Pre-Application Narrative

Subject: Description of Operations – Carvana Inspection and Reconditioning Center

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The proposed development is an expansion to the existing ADESA Auto Auction to construct an **Inspection and Reconditioning Center (IRC)**, a secure facility designed to streamline the storage, distribution, inspection, and reconditioning of used vehicles prior to their on-line sale via Carvana.com.

The proposed project involves the construction of a new 108,138 square foot building with an attached private car wash. This car wash will be for Carvana's exclusive use to clean vehicles being prepared for online sale. The proposed IRC is structured around an assembly-line process. Vehicles undergo a comprehensive 150-point inspection and receive necessary typical maintenance, such as oil changes, tire and brake installation, and touch-up paint for minor dings and scratches. **No major repair operations**, such as engine rebuilds, transmissions or extensive collision body work, will be conducted on site. After service and cleaning, vehicles are professionally photographed and stored on the premises until time of purchase. Additionally, the project proposes asphalt paving portions of existing gravel parking areas for vehicle storage. Re-stripping will occur across the existing parking lot to optimize the vehicle storage layout.

The proposed site will function as both a vehicle storage hub, maximizing parking for in-process and ready-for-sale inventory, and a distribution center for direct-to-customer deliveries.

The IRC is not open to the public. Only employees are permitted on the secure site, as all vehicles are sold online and delivered directly to customers or through our network of hubs to a location where the customer can come pick up their vehicle. Employee and visitor parking is separate from and located outside the primary secure area which is enclosed by an 8-foot fence, with a guard house regulating transport truck access.

Reconditioning Process

The process can be broken down into a series of integrated stages:

1. **150-Point Inspection:**
    - This is the initial and most critical step. Every vehicle undergoes a thorough, systematic 150-point inspection covering mechanical, safety, and cosmetic aspects.
    - This includes checking the engine, transmission, suspension, brakes (e.g., ensuring brake pad thickness is at least 5mm), tires (e.g., tread depth of at least 5/32"), electrical systems, and all major functions and accessories.

- The inspection also includes a review of the vehicle history to confirm no reported accidents, flood, fire, or frame damage.

2. **Mechanical Reconditioning and Maintenance:**
    - Based on the inspection results, vehicles receive necessary mechanical work to bring them up to standard.
    - This includes typical vehicular maintenance such as oil changes, fluid checks and top-offs, replacement of worn tires, new brake pads/rotors, and other small-scale repairs.
    - Crucially, the facility is designed for standard maintenance, and will not perform major processes like engine rebuilds or extensive body work.
3. **Cosmetic and Detailing Reconditioning:**
    - This phase focuses on the appearance of the vehicle. It includes minor cosmetic repairs such as fresh paint for chips or scratches and other necessary internal and external repairs.
    - The final step is a thorough premium detail and cleaning process, neutralizing odors to ensure the vehicle presents as "good as new."
4. **Photography and Annotation:**
    - Once reconditioning and detailing are complete, the vehicle moves to a specialized photography area.
    - High-quality, 360-degree interactive images of the interior and exterior are taken for the online listing.
    - Any material cosmetic defects or imperfections that remain are transparently highlighted through digital annotations on the photos, ensuring customers know exactly what they are purchasing.
5. **Inventory Storage and Distribution:**
    - Upon completion of the full process, the vehicles are logged as available inventory and stored in the secure parking lots, awaiting online purchase and final direct-to-customer distribution.

The entire process is managed via proprietary software to maintain operational consistency and efficiency across the assembly-line layout.

Facility Overview

- Size: The project includes approximately 103,854 square feet of new building area on a 135-acre site that currently contains approximately 141,396 square feet of existing building space.

- Primary Uses: Vehicle storage, distribution, inspection, reconditioning, and employee parking.

Operations

- Vehicle Storage: Vehicles will typically remain on site for an average of 60 days before being delivered to customers or retail vending machine locations.

- Sales: **All sales are transacted online** as such the site will **not** function as the point of sale for vehicles.

- Deliveries & Distribution: Vehicle transporters will deliver cars to the facility, where they will be inspected, stored, and prepared for customer delivery.

  Outbound vehicles will leave the site by truck to a regional distribution hub or be delivered directly to customers.

- Employee Functions: Staff will perform inspections, reconditioning work, and manage vehicle logistics. The facility provides significant employee parking, including capacity to accommodate the workforce.

Infrastructure & Design

- Access Points:

    - A multi-lane, gated entry equipped with crash-rated barriers will be constructed to provide secure access for trucks and other vehicles entering the southern portion of the site.

    - A secondary non-gated entry will exist for access to the employee parking area.

- Traffic & Circulation: Internal circulation roads are designed to safely accommodate truck movements, employee vehicles, and emergency services.

- Site Enhancements: Landscaping, screening, and architectural features are incorporated to ensure visual compatibility and compliance with design standards.

Community & Economic Benefits

- Employment: The site currently supports approximately 450 jobs, and with the proposed construction, total employment is expected to increase to approximately 470 positions. The project will continue to provide high-quality employment opportunities, including vehicle technicians, operations staff, and administrative personnel.
- Employee Benefits: In addition to Statutory Benefits, Carvana offers on the job training programs, education reimbursement through Carvana KEYS, and tool, ASE and CDL reimbursement.

Safety & Compatibility

- The facility is designed to meet all applicable safety, building, and environmental standards.
- Adequate setbacks, landscaping, and screening are incorporated to minimize potential impacts on surrounding uses.
- Traffic improvements and on-site circulation reduce congestion and ensure safe site operations.

Please do not hesitate to give me a call should you have any further questions or clarifications.

Sincerely,

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Carvana, LLC.