



FRIENDSHIP ENTERPRISES

AUTOMOTIVE • INVESTMENTS • REAL ESTATE

April 17, 2017

City of Bristol Tennessee
801 Anderson Street
PO Box 1189
Bristol, Tennessee 37620

Attention: Mr. Bill Sorah, City Manager

Dear Bill,

This letter is to provide you and your team at the City of Bristol, Tennessee with an outline on what we plan to do with the abandoned Bristol Auto Auction located at 3192 West State Street in Bristol. Our plans are outlined as follows:

- > We will form a new corporation or LLC that is completely autonomous from all of our current automotive operations. Our new organization will be a separate profit center within Friendship Automotive Enterprises.
- > We will be renovating the current auto auction campus location by constructing a modern "eco-friendly" showroom, as this area is becoming a major conduit for traffic between the Pinnacle, Wellmont and our downtown area. Our project should show a significant commitment to the revitalization to this important corridor.
- > Our new location will specialize and market late model used vehicles and provide financing for these vehicles. We will also offer a service center to customers in our market area.
- > We will provide a selection of between 150 and 300 pre-owned vehicles which will allow this location to become a regional used vehicle mega center servicing customers from a 100 mile radius and beyond (due to the strong internet dominance in the automotive marketplace).
- > Our estimated investment in this location will be as follows:
 - \$1,950,000 Land Cost
 - \$1,750,000 Building Improvement Costs
 - \$350,000 Furniture, Fixtures and Equipment Cost
 - \$4,050,000 Total Estimated Investment for Project
- > Our investment in inventory will be between \$3,000,000 and \$6,000,000, depending on the time of year and market demand in the automotive industry.



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- > We expect to create approximately 25 new jobs over a period of time in addition to strengthening the current Friendship workforce due to a stronger presence for Friendship in the Bristol market.
- > Our average compensation per team member is expected to be in the \$40,000 per year range, which exceeds the average annual compensation for Sullivan County.
- > We will spend approximately \$150,000 to \$500,000 per year in marketing and advertising benefiting our local marketing companies based on our projected retail sales.
- > Our estimated retail sales dollars will be between \$15,000,000 and \$45,000,000 annually.
- > We will continue to support our local non profits through the formula currently used by The Friendship Foundation. The contribution from this location is estimated between \$12,000 and \$50,000 per year in addition to what the foundation currently contributes to our region.

Bill, we will be improving a property that has been an eyesore (to say the least) for several years, and in true Friendship style, we will make 3192 West State Street "alive and well" again allowing this area to be something Bristol can be proud to have at the entrance to our city from Interstate I-81.

We are interested in entering into a development agreement to take advantage of the Border Region legislation that aided the Pinnacle project the past few years.

I sincerely hope that the City of Bristol will approve and expedite this request as we are anxious to make this investment in our community as soon as possible.

I am available for a meeting with you and your team most anytime. Please let me know what you need from me to make this project happen as we are seeking assistance from the City of Bristol in any way that will make economic sense for Friendship to develop this property at 3192 West State Street.

I am looking forward to hearing from you and your team as soon as possible.

Sincerely,

Mitch Walters
President · CEO
Friendship Enterprises, LLC

cc. Mr. Tom Anderson
Mr. Mark Sparky
Ms. Danielle Kiser