



CITY OF DUNWOODY
400 Northridge Road
Suite 1250
Phone: 678.382.6700 • Fax: 678.382.6701
www.dunwoodyga.gov

MEMORANDUM

To: Honorable Mayor and City Council

From: Warren Hutmacher, City Manager

Date: January 22, 2009

Subject: Intergovernmental Agreement – Dunwoody Development Authority

A proposed Intergovernmental Agreement with the Dunwoody Development Authority is being prepared. The agreement enables the Development Authority to enter into a lease for office space for City Hall and the Police Department. This type of agreement is appropriate for this purpose due to the long term length of the lease agreement.

The City of Dunwoody is in the final stages of negotiating a lease agreement for both a City Hall and Police Department facility. We anticipate announcing the location of the facility at your Council meeting on Monday evening if all the lease details are worked out in time for the meeting.

The Intergovernmental Agreement is in the completion process and once finalized will be forwarded.

HISTORY:

The City of Dunwoody over the past few months has been busy working on establishing a permanent City Hall and Police Station. Having been mindful of our budget, staff and our real estate consultants have embarked on a broad search for space that would fit our cities operational needs in a financially sound manner. 28 properties were initially identified throughout Dunwoody that could serve the desired purposes. These properties included office buildings, retail areas in and out of the village, and stand alone buildings.

This list was reduced to 11 properties and site visits were conducted. Options of splitting the Police Force off from City Hall and properties that would combine city hall and police operations were reviewed and vetted.

The list was culled to 4 properties and proposals were requested. Using these properties, criteria were mixed and matched to establish 6 options that would work for the city. These proposals were compared and evaluated. Staff and our consultant team met with each of the landlords and reviewed the proposed conditions for each proposal, fully exploring all options. A clear choice emerged that met our economic criteria and physical requirements.

The overall benefits of this choice were compelling in that the city will save approximately \$350,000 within the first year's budget and the police station is scheduled to be ready for occupation by March 15th enabling our police force to be "Ready to Roll" April 1st. City Hall will be completed later in April and our move to the new location is scheduled for May. The overall economics of the deal were the most advantageous for the City of Dunwoody.

The basic elements of the lease agreement are as such:

Leased space: 25,000 sqf

Term of lease: 10 years

Tenant allowances: \$27 per square foot

Free rent: 9 months

Effective cost per sq: \$17.12 per sqf per year