

in Nashville. Financing of the residential phase of the project was being arranged through Home Federal Savings & Loan Association by Mr. Conn, a Director and Vice President of the association. The entire development was planned to be spread over a period of several years so as to take advantage of tax benefits. During this period, however, all planning and financing arrangements stopped in favor of the greater benefit to the region in the development of the Land Between the Lakes Park. The corporation, realizing the long-term greater recreation benefits of the property, rejected all offers to buy and cut the timber, and in fact, stopped encroachment on several occasions. When it became evident that the corporation would not be permitted to develop their holdings, extensive search and investigations were initiated to acquire equivalent lake and highway frontage with adjacent large acreage for a substitute for the land to be acquired by TVA. A consultant, conversant with real property and property values on both Kentucky and Barkley Lake, was engaged. Prominent Nashville developers were contacted and area real estate offices were canvassed. In other words, a concerted effort was made to find comparable property. Some of the properties investigated were the Lee Powell property on the Big Bend of Barkley Lake; the Allen Clark property on the east shore of Barkley Lake; the property (approximately 126 acres) on Highway 68 at its crossing of Lake Barkley which sold for about \$300,000; lots in Fort Leisure on Kentucky Lake were offered at \$3,950 each and lakeshore lots for \$10,000 up; Loon Bay Subdivision, Stewart County; undeveloped lots directly across Kentucky Lake from Lakeshore Development Corporation lots are selling for \$35 per front foot on the lakeshore. Highway frontage property, suitable for business, west of Scott Fitz-high Bridge sold for more than \$1,000 per acre.

I am sure you are aware of the major enlargement and improvement plans the State has for Paris Landing State Park. Two and one-half million dollars has been announced for further development of the park which is directly across Kentucky Lake from our property. This, of course, complements our property and effects upward its value.

It is obvious that the corporation has been disadvantaged by TVA because of the long delay in the purchase of this property. We offered to sell our property to TVA many months ago. We have been unable to replace it, however, with comparable land because of continuous escalation of land prices in the region. Because of our enthusiasm for the Land Between the Lakes Park and our confidence in the Government to arrive at a fair replacement value, we have not fought TVA, joined any antiantagonistic group, or contributed in any way to impede the orderly development of the Land Between the Lakes Park. The patience and cooperation of this group, we hope, will be understood and appreciated.

It was the understanding of all of us at the time of our meeting with you on the property that TVA would use as a yardstick the replacement value for comparable property. If you have knowledge of a tract of land for sale comparable to the tract now owned by us, I would appreciate your letting me know.

We definitely do not want to do anything to impede the development of the LBL area, but it looks as if we are going to have to have some help to ever get a reasonable price from TVA. I hesitate to impose upon your good nature but I sure do need help. Can you give me any suggestions or ideas?

Thanking you, I remain,

Respectfully yours,

A. J. GRAY, *President.*

TRENTON, KY., *February 21, 1968.*

Re tract No. 7SN:LBL-1.

Mr. I. M. PITTS,
*Tennessee Valley Authority,
Golden Pond, Ky.*

DEAR MR. PITTS: Thank you for your letter of January 25, 1968 in regard to your offer to purchase the 686 acres of land owned by Lakeshores Development Co., Inc., in Stewart County, Tennessee.

Our Board of Directors went over your letter and especially that part of the letter in which you state that it is your desire that the price received by our company for this land will enable our company to remain economically whole. As outlined in my letter to your Mr. Elder, under date of October 12, 1967, our