

ATTACHMENT
FLOODPLAIN STATEMENT OF FINDINGS
DEPARTMENT OF ENERGY LOAN TO NEXT AUTOWORKS LOUISIANA, LLC
(FORMERLY V-VEHICLE COMPANY) FOR AN ADVANCED TECHNOLOGY
GASOLINE VEHICLE MANUFACTURING PROJECT IN MONROE, LOUISIANA

The U.S. Department of Energy (DOE) proposed action is to issue a loan to Next Autoworks Louisiana, LLC (Next Autoworks Louisiana) – formerly V-Vehicle Company – for the production of an advanced technology gasoline-powered vehicle named the V Car. Next Autoworks Louisiana's project would include the expansion and reequipping of a Monroe, Louisiana manufacturing plant, formerly the Guide Plant (see Figure 1). The existing facility is 425,000 square feet, and would be increased to approximately 800,000 square feet. Out of three planned construction phases, and under the terms of environmental permits obtained, Next Autoworks Louisiana has almost completed Phase 1 activities, which included performing demolition and remediation activities to address waste materials left from Guide Plant operations, and the relocation of Bennett Bayou channel, a perennial stream that runs through the property. Phase 1 activities were undertaken using sources of funding other than a DOE loan. Construction Phases 2 and 3 are expected to be initiated shortly after the loan closes, and would include renovation of the existing building and expansion of the existing facility, respectively.

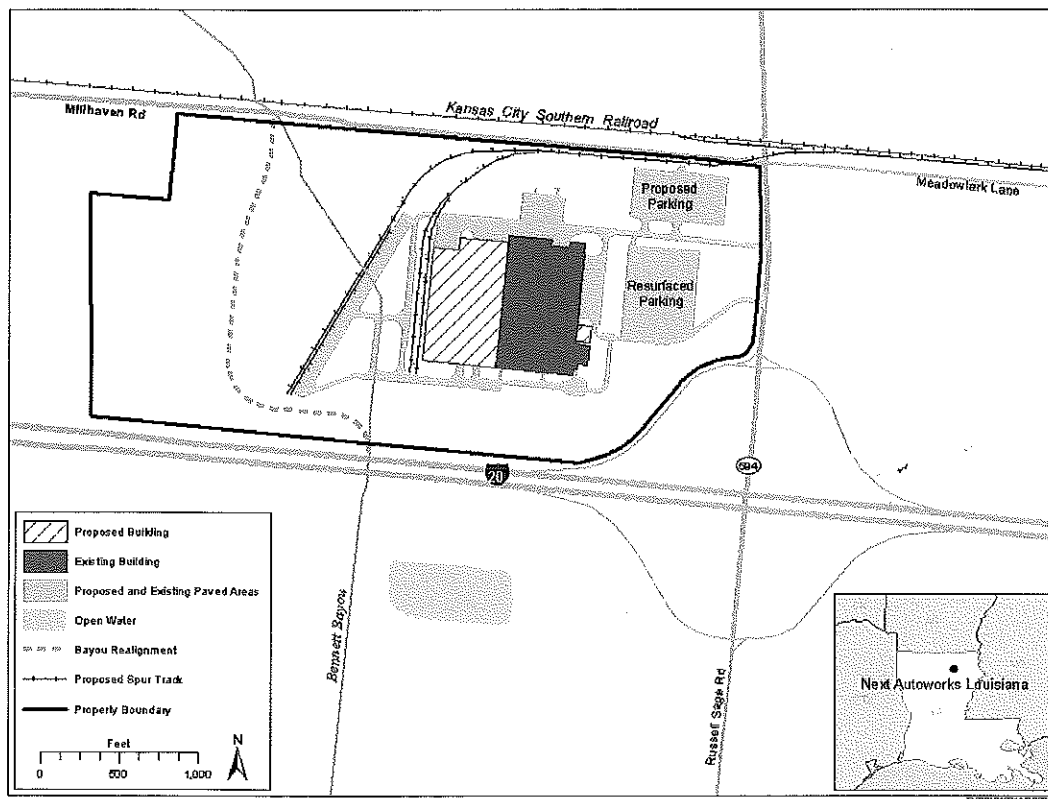


Figure 1. Map of Proposed Next Autoworks Louisiana Automotive Assembly Facility, Monroe, Louisiana

The 182.2-acre project property is part of the Lafourche Bayou floodplain and is within the 100-year and 500-year floodplains, as determined by the Federal Emergency Management Agency (FEMA). The 500-year floodplain is mapped where the existing 425,000-square-foot building sits, while the 100-year

floodplain is mapped throughout the rest of the property (see Figure 2). The site does not fall within a designated floodway area.

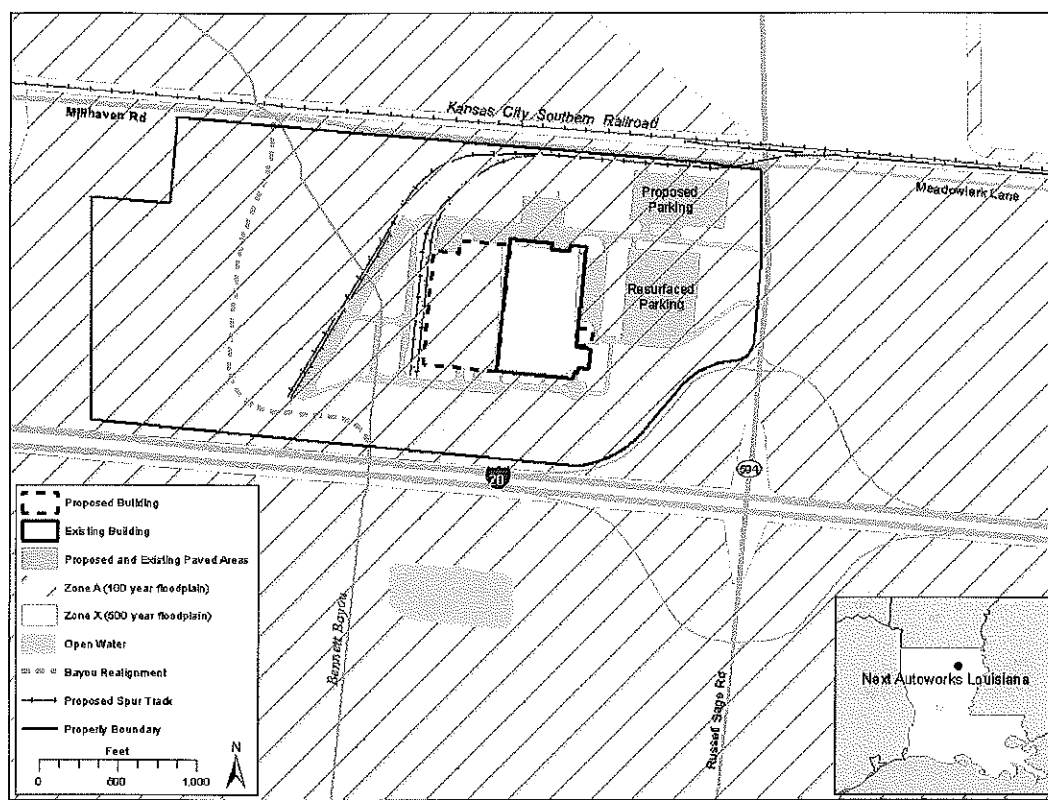


Figure 2. Floodplains at the Project Site

Next Autoworks Louisiana considered several alternative locations using a site-selection process for its proposed automotive plant. The Next Autoworks Louisiana preferred option was to re-tool and re-use an existing industrial facility in the southeast United States in accordance with Next Autoworks Louisiana's business and logistical models. To assist with site selection, Next Autoworks Louisiana hired a site-selection consultant, a construction, development and environmental advisory service, and a design/build general contractor. Utilizing these resources and comprehensive site-selection criteria, Next Autoworks Louisiana executed an 11-state search that examined more than 400 existing facilities, and performed due diligence visits to more than 15 specific sites in 9 states. Site-selection criteria included available acreage, plant size, road and rail access, labor-force availability, labor costs, environmental considerations, and socioeconomic impacts.

Based on these criteria Next Autoworks Louisiana selected three finalist locations - two re-use sites and one development-ready site. The re-use locations were the former General Motors Guide Division facility in Monroe, Louisiana, and a former Pillowtex textile plant in Phenix City, Alabama (in the Columbus, Georgia, metropolitan area). The development-ready site was the Crossroads mega site in Lowndes County, Mississippi, approximately 10 miles west of Columbus, Mississippi. In considering potential sites, Next Autoworks Louisiana weighed environmental benefits and costs against economic benefits and costs, while also considering infrastructure, technological constraints, and procedural (permitting) requirements. The State of Louisiana and local Monroe entities have provided Next Autoworks Louisiana with more than \$133 million in incentives, including \$87 million in performance-

based grants for the Monroe site. Next Autoworks Louisiana selected the Monroe site because of the combination of the re-use of an existing industrial site, state and local financial support, and favorable logistics conditions.

Given the extensive reach of the 100-year floodplain in Ouachita Parish, it would be difficult to find a practicable non-floodplain alternative location in the project area where a new facility could be built or with similar existing facility and infrastructure that could be expanded and utilized. According to floodplain maps, the eastern half of Ouachita Parish and large areas of western Ouachita Parish are within 100-year floodplains.

Next Autoworks Louisiana also looked at all expansion configuration options within the Monroe site. However, the entire undeveloped portions of the site are located within the 100-year floodplain.

DOE has determined that the proposed action conforms to applicable floodplain protection standards. DOE/EA-1732 Section 3.6.2.2 contains the floodplain assessment summarized in this statement of findings.

Construction of the addition to the facility, rail spurs, and parking lots would require the placement of fill on the property to raise the ground that is below the Base Flood Elevation (BFE)². The footprint of the expansion is estimated to include approximately 25 acres of 100-year floodplain. This would result in a loss of floodplain capacity. However, as part of the Bennett Bayou relocation, a new storm-water retention sump area has been excavated to replace 100-year floodplain capacity that would be lost as a result of the proposed action. Analysis confirmed that the sump area would compensate for the anticipated 88,250 cubic yards of fill material that would be required for the proposed building addition and the associated facilities, such as the rail spurs and parking lots. The sump area would also compensate for the estimated 9,300 cubic yards of additional storm water runoff volume generated by converting portions of the site from its existing use to impervious surface. The flood storage provided by the sump area will avoid aggravating existing upstream and downstream conditions.

The relocated Bennett Bayou channel has been sized to accommodate the 10-year storm event as required by Ouachita Parish Ordinances. Additional analysis indicated that the 100-year storm can also be conveyed without overtopping the channel during periods when there is no backwater flooding due to downstream drainage conditions. Analysis concludes that no measurable impacts on flooding conditions upstream, downstream or in adjacent areas are anticipated as a result of the project. ✓

On January 6, 2010, the Director of Public Works for the Ouachita Parish Police Jury issued a Development Permit certifying that the proposed project would not adversely affect upstream, downstream, or adjacent properties. Due to the restoration of the floodplain capacity resulting from the storm-water retention sump area, on January 21, 2010, FEMA issued a Conditional Letter of Map Revision based on a Fill Comment Document. The letter indicated that, based on the plans submitted by Next Autoworks Louisiana concerning fill levels for the new construction, the proposed facility would not be located in a Special Flood Hazard Area. The Special Flood Hazard Area is defined by FEMA as "the area that would be inundated by the flood having a one-percent chance of being equaled or exceeded in any given year (base flood)."

Flood protection measures that have been and will be implemented include the following:

² Base Flood Elevation (BFE) is the computed elevation to which floodwater is anticipated to rise during the base flood. The base flood is the flood having a one percent chance of being equaled or exceeded in any given year. This is also referred to as the 100-year flood. BFE's are typically shown on Flood Insurance Rate Maps (FIRMs).

- Construction of a storm-water retention sump area to replace 100-year floodplain capacity;
- Building addition floor slab to be constructed at 2.25 feet above BFE;
- Parking lots for storing new cars to be constructed 1.25 feet above BFE;
- Re-located Bennett Bayou channel is 15 percent larger than the original filled channel;
- Site drainage will be sloped towards the re-located Bennett Bayou channel, away from buildings and equipment;
- Existing ditches on the north, east, and south sides of the existing building will be maintained in order to preserve drainage patterns;
- Storm sewer piping to collect roof drainage, pavement runoff, and sheet flow were sized using a 25 year storm event.