



Legislation Text

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DATE: July 27, 2017

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Mark Hilty, Assistant City Administrator - Public Works
Lisa Clayton, Parks Director
Paul Holzen, City Engineer/Director of Engineering

SUBJECT:

*Consideration of Resolution 2017-58, A Resolution Authorizing the City Administrator to Make Certain Changes to the Crescent Lockwood Parkland Dedication and Acquisition Agreement, COF No. 2016-0098.

Purpose

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution 2017-58, A Resolution Authorizing the City Administrator to Make Certain Changes to the Crescent Lockwood Parkland Dedication and Acquisition Agreement, COF No. 2016-0098.

Background

In June of 2017, the Board of Mayor and Aldermen approved an agreement with Crescent Lockwood, LLC to acquire 76.99 acres of land for development of a future park. At this location, the Harpeth River serves as the southern boundary for this property and the northern boundary for the approximately 188 acres owned by the City for potential development of a water reclamation facility and regional park, as discussed in the 2015 Comprehensive Parks Master Plan.

Since the approval of the agreement, the City has been conducting a “due diligence review” of the property. The due diligence review period concluded on July 15, 2017. Two significant areas of concern have arisen from these reviews: 1) the condition of the Robinson Lake dam; and 2) the depth of Robinson Lake is shallower than expected. These concerns have been conveyed to the owner, Crescent Lockwood, LLC.

Attached is a preliminary review of the Robinson Lake dam conducted by CDM Smith. This review identifies a number of concerns related to the dam and surrounding earth embankment areas. The dam structure will need to comply with the standards established within the Tennessee Safe Dams program which is administered by the Tennessee Department of Environment and Conservation (TDEC). Staff is continuing to work with geotechnical experts to understand what improvements would be necessary to bring the structure into compliance (including projected costs). The City also conducted a bathymetric study of the lake to determine the depth of the lake throughout. This study (attached) revealed that over half of the lake is less

than three and a half feet deep. A shallower lake may impact the various recreational uses that can be accommodated on the lake and has some implications for the operations/maintenance of the lake.

The agreement set a closing date of August 15th for the sale of the property to the City. With these outstanding concerns, it appears likely this date will need to be adjusted and that other adjustments may be necessary to the agreement between the parties. The proposed resolution grants authority to the City Administrator to modify the agreement on behalf of the Board. These modifications could include changes in the schedule for closing, modifications in the contribution by the City (a decrease only is authorized), and possible termination of the agreement. Providing this authority to the City Administrator will enable him to adjust and negotiate modifications to the agreement with the owner of the property in a timely manner to bring resolution to the issues highlighted within the due diligence period.

Financial Impact

The original agreement established a purchase price for the future park tract of \$1.5 million, to be paid to the developer with an initial installment of \$500,000 on the closing date, and additional installments of \$500,000 on the first and second annual anniversary of the Closing Date. The park parcel has been appraised at \$3.1 million. The initial installment payment is budgeted within the Parkland Dedication Fund. The development of a southeast park is included in the approved “first tier” of Invest Franklin capital investment projects with a project funding of \$13.2 million identified. This funding is for park development in the entire southeast area including both the 188 acres currently owned by the City and the 76.99 acres being considered through the agreement with Crescent Lockwood, LLC.

The City Administrator would be authorized to modify the existing purchase agreement with Crescent Lockwood, LLC, but would not have the authority to increase the financial obligations of the City.

Recommendation

Staff recommends approval of Resolution 2017-58, A Resolution Authorizing the City Administrator to Make Certain Changes to the Crescent Lockwood Parkland Dedication and Acquisition Agreement, COF No. 2016-0098.