



Legislation Text

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DATE: December 22, 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, Director of Engineering/City Engineer

SUBJECT:

*Acknowledgement of Amendment 1 to City of Franklin Contract Number 2016-0098, the Parkland Acquisition Agreement with Crescent Lockwood, LLC

Purpose

The purpose of this memorandum is to report to the Franklin Board of Mayor and Aldermen (BOMA) a negotiated amendment to City of Franklin Contract Number 2016-0098, the Parkland Acquisition Agreement with Crescent Lockwood, LLC.

Background

On June 22, 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 to complement 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 conducted a “due diligence review” of the property which identified two concerns. The primary concern, as discussed during the August 8, 2017 BOMA meeting, is the condition of the Robinson Lake dam. A secondary concern, which could be addressed during dam repairs, is the relatively shallow depth of Robinson Lake. Because of these findings, the BOMA approved Resolution 2017-58, to provide the City Administrator authority to negotiate certain terms of Contract 2016-0098.

In subsequent meetings with Crescent Lockwood, LLC, the parties have negotiated a reduced purchase price from \$1,500,000 to a single payment of \$500,000, which is budgeted in the Parkland Dedication Fund for FY18.

It is important to note that the City does anticipate expenditures to improve the dam and meet regulatory requirements as outlined in the study completed by CDM Smith. At the current dam classification, full

mitigation of the dam deficiencies is projected to cost up to \$2.5 million. In reviewing these costs with the consultant, it is anticipated that these costs can be reduced through both value engineering and by pursuing a modification of the dam's classification with the Tennessee Department of Environment and Conservation (TDEC). Based on feedback to date, the change in classification of the dam can likely be accomplished through further modelling of the dam's potential impact (or lack thereof) in a flooding/failure scenario.

In terms of the larger picture, the acquisition of this property supports what appears to be the best access option (vehicle and pedestrian) to the remainder of the Southeast Municipal Complex. This opportunity provides the City the ability to further refine designs concepts for access, the larger property with respect to the park amenities, and helps to better define wastewater treatment options should the BOMA wish to proceed in that direction.

Financial Impact

The original terms of the Parkland Dedication Agreement included three payments of \$500,000 starting in FY 2018. The contract as amended reduced the total cost from \$1,500,000 to a single payment of \$500,000 by the end of calendar year 2017. This expenditure is budgeted in the Parkland Dedication Fund for FY 2018. Overall, the City has budgeted \$13.2 million within the 2017-26 Capital Investment Program for development of a southeast park.

Recommendation

There is no specific action needed by the Board as specific authority related to modifying the purchase agreement had previously been granted to the City Administrator. Through this memorandum and discussion at the January 9th BOMA meeting, the City Administrator is updating the Board and the public of the modifications to the purchase agreement.