

A RESOLUTION OF THE TOWN OF SPRING CITY, TENNESSEE, ACCEPTING TVA OPTION B REGARDING TRACTS XTWBR-89 AND XTWBR-91E AND AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS

WHEREAS, the Tennessee Valley Authority (TVA) transferred certain property identified as Tract XTWBR-89 to the Town of Spring City in 1958 for municipal park purposes; and

WHEREAS, TVA correspondence dated February 20, 2026 outlines options available to the Town regarding the future use of the Spring City Boat Dock property and adjacent TVA property associated with Tracts XTWBR-89 and XTWBR-91E on Watts Bar Reservoir; and

WHEREAS, Option B allows modification of the transfer deed to permit commercial recreation use while the Town retains ownership of the transferred property and TVA considers related approvals affecting the adjacent TVA property identified as Tract XTWBR-91E.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSIONERS OF THE TOWN OF SPRING CITY, TENNESSEE:

SECTION 1. The Town of Spring City hereby elects to proceed with Option B as described in TVA's February 20, 2026 correspondence, including requesting a modification of the transfer deed for Tract XTWBR-89 and acknowledging related approvals and easements affecting the adjacent TVA property identified as Tract XTWBR-91E to allow commercial recreation use.

SECTION 2. The Mayor is authorized to execute and submit any applications, agreements, and related documents necessary to pursue the deed modification and associated approvals from the Tennessee Valley Authority.

SECTION 3. This resolution shall take effect immediately upon its adoption.

ADOPTED by the Town Commissioners of the Town of Spring City, Tennessee, on this 2nd day of April, 2026.

TOWN OF SPRING CITY, TENNESSEE

 4-2-26
Leon Locke, Mayor Date

 4-2-26
Brenda Dodson, City Recorder Date



400 W. Summit Hill Drive, Knoxville, Tennessee 37902

February 20, 2026

Town of Spring City, Tennessee
The Honorable Mayor Leon Locke
369 Front Street
Post Office Box 369
Spring City, Tennessee 37381

Dear Mayor Locke,

WATTS BAR RESERVOIR – TENNESSEE VALLEY AUTHORITY TRACT XTWBR-89 AND XTWBR-91E – PROPOSED COMMERCIAL RECREATION – TENNESSEE RIVER MILE 532.3R – RHEA COUNTY, TENNESSEE

This letter intends to clarify discussions the Tennessee Valley Authority (TVA) has conducted with the Town of Spring City, Tennessee (Town), and Wesley Dowdy (Spring City Development, LLC), regarding potential options TVA would consider for use of the transferred property at Spring City Boat Dock and the adjacent TVA property (above and below water). In 1958, TVA transferred certain tracts of land, designated XTWBR-89 along with appurtenant easement rights to the Town "to be used only as a municipal park...and for no other purpose.". TVA understands that the Town has entered into a lease agreement with Spring City Development, LLC, and this entity has an interest in further commercial recreation investment on both the transferred and TVA property. TVA has reviewed the transfer deed, TVA policies, and previous communications to determine the options available to the Town. TVA acknowledges that the park and marina have a complicated history due to the commercial nature of facilities constructed on a tract of land that was transferred for municipal park purposes. To remedy the situation, several options are available to the Town:

Option A: Utilize the land as a municipal park in accordance with the transfer deed.
The Town can operate a municipal park under a concessionaire agreement so long as the Town retains ownership of the land and infrastructure and a portion of the proceeds is used for public benefit. This would **not** allow for further commercial recreation infrastructure investment by the concessionaire or other third party. Examples of municipal park infrastructure include picnic tables, fireplaces, parking areas, picnic shelters, and other such similar facilities not subject to damage by flooding. Any agreement that would allow operation of facilities on TVA property in the easement area would require approval by TVA.

Option B: Deed modification to allow commercial recreation use and TVA's consideration of a commercial recreation easement.

TVA previously communicated that expansion of the existing marina or campground operations or other infrastructure investment by a third party would require a modification of the transfer deed to allow commercial recreation use of the transferred property. The Town would also retain ownership of the property in this case but could enter into long-term agreements with a third party, and the third party could make investments and own infrastructure on the transferred property. In allowing this deed modification from public recreation use to commercial recreation, TVA would remove any public recreation access rights and/or the right to construct public recreation water use facilities or land-based improvements on the adjacent TVA property (lands currently designated as XTWBR-91E).

Any commercial use of TVA property would require a separate operating agreement between TVA and commercial operator. Under this option and with adequate leasehold interest in the backlying transferred property, Spring City Development, LLC, would be eligible to apply for a commercial recreation easement to allow expansion and infrastructure investment in marina and other commercial recreation facilities. A commercial recreation easement would be subject to TVA's Commercial Recreation Fee Management Guideline, including payment annually to TVA. TVA's Commercial Recreation Fee Management Guideline can be found at: <https://www.tva.com/environment/recreation/commercial-recreation-management-fee-guideline>.

Option C: TVA could re-enter and takes possession of the transferred property and could consider a commercial recreation easement to a third party. The Town notifies TVA that the land is no longer needed or wanted for use as a municipal park and in accordance with the enclosed transfer deed, TVA will have the option to re-enter and take possession of the land. If TVA did take possession of land, TVA could accept applications from Spring City Development, LLC or another third party to provide commercial recreation opportunities on the reentered property and the adjacent TVA property. This easement would be subject to the conditions outlined under the Commercial Recreation Fee Management Guideline (see above website link), including payment annually to TVA.

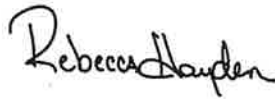
Under Option B, TVA could concurrently consider the requests for deed modification from the Town and a commercial recreation easement from Mr. Dowdy. Upon approval of the deed modification, the easement can also be executed.

Options B and C would be required to go through the standard TVA application and review process and be subject to the appropriate processing fees. As we have mentioned previously, TVA transferred this property to the Town for less-than-fair market value due to the benefit of

providing recreation opportunities to the public for little or no cost. Under Option B, the Town would continue to own the underlying fee property and the public would continue to benefit from Town of Spring City, Tennessee receiving a portion of the proceeds from the commercial operation and enhanced recreation opportunities provided by the commercial recreation development. In 2007, TVA made an offer to waive the fair market value of the deed modification. For this reason, with Option B, TVA agrees to a waiver of the fair market value associated with the deed modification request on the transferred property if a complete application is submitted on or before August 31, 2026. This allows six months to prepare the applications (from the Town for deed modification and from Spring City Development, LLC, for a commercial recreation easement).

We appreciate your collaboration and look forward to working with you on this request. We will schedule a meeting with you to cover these options and review the attached map. If you later have questions or would like to schedule a working session to review your proposal materials or hold a detailed discussion of the process and anticipated schedule for land use requests, please contact your Land Contract Management Specialist, Angela Sutton, at (865) 352-2780 or ampolly@tva.gov.

Sincerely,



Rebecca Hayden
Director
Public Land Management

Enclosure

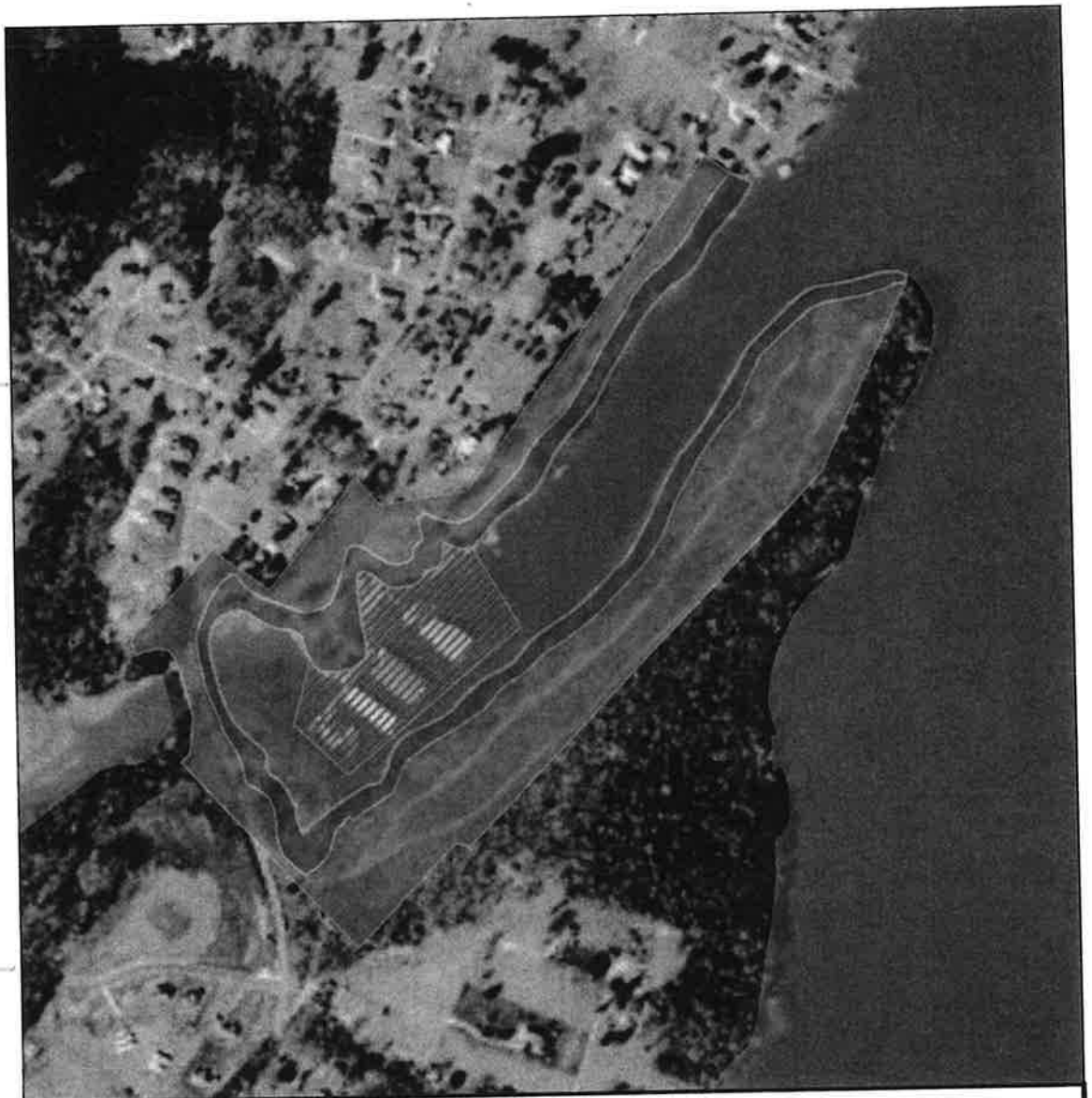





Exhibit Map

-  Potential Deed Mod Location (XTWBR-89)
-  Potential Easement Area
-  Potential Harbor Limit Easement Area

Town of Spring City
 Potential Project Area
 XTWBR-89/XTWBR-91E
 Tennessee River Mile 532.2R

Map Reference:
 C/D Stage: 5
 Quad: 118NE



Public Land Management

Watts Bar Reservoir



February 20, 2026