



## Legislation Text

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**DATE:** January 18, 2018

**TO:** Board of Mayor and Aldermen

**FROM:** Eric Stuckey, City Administrator  
Vernon Gerth, Assistant City Administrator - Community/Economic Development  
Mark Hilty, Assistant City Administrator for Public Works

**SUBJECT:**

Update and Discussion on the Cheekwood Golf Course Development of the City-Owned 54 Acre Parcel Located on the Southwest Corner of Mack Hatcher Parkway and Spencer Creek Drive as it Pertains to Wetland Mitigation and Timing of Development.

**Purpose**

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the Cheekwood Golf Course Development of the City-Owned 54 Acre Parcel Located on the Southwest Corner of Mack Hatcher Parkway and Spencer Creek Drive. Representatives of Cheekwood and staff seek guidance on mitigating a significant wetland located on the western half of the property and whether to proceed with phased development of this property.

**Background**

On September 26, 2017, the Board of Mayor and Aldermen approved Resolution 2017-72 that selected the Cheekwood Golf Course (Cheekwood) as the entity to develop the approximately 54-acre City-owned parcel located on the southwest corner of Mack Hatcher Parkway and Spencer Creek Drive. Since that time, City staff and City Administrator Stuckey have met several times with representatives of Cheekwood to discuss the development approval process, expectations for mitigating floodplain and wetlands, and to beginning drafting a Letter of Intent that will serve as the precursor of the Lease Agreement.

During these discussions and an on-site review of the 54-acre parcel, an initial boundary determination has been made for the wetland. There is an approximately five-acre wetland located on the western half of the property and adjacent to the Harpeth River that is likely to be classified as a high-quality wetland after it is evaluated by the Tennessee Department of Environment and Conservation (TDEC) representatives. The Cheekwood team understands there are yet to be determined financial and time commitments associated with the mitigation process and realizes, there is no certainty that mitigation will be approved by the Corps of Engineers. To be clear, without the Corps approval, the portion of the Cheekwood development proposal, that includes three new golf holes on the western half of the property would not be developed.

Mitigating wetlands requires approval from the Army Corps of Engineers and requires the local governing jurisdiction to be the applicant. This is a lengthy process that may take approximately twelve (12) months, and if approved, there are cost and long-term maintenance implications. City staff generally does not advocate for mitigating such a large, potentially high-quality wetland. If the Board of Mayor and Aldermen decide to support the mitigating process, staff advises that a third-party engineering firm review the application prior to it being submitted to the Corps. It is recommended this third-party engineer be selected by the City with associated expenses paid by Cheekwood.

Even with the uncertainty associated with mitigating the wetland and whether the western half of the property will be developed as proposed, staff has advised Cheekwood, that with the BOMA approval, it is possible to prepare and submit a phased Development Plan that would allow construction of the clubhouse, driving range, and ancillary structures to commence this fall and allow Cheekwood to work on the wetland mitigation process with the Army Corps of Engineers concurrently. Should the BOMA decide to allow Cheekwood to submit a phased Development Plan, the timing of the phased improvements, submittal of Site Plans, grading and construction permits, and associated performance sureties would be included in the Letter of Intent and an eventual Lease Agreement.

Cheekwood and staff seek guidance from the Board of Mayor and Aldermen:

1. Does the BOMA want Cheekwood to pursue approval from the Army Corps of Engineers to mitigate the wetlands on the western half of the property? If so, the City of Franklin is required to be the applicant for seeking this approval. There is no certainty the Corps of Engineers will approve the mitigation, meaning the western half of the property would not be developed as proposed, potentially leaving Cheekwood with a golf course on one side of Mack Hatcher Parkway, but its clubhouse and driving range on the other. If the BOMA authorizes the City Administrator to endorse this wetland mitigation application, it would be understood Cheekwood would incur all expenses associated with preparing this application, which includes preparing plans, performing field tests, and other related costs. Furthermore, prior to submittal of the application to the Corps, a review of the application and plans by a City selected third-party consultant would be completed with all associated costs the responsibility of Cheekwood.
2. Does the BOMA want to receive and consider a phased Development Plan? Essentially, the Development Plan will include two phases. One phase will include the Club House, Driving Range, and ancillary structures on the east half of the property, and the second phase would include the new golf holes on the west side of the property. Should the BOMA provide guidance to proceed with the phased Development Plan, staff and Cheekwood would work to complete the Letter of Intent to present to the BOMA during a February Worksession that outlines in more detail the process, development timelines, respective responsibilities, and performance sureties.

Based on the guidance received from the BOMA, Cheekwood and City staff will proceed with preparing a Letter of Intent with the goal of placing on a February BOMA Worksession for discussion.

### **Financial Impact**

In Cheekwood's response to the City's request for Letters of Interest, Cheekwood committed to an initial annual lease payment of \$ 72,900 in its proposal. Cheekwood representatives have indicated the driving

range and club house meeting facilities would be the primary revenue generator. Should the BOMA elect to proceed with the phased development of the property, the driving range and club house would not be impacted should the wetland not be mitigated.

**Recommendation**

City staff and representatives of Cheekwood seek guidance from the City of Franklin Board of Mayor and Alderman on whether to proceed with the mitigating the wetlands and whether to proceed with the phased development of the property with the uncertainty the wetland mitigation will be approved and the three new golf holes constructed.