

FREEMAN

COMMERCIAL REAL ESTATE

June 15, 2017

Mr. S. Kirk Bjorling
Real Estate Administrator
City of Winston Salem
100 E First Street, Suite 441
Winston Salem, NC 27102

Re: Offer to Purchase
5.31 +/- Acres Graytuck Drive

Dear Kirk,

Thank for meeting with me to review the Offer to Purchase from Powerscreen Mid-Atlantic, Inc. (Powerscreen) for the 5.31 +/- acre parcel situated along Graytuck Drive that the City of Winston-Salem owns. As we discussed, the Buyer is currently under contract to purchase the adjoining 15.46 +/- acres owned by Keen Transport. Their offer is contingent upon the purchase of the Keen property. Site Plan approval by Planning Board and City Council will be required as a condition of Closing as well.

Offering Price of \$27,500.00 per acre is below the appraised value of \$34,303.00 per acre. Several factors impacted Buyer's offer. 1. Current zoning requires a 50' Buffer along Graytuck Drive. That Buffer impacts over 20% of the property. 2. There is a stream crossing the property at the southernmost part of the property. Impact of this stream is unknown as this time but generally there are restrictions against disturbing a site within 100' of a stream. 3. Topography will require extra attention to grading and creation of building pad. 4. Access to this property is likely to only be granted from the adjoining property owned by Keen Transport. I mention this because if a sale were being contemplated by someone who was not planning to join this property with the Keen Transport property it would be very difficult, in my opinion to gain approval for access off of Graytuck Drive for industrial applications.

You asked me to provide you more detailed information about the Buyer including economic benefits to the City of Winston-Salem created by the relocation of their business from Stokes County to this property. I will detail that below:

Powerscreen Mid-Atlantic, Inc: Powerscreen is the local dealer for Terex serving North Carolina, South Carolina, Virginia and West Virginia. Powerscreen sells and rents heavy equipment manufactured by Terex. Product lines for other manufacturers are also sold and rented by Powerscreen. The company has grown at a rate of approximately 10% per year for the last three years. Future goals are to increase this rate of growth in revenue, employees and inventory.

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Employees: Powerscreen will employ 32 full time employees at this new location. 20 of those employees will be relocating from their Stokes County operation in Walnut Cove, NC. The remainder will be relocating from their Kernersville location on Indeneer Drive. As mentioned above, company goals are to increase employees by at least 10% per year.

Tax Benefit: Powerscreen will have an estimated \$18,000,000.00 in equipment, vehicles and other inventory on site. As mentioned above, company goals are to increase the amount of equipment by at least 10% per year.

Property Tax Benefit: Powerscreen plans to build a new facility on site to house business operations and maintenance facility for servicing equipment. Estimated value of improvements will be \$2,000,000.00 to \$3,000,000.00 subject to final plans and construction costs. Combined with the land value this will be increased revenue for the City.

Kirk, I believe the positive financial impact that Powerscreen Mid-Atlantic can have on the City of Winston Salem are worthy of consideration when reviewing their Offer to Purchase. I hope that you, the City Manager, The Finance Committee and finally City Council will all take this and the other information contained in this letter into consideration.

Sincerely,
Freeman Commercial Real Estate



James A. Luke, Jr.