

Ken Wright – Mayor
Denis Shortal – City Council Post 1
Adrian Bonser – City Council Post 2
Douglas Thompson – City Council Post 3
Robert Wittenstein – City Council Post 4
Danny Ross – City Council Post 5
John Heneghan – City Council Post 6

Warren Hutmacher – City Manager
Brian Anderson – City Attorney

MEMORANDUM

TO: Mayor and City Council

FROM: Warren Hutmacher, City Manager

DATE: September 27, 2010

RE: **Clark Patterson Lee Proposal for Economic Development Implementation**

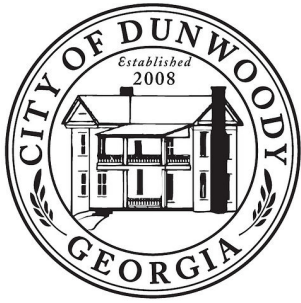
Attached to this memorandum is a proposal from Clark Patterson Lee (dated September 17th, 2010) for Council consideration regarding the implementation of a formal economic development program.

The proposal includes three options for Council consideration. Please note that the fees proposed do not include the additional consulting services or fees proposed by staff (\$1,500 for FY 2010 and \$30,000 for FY 2011). To compare apples to apples, these fees would need to be added to the Clark Patterson Lee proposal.

Also, the Clark Patterson Lee proposal does not include operating expenses that the City would pick up for any employee assigned to our contract. These include computers, office supplies and other non-employee related expenses. For comparison purposes, the City has estimated these costs to be \$1,500 for FY 2010 and \$12,000 for FY 2011).

RECOMMENDATION:

At the work session, staff was asked to present two cost proposals for this request: (1) Economic Development Manager as a City of Dunwoody employee and (2) Economic Development Manager as a Clark Patterson Lee employee. Attached is the cost proposal for the City of Dunwoody. Clark Patterson Lee's proposal is attached.



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(1) City of Dunwoody employee:

Fiscal Year (FY)	Salary and Benefits	Operating Expenses	Consulting Fees	Total Cost
FY 2010	\$24,000	\$1,500	\$1,500	\$27,000
FY 2011	\$115,000	\$12,000	\$30,000	\$157,000

(2) Clark Patterson Lee employee:

Option A – Full scope of services and administrative support from Clark Patterson Lee

Fiscal Year (FY)	Contract Fees	Consulting Fees (not included in proposal)	Total Cost	Including Operating Expenses the City will pay for directly (\$1,500 for FY 2010 and \$12,000 for FY 2011)
FY 2010	\$46,500	\$1,500	\$48,000	\$49,500
FY 2011	\$186,000	\$30,000	\$216,000	\$228,000

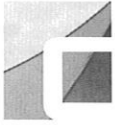
Option B – Staff Leasing model

Fiscal Year (FY)	Contract Fees	Consulting Fees (not included in proposal)	Total Cost	Including Operating Expenses the City will pay for directly (\$1,500 for FY 2010 and \$12,000 for FY 2011)
FY 2010	\$25,000	\$1,500	\$26,500	\$28,000
FY 2011	\$112,000	\$30,000	\$142,000	\$154,000

Option C – Fee plus 25% of increased business license revenue (Unknown amount)

Fiscal Year (FY)	Contract Fees	Consulting Fees (not included in proposal)	Total Cost	Including Operating Expenses the City will pay for directly (\$1,500 for FY 2010 and \$12,000 for FY 2011)
FY 2010	\$25,000	\$1,500	\$26,500	\$28,000
FY 2011	\$84,000	\$30,000	\$114,000	\$126,000

Funds are available in FY 2010 to pay for this request. Funding for FY 2011 has been requested in the FY 2011 budget.



September 17, 2010

Mr. Warren Hutmacher
City Manager
City of Dunwoody
41 Perimeter Center East
Suite 250
Dunwoody, GA 30346

Re: **Economic Development**

Dear Mr. Hutmacher:

Clark Patterson Lee (CPL) is pleased to submit this letter proposal to provide Economic Development services as a part of the Community Development Department. This document will provide you with a more specific breakdown of our scope of work for our original proposal (Option A) along with two new options that are more cost efficient (Options B and C). The specific scope of work and fee proposal is described in detail below:

Option A

Scope of Work: (Original Proposal)

- 1) Provide a full-time Economic Development Manager, who will report to the City Manager. The primary responsibility for this position will be fostering relationships with both existing and prospective businesses in the City of Dunwoody. The position will require a strong leader with existing relationships with Dunwoody's community-based partners. Regular interaction with these groups, such as the Dunwoody Chamber of Commerce, the Dunwoody Convention and Visitors Bureau and the Perimeter Community Improvement District (PCID).
- 2) Provide staff administrative support for the Economic Development Manager, as necessary to support the position.
- 3) Provide all standard CPL benefits for the Economic Development Manager and administrative support staff, including medical, dental, short and long term disability, workers compensation insurance, 401K savings plan, flexible spending account, life insurance, paid time off, etc.
- 4) CPL supports regular educational opportunities for our staff and we have included this cost and a modest expense account in this scope of work.
- 5) Co-Star Economic Development software acquisition and support.

Cost Proposal:

For the services outlined in Option A, Clark Patterson Lee proposes to complete this work on a lump sum basis. The fee is firm, but may be modified with a mutually agreed change to the Scope of Services outlined in Option A.

Cost Proposal for Balance of 2010
Cost Proposal for 2011

\$ 46,500.00 (assumed start date of October 4th)
\$ 186,000.00

350 Town Center Avenue
Suite 201
Suwanee, GA 30024
clarkpatterson.com
800.274.9000 TEL
770.831.9243 FAX



Option B

Scope of Work: (removes administrative support, training, software and expense account)

- 1) Same as Option A.
- 2) Administrative support for shall be provided by the Finance and Administration Department.
- 3) Provide all standard CPL benefits for the Economic Development Manager including medical, dental, short and long term disability, workers compensation insurance, 401K savings plan, flexible spending account, life insurance, paid time off, etc.

Cost Proposal:

For the services outlined in Option B, Clark Patterson Lee proposes to complete this work on a lump sum basis. The fee is firm, but may be modified with a mutually agreed change to the Scope of Services outlined in Option B.

Cost Proposal for Balance of 2010	\$ 25,000.00 (Assumed start date of October 18 th)
Cost Proposal for 2011	\$ 112,000.00

Option C

Scope of Work:

- 1) Same as Option B.
- 2) Performance shall be measured by tracking increased business license revenue.

Cost Proposal:

For the services outlined in Option C, Clark Patterson Lee proposes to complete this work on a lump sum base price plus a fee tied to performance. The fee is firm, but may be modified with a mutually agreed change to the Scope of Services outlined in Option C.

Cost Proposal for Balance of 2010	\$ 25,000.00 (Assumed start date of October 18 th)
Cost Proposal for 2011	\$ 84,000.00 plus 25% of increased business license revenue

Terms and Conditions:

This Agreement shall be administered in accordance with the Terms and Conditions outlined in our base contract with the City of Dunwoody.

This document together with the exhibits identified herein constitute the entire understanding between you and us with respect to the Services and may only be modified in writing signed by both of us. If this document satisfactorily sets fourth your understanding of the arrangement between us, we would appreciate your signing the enclosed copy of the letter in the space provide and returning it to us. This Proposal will be open for acceptance for thirty days from the date of the letter.



We appreciate this opportunity and look forward to providing these Economic Development services. If you have any questions or require any additional information, please feel free to contact us.

Sincerely,

CLARK PATTERSON LEE

Kevin J. McOmber, P.E.
Senior Vice President

Accepted this _____ day of _____, 2010.

BY: _____

TITLE: _____