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MEMORANDUM

To: Mayor and City Council

From: Warren Hutmacher, City Manager

Date: August 8, 2011

Subject: **Purchase of Property Located at 4000 Dunwoody Park Drive**

ITEM DESCRIPTION

Staff has completed the extended due diligence for the purchase of the property located at 4000 Dunwoody Park Drive and recommends the City Council finalize the purchase.

BACKGROUND

At the February 28, 2011 Council Meeting, the City Council authorized the Mayor to execute a sales contract with Wells Fargo for the purchase of property located at 4000 Dunwoody Park Drive. Staff has completed the necessary due diligence work to finalize the purchase of this property.

The completed ALTA Survey shows the accurate area for the property to be 15.9994 acres. The appraisal of the property determined the Market Value "As Is" to be six million five hundred thousand dollars (\$6,500,000), which is well above our negotiated purchase price of five million dollars (\$5,000,000). The Phase I Environmental Site Assessment revealed no evidence of Recognized Environmental Conditions.

As discussed at the April 11, 2011 Work Session, staff recommends financing this purchase through the Georgia Municipal Association lease/purchase program. RBC Bank will provide the financing over seven years for a fixed tax-exempt, bank-qualified interest rate to be set at closing. As of August 3, 2011, the rate was 2.34%; this is subject to change by closing but should not vary greatly. Principal and interest payments will be due each April and October, beginning October 2011 and concluding April 2018.

UPDATE

Following the Work Session in April, staff has received back the title report on the property. The title report revealed a few issues that required further investigation. Staff worked with Wells Fargo to extend the due diligence period to allow sufficient time to fully investigate both the survey and title issues. Legal counsel is now comfortable with the research and investigation that has been conducted in regard to the survey and title issues.

RECOMMENDATION

Staff recommends, following the Public Hearing on August 22nd, adopting a Resolution finalizing the purchase of the 16.00 acre property located at 4000 Dunwoody Park Drive.