,000,000	118,467,500	47,387,000	10.00%	15.10%	1,189,888	38.89%	184,401	536,835	721,236	468,651	100,000	N/A
6	68%	3,230,000	115,000,000	118,230,000	47,292,000	10.00%	15.10%	1,187,502	47.88%	226,537	535,759	762,297	425,205	100,000	N/A
7	62%	2,945,000	115,000,000	117,945,000	47,178,000	10.00%	15.10%	1,184,640	57.31%	270,516	534,468	804,983	379,656	100,000	N/A
8	55%	2,612,500	115,000,000	117,612,500	47,045,000	10.00%	15.10%	1,181,300	67.22%	316,372	532,961	849,333	331,967	100,000	N/A
9	49%	2,327,500	115,000,000	117,327,500	46,931,000	10.00%	15.10%	1,178,437	77.61%	364,436	531,670	896,106	282,332	100,000	N/A
10	43%	2,042,500	115,000,000	117,042,500	46,817,000	10.00%	15.10%	1,175,575	88.53%	414,699	530,378	945,077	230,498	100,000	N/A
11	37%	1,757,500	115,000,000	116,757,500	46,703,000	10.00%	15.10%	1,172,712	100.00%	467,264	705,449	1,172,712	-	-	N/A
Average													8,664,936	5,448,867	1,075,000
Average													\$ 767.721		



SITE SUMMARY
 TOTAL SITE AREA = 110 ACRES
 BUILDABLE AREA = 102 ACRES

- RIGHT OF WAY
- PROPERTY BOUNDARY
- NWI WETLANDS

GRAPHIC SCALE
 1" = 100' E.L.

CONCEPTUAL SITE LAYOUT FOR:
PROJECT EXCEL
 LOWNDES COUNTY * STATE OF GEORGIA
 VALDOSTA, GEORGIA COUNTY
Industrial Authority

LOVELL LEA
 ENGINEERING
 ASSOCIATES, P.C.
 CIVIL-ENVIRONMENTAL-PLANNING

PO Box 1070 • 2001 West Parkside Blvd • Valdosta, GA 31604
 Telephone: 229.252.5000 Fax: 229.252.5152 Email: info@llea.com