



December 17, 2019

Ms. Cathy Barr, MBA
Ashe County Economic Development
150 Government Circle
Jefferson, North Carolina 28640

Reference: **Due Diligence - Len Horton Property**
WR Project: **06190292.0**

Ms. Barr:

WithersRavenel appreciates this opportunity to provide this summary of findings with regard to investigation of the subject site. WithersRavenel investigated a number of pertinent matters regarding the future development of the +/- 41.9-acre tract along Ray Taylor Road in West Jefferson, Ashe County, North Carolina. The site is mostly cleared and is currently being used as a cow pasture. It generally slopes from East to West with some considerable grade change. However, this grade change is not atypical for this area. The goal of this investigation is to evaluate the basic development potential of the site and to make recommendations regarding further actions needed to develop the site into a potential industrial park for Ashe County. The evaluation criteria will be similar to that provided for in the NC Department of Commerce Certified Site program but modified based on known utility limitations and with the additional goal of considering taking the site to a true shovel ready status. This shovel ready status could include the development and extension of utility and roadway infrastructure. We offer the following observations for your consideration prior to the potential purchase of the property.

Waterways & Wetlands

WithersRavenel provided an on-site review of the potential streams, waterways & wetlands as defined by the US Army Corps of Engineers and the NC Department of Environmental Quality. A sketch of our findings is attached to this letter. The sketch indicated three primary drainage features within the property boundary. Each of the features have some small wetland pockets associated with the drainage feature. Two of the drainage features were evaluated to be perennial streams and likely subject to 30-foot buffers on either side of the stream based on local codes. The third feature was evaluated to be an intermittent stream and therefore not subject to additional buffering. While our wetland scientists are very confident in their delineation, it should be noted that our evaluation did not include field verification by the USACOE at this time and therefore is not to be considered "official" for permitting purposes. According to NC Department of Public Safety Flood Mapping Program there do not appear to be any FEMA regulated floodplain areas on the subject site.

It is likely that any development of the site will require permitting to impact the streams and/or wetlands. While we can offer no guarantees, these types of permits are typical practices and are generally allowed by the USACOE provided that demonstration of no practical alternatives and avoidance and impact minimization criteria are met. Based on our experience with land development permitting, these requirements should reasonably be demonstrated provided that the proposed site development minimizes impacts. We discuss recommendations for this type of development later in this letter. The fact that the County has evaluated other sites for considerations and considers this by far the best, helps demonstrate the no practical alternative requirement. Based on our investigation of the site and floodplain information, that while restrictions exist, those restrictions are typical for this area.



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Environmental Site Assessment

The Phase I ESA performed by WithersRavenel included limited site reconnaissance, historical research, municipal research, and a database search for the above-referenced site. The Phase I ESA was completed in general accordance with the guidelines set forth in *Standards and Practices for All Appropriate Inquiries* (Title 40 of the Code of Federal Register (CFR), Part 312); *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process* (American Society for Testing and Materials (ASTM) Standard E-1527-13); and WithersRavenel's Standard Contract Conditions for Engineering Services.

The report conclusion indicates that based on WR's site reconnaissance in conjunction with a review of historical information gathered from an examination of ownership, aerial photographs, historical property uses, and public records, this assessment has revealed no evidence of recognized environmental conditions (RECs) in connection with the subject property. The full Phase 1 ESA is provided as an attachment to this letter.

Zoning

According to the published West Jefferson Zoning Map the subject property is currently in the ETJ of West Jefferson and zoned R-A (Residential Agricultural) with additional R-A zoning to the north. Further the map indicates adjoining property to the East is zoned M-H (Mobile Home), to the South adjoining property is zoned R-15 (Low Density Residential) and M-H. To the West the adjoining properties are primarily zoned M-1 (Industrial). Review of the Town of West Jefferson code suggests that for the proposed use the M-1 zoning district would be the most appropriate.

WithersRavenel contacted Mr. Brantley Price, West Jefferson Town Manager, to discuss the zoning of the property. Mr. Price confirmed the current zoning, the parcels location within the Town's ETJ and the most appropriate zoning category for the proposed use. While Mr. Price was not aware of any reasons for the property to not be rezoned should an application be filed, he did note that from time to time community opposition has influenced the Board of Aldermen's consideration of zoning applications. As the property is in the Town's ETJ annexation is not required prior to rezoning but would be required prior to any development plan approval. Mr. Price further indicated that the rezoning process would typically run about 6 weeks.

Utilities

During our phone conversation with Mr. Brantley Price, we discussed the Town of West Jefferson's water and sewer availability to the site. Sewer is on-site running along the western property boundary and water is available via a 6" water main along Ray Taylor Road. Mr. Price indicated that the Town currently has a little more than 250,000 GPD of available sewer capacity and indicated that the Town may have some concerns for a project requesting over 200,000 GPD as it would likely mean the Town would need to expand the treatment capacity at the plant. Mr. Price indicated that water capacity was less of an issue and that water pressure is consistent at 125 to 150 psi throughout town delivered by a series of wells through a primarily 6" PVC main system. While this should be adequate water for most users, this system could cause some concerns from a fire flow perspective given the flow rate restrictions in a 6" main. However, this would be true of any parcel in the area. There are things that could mitigate special water needs such as an on-site storage tank should that be necessary. The Town further expressed an interest in developing another well on the property to serve the Town's water system. A storage tank could be considered with that project as well.

The site is served by electric power from the Blue Ridge Electric Cooperative. Their local facilities include 3 phase power and a 750KV lines that should be suitable for most industries. If redundant feeds are needed, further discussions may be had with Blue Ridge. Frontier Gas serves the site with natural gas. Frontier has a 4" distribution main across Ray Taylor Road in Professional Drive that should be suitable for most industry. A 6" transmission main exists a short distance away in West Jefferson and may be reasonably accessed within a reasonable time frame via a short overland connection.

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Geotechnical

WithersRavenel sub-contract the preliminary geotechnical investigation of the site to GeoTechnologies, PA of Raleigh, NC. GeoTechnologies has extensive experience in this area of investigation and the geotechnical aspects of site development. Their report is attached. In general, they conclude the site to be suitable for development with general good residual soils and rock depths not uncommon for the area. Consideration to rock should be given when planning the site development and grading to minimize site construction costs.

Conclusions

In general, we find this site to be typical for the Ashe County area and likely among the more suitable for site development, given its proximity to public utilities, favorable soil conditions and lack of significant environmental concerns. We are not aware of any liens or restrictive covenants on the property and our research did not include any title work or have the benefit of a title package review by an attorney. A boundary survey was provided by Ashe County for review during our investigation but we were not contracted to do any field or title work to verify the accuracy of said survey. We have no reason to believe there are any issues with the survey provided. There do exist some limitations to reasonably cost-efficient site development and restrictions due to the wetlands and streams on site. We have provided a conceptual site sketch of the property that could be the basis for future development that considers these constraints. In general, we recommend that our client complete all aspect of project entitlement and permitting prior to closing on the property as that is a good business practice that minimizes risks. We understand, that is not always feasible given time constraints and the Owner's desire to close the property transfer. In this case we strongly recommend that at a minimum the property be rezoned prior to closing. We recommend that should time allow, you are able to design and permit any proposed wetland impacts prior to closing. While the impacts proposed on the concept plans are typical for this type of development there is a degree of subjectivity to the permitting process. You may also consider a basic analysis of the water system to better understand the fire flow constraints on the existing town system as some industries may have large fire flow demands. That said, in general we find the site suitable for development and are not aware of any constraints that would prevent a reasonable use of the property within the parameters discussed herein.

We appreciate the opportunity to assist Ashe County with this project and are available to answer any questions or comments. Please feel free to contact me directly at jbertoncino@withersravenel.com or at 919.369.8601.

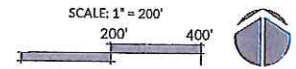
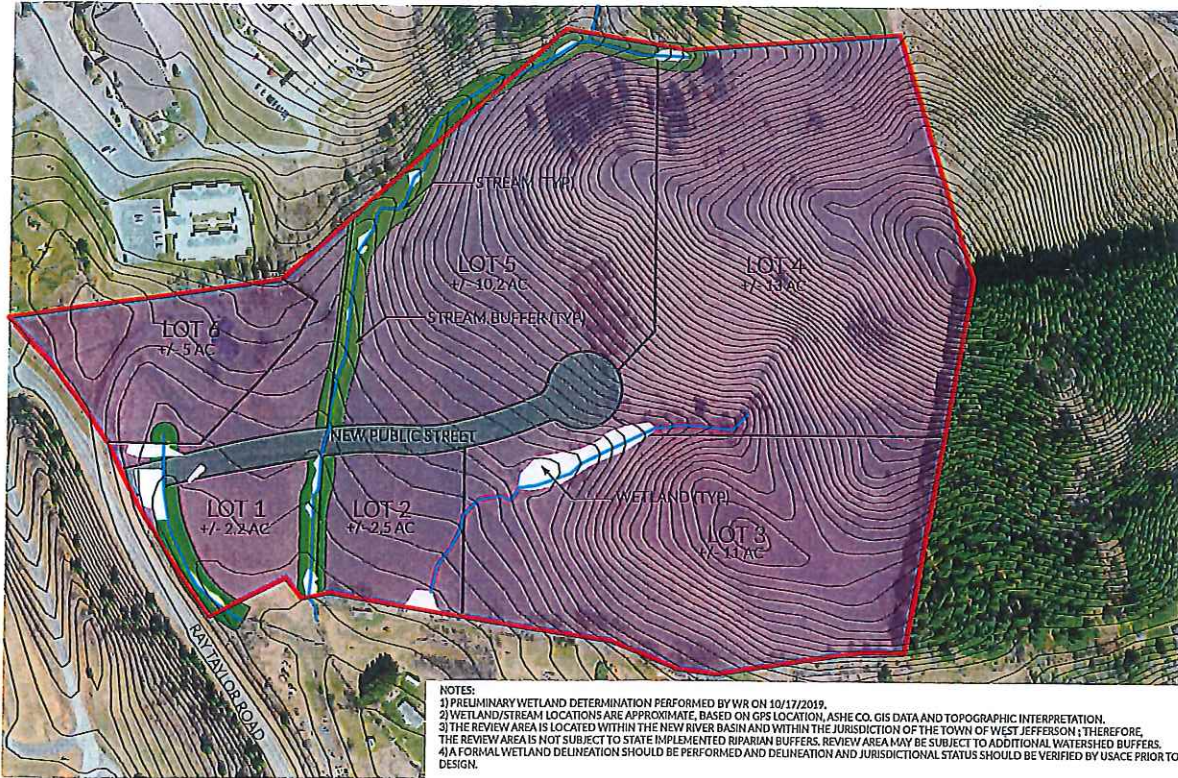
Respectfully Submitted,

Jason A. Bertoncino, PE, LEED AP
VP – Land Development

Attachments:

- Boundary Survey (Provided by Others)
- Wetland/Stream Delineation
- Phase 1 – Environmental Site Assessment
- Town of West Jefferson Zoning Map
- Preliminary Geotechnical Report
- Conceptual Lot Plan

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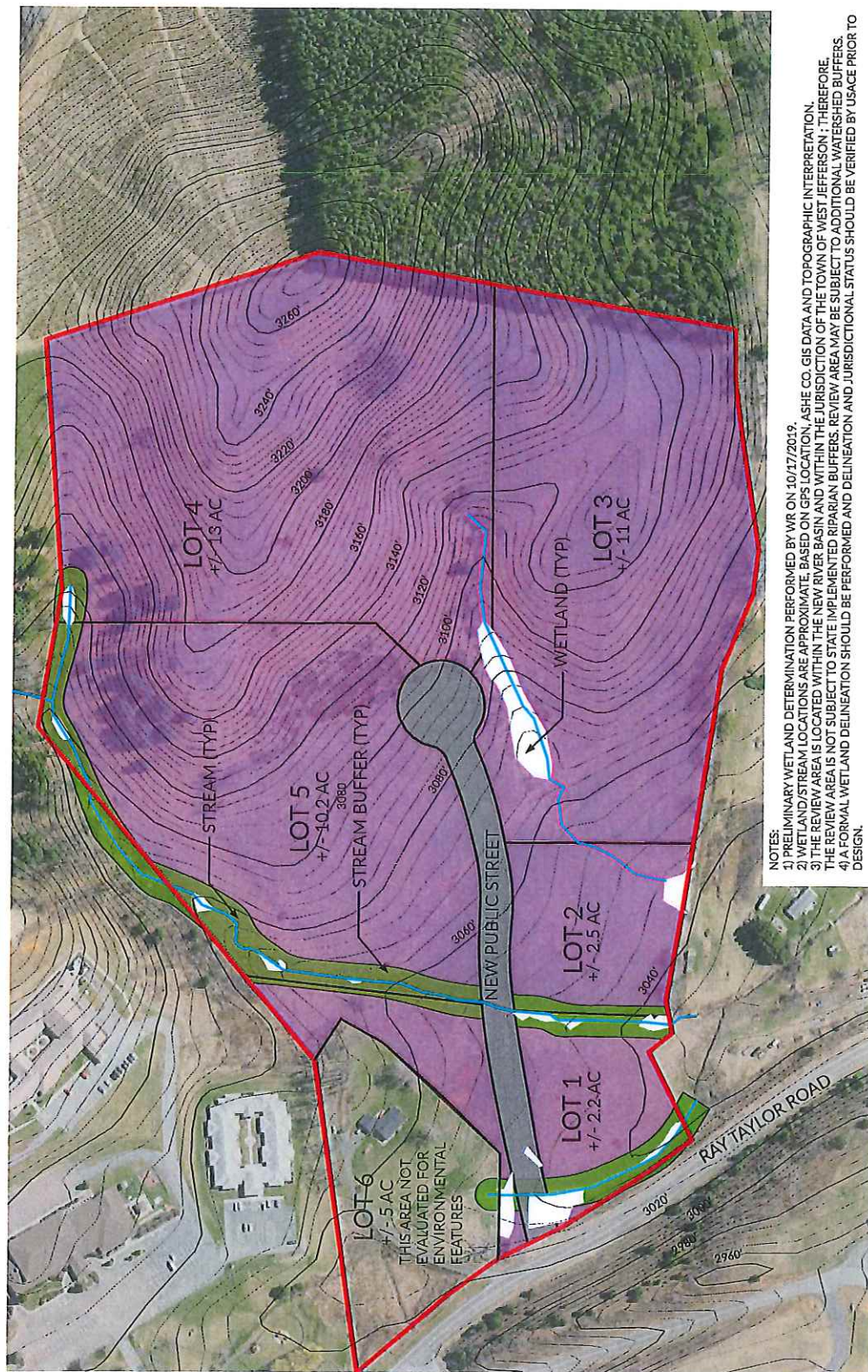
ASHE COUNTY ECON. DEV. SITE: SCHEMATIC SUBDIVISION PLAN



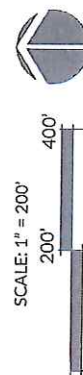
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Ray Taylor Road, Ashe County
project #190292
2019.12.06



NOTES:
 1) PRELIMINARY WETLAND DETERMINATION PERFORMED BY WR ON 10/17/2019.
 2) WETLAND/STREAM LOCATIONS ARE APPROXIMATE, BASED ON GPS LOCATION, ASHE CO. GIS DATA AND TOPOGRAPHIC INTERPRETATION.
 3) THE REVIEW AREA IS LOCATED WITHIN THE NEW RIVER BASIN AND WITHIN THE JURISDICTION OF THE TOWN OF WEST JEFFERSON; THEREFORE, THE REVIEW AREA IS NOT SUBJECT TO STATE IMPLEMENTED RIPARIAN BUFFERS. REVIEW AREA MAY BE SUBJECT TO ADDITIONAL WATERSHED BUFFERS.
 4) A FORMAL WETLAND DELINEATION SHOULD BE PERFORMED AND DELINEATION AND JURISDICTIONAL STATUS SHOULD BE VERIFIED BY USAGE PRIOR TO DESIGN.



ASHE COUNTY ECON. DEV. SITE: SCHEMATIC SUBDIVISION PLAN



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Rural Economic Development Loan and Grant Program

The Rural Economic Development Loan and Grant program provides funding for rural projects through local utility organizations. USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas. The ultimate recipients repay the lending utility directly. The utility then is responsible for repayment to USDA.

REDLG Details

- Rural areas or towns with a population of fewer than 50,000 residents
- Up to \$2 million in loans may be requested
- 10 years at 0% interest
- Repayment deferred up to 2 years
- Can borrow up to 80% of project cost

Funds Can Be Used For

- Start-up venture costs, including, but not limited to, financing fixed assets such as real estate, buildings, equipment or working capital
- Facilities and equipment to educate and train rural residents to facilitate economic development Business incubators
- Community development assistance to nonprofits and public bodies (particularly for job creation or enhancement)
- Facilities and equipment for medical care for rural residents
- Business expansion
- Technical assistance