



41 Perimeter Center East, Suite 250  
Dunwoody, Georgia 30346  
P (678) 382-6700 F (678) 382-6701  
dunwoodyga.gov

## **MEMORANDUM**

**To:** Mayor and City Council

**From:** Warren Hutmacher, City Manager

**Date:** August 22, 2011

**Subject:** **Purchase of 24.09 acres of Property**

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### **ITEM DESCRIPTION**

As directed by the City Council, staff has executed the Letter of Intent to purchase 24.09 acres of properties located in the Georgetown / North Shallowford area and recommends the City Council adopt a Resolution to enter into a sales contract for purchase.

### **BACKGROUND**

As outlined in the Georgetown / North Shallowford Master Plan; the Parks, Recreation, and Open Space Master Plan; and the Comprehensive Transportation Plan, the City desires to continue implementing our community's vision for the future of our City.

Specifically, a 5.04 acre parcel located at 4470 North Shallowford Road has been identified as a possible extension of the local road network. This purchase would be a first critical step in extending Peachford Road from its current terminus at North Shallowford Road to a new terminus at Dunwoody Park Drive. The proposed roadway extension will greatly improve east-west connectivity in the area, provide for bicycle and pedestrian travelers, and create a "main street" redevelopment opportunity for the area.

Additionally, five contiguous parcels, totaling 19.05 acres, anchored by the former Emory Dunwoody Medical Center addressed at 4575 North Shallowford Road, have been identified as future possible park/recreational facilities. 19 contiguous acres of land gives Dunwoody a key opportunity to address several needs outlined in the Parks Master Plan as well as continue the implementation of the Georgetown / North Shallowford Master Plan.

### **FUNDING**

In a two-phase purchase strategy, the City intends to close on the first property, 5.04 acres located at 4470 North Shallowford Road, later this year utilizing existing cash reserves. Due to expense controls and a healthy revenue stream, the City has accumulated over \$7,350,000 in reserves since incorporation in December 2008.

The purchase of the remaining parcels, totaling 19.05 acres, anchored by the former hospital site located at 4575 North Shallowford Road, would be contingent upon the passage of the November 2011 bond referendum for acquisition of park and open space property.

As part of the July 25<sup>th</sup> City Council Meeting, the City Council approved a call for a bond referendums to be held in November 2011. Voters will have the opportunity to authorize the City to issue up to \$33,000,000 in bonds to invest in the acquisition of park and open space property and up to \$33,000,000 in bonds to invest in the development of park and open space properties. Funds from the potential bond issuances could be used to purchase and



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develop these raw pieces of land into park land. If the bond referendum fails, the City will have the option to drop the contract for the 19.05 acre property without financial penalty.

Following a public hearing, the City Council will consider a Resolution to authorize the City Manager to negotiate and execute a sales contract for these properties. Following the execution of the sales contract, the City will conduct due diligence to include at minimum, an environmental assessment, an appraisal, and a title search for each property. The City will conduct a second public hearing and vote of the City Council prior to finalizing the purchases.

### **RECOMMENDATION**

Staff recommends adopting a Resolution to authorize the City to enter into a sales contract for 24.09 acres of properties located in the Georgetown / North Shallowford area.





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\*Smart people - Smart city

**Community Development**

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### Georgetown Parcels

Location Map

August 12, 2011

#### Legend

##### Georgetown Parcels

- 4470 North Shallowford Rd
- 4553 North Shallowford Rd
- 4555 North Shallowford Rd
- 4575 North Shallowford Rd
- 2030 Pernoshal Ct
- Pernoshal Ct



Scale: 1" = 350'  
(1:4200)

Map Notes:





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## FOR IMMEDIATE RELEASE

Contact: Warren Hutmacher  
City Manager  
678-382-6700

### **Dunwoody Moves to Acquire 24 Acres in Georgetown Area** ***City Continues Implementation of Master Plans***

**Dunwoody, Georgia – August 15, 2011** – The City of Dunwoody has concluded negotiations with American Medicorp and plans to acquire several key parcels, totaling 24 acres, in the Georgetown / North Shallowford area of Dunwoody. These purchases will move forward the implementation of the Parks, Transportation, and Georgetown Master Plans, which were all adopted earlier this year.

The City plans to conduct a public hearing as part of its regularly scheduled Council Meeting on Monday, August 22<sup>nd</sup> and will consider a Resolution authorizing the City Manager to execute a sales contract for the purchases.

<b>Peachford Road Extension</b>	<b>Park Land Acquisition</b>
<ul style="list-style-type: none"> <li>Location: 4471 North Shallowford Road</li> <li>Price: \$1,436,000 (\$278K per acre)</li> <li>5.173 acre parcel contains 12,067 sq. foot office building</li> <li>Purchase is the first acquisition of several that are necessary to extend Peachford Road to a new terminus point at Dunwoody Park Drive</li> <li>Part of Transportation and Georgetown Master Plans</li> </ul>	<ul style="list-style-type: none"> <li>Location: 4553/4555/4575 North Shallowford Road (anchored by the former Emory Hospital site)</li> <li>Price: \$5,532,000 (\$289K per acre)</li> <li>Parcels total to 19.084 acres</li> <li>Purchase adds needed park land acreage</li> <li>Part of Parks and Georgetown Master Plans</li> <li>Purchase contingent on Parks Acquisition Bond Referendum</li> </ul>

Funding for the Peachford Road Extension purchase will be funded from existing cash reserves and the transaction is expected to close by the end of 2011. The purchase of the park land is contingent on the passage of the bond referendum on the November 2011 ballot. Should the bond fail to pass the City can withdraw from the contract without penalty.

At closing, the City has agreed to reimburse the seller \$600,000 for demolition costs at the former Emory Hospital site.

A full press release is forthcoming; for additional information regarding either of these acquisitions please contact City Manager Warren Hutmacher, at 678-382-6700 or warren.hutmacher@dunwoodyga.gov.

# # #

**About the City of Dunwoody, Georgia** - Dunwoody is a city located in metro Atlanta, in northern DeKalb County, Georgia. Dunwoody officially incorporated as a city on December 1, 2008. The City of Dunwoody will provide quality service to its citizens and support the

Ken Wright Mayor

Denis Shortal City Council Post 1  
Adrian Bonser City Council Post 2  
Doug R. Thompson City Council Post 3

Robert Wittenstein City Council Post 4  
Danny Ross City Council Post 5  
John Heneghan City Council Post 6



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largest economic engine in the Southeast by planning in a careful and thoughtful manner. The City of Dunwoody will be inventive and transparent and will embrace responsible progress, tempered by the city's rich history and strong desire to maintain a close and vibrant community atmosphere that values family life and the entrepreneurial spirit. The City of Dunwoody will continue to support and nurture a community dedicated to the preservation of family, education, religious institutions, and the environment.





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### Georgetown Parcels

Location Map

August 12, 2011

#### Legend

##### Georgetown Parcels

- 4470 North Shallowford Rd
- 4553 North Shallowford Rd
- 4555 North Shallowford Rd
- 4575 North Shallowford Rd



Scale: 1" = 350'  
(1:4200)

Map Notes:



**A RESOLUTION TO AUTHORIZE THE CITY TO ENTER INTO A SALES CONTRACT  
FOR 24.09 ACRES OF PROPERTY LOCATED IN LAND LOT 344 OF THE 18<sup>th</sup>  
DISTRICT OF DUNWOODY, GEORGIA 30338**

- WHEREAS,** the City Council is charged with providing for the health, safety and welfare of the citizens of the City, as well as regulate and manage property development and planning in the City; and
- WHEREAS,** the City has recently adopted a Master Plan for the Georgetown / North Shallowford area that provides a future plan for improvement of said area of the City; and
- WHEREAS,** the City now desires to purchase a parcel of land, addressed at 4470 North Shallowford Road, and designated more specifically as Tax Parcel Identification Number 18 344 03 003, a 5.04 acre property for the price of \$1,436,000.00, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City desires to acquire said property as a possible extension of the local road network, and/or a future public/private venture as a catalyst for redevelopment of the area; and
- WHEREAS,** the City further desires to purchase a parcel of land, designated more specifically as Tax Parcel Identification Number 18 344 01 003, a 5.64 acre property, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City further desires to purchase a parcel of land designated more specifically as Tax Parcel Identification Number 18 344 01 010, a 3.34 acre property, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City further desires to purchase a parcel of land, designated more specifically as Tax Parcel Identification Number 18 344 01 001, a 5.25 acre property, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City further desires to purchase a parcel of land, designated more specifically as Tax Parcel Identification Number 18 344 01 007, a 1.99 acre property, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City further desires to purchase a parcel of land, designated more specifically as Tax Parcel Identification Number 18 344 01 009, a 2.83 acre property, pursuant to a Letter of Intent as attached hereto and incorporated herein by reference; and
- WHEREAS,** the City desires to acquire said properties as a future possible park/recreational facilities, and/or future municipal complex, and/or a future public/private venture as a catalyst for redevelopment of the area.

**NOW THEREFORE BE IT RESOLVED,** by the Mayor and Council for the City of Dunwoody that the City Manager is hereby authorized to execute all necessary documents to place the 5.04 acre property designated as 18 344 03 003, addressed at 4470 North Shallowford Road, under a sales contract, for the purchase price of \$1,436,000.00. The

STATE OF GEORGIA  
CITY OF DUNWOODY

**RESOLUTION 2011-08-40**

City Manager and City Attorney are hereby authorized to execute all necessary documents pursuant to the Letter of Intent as attached hereto and incorporated herein by reference.

**BE IT FURTHER RESOLVED,** by the Mayor and Council for the City of Dunwoody that the City Manager is hereby authorized to execute all necessary documents to place properties designated as 18 344 01 001, 18 344 01 003, and 18 344 01 010, 18 344 01 007, and 18 344 01 009, totaling to 19.05 acres, under a sales contract, for the purchase price of \$5,532,000.00. The City Manager and City Attorney are hereby authorized to execute all necessary documents pursuant to the Letter of Intent as attached hereto and incorporated herein by reference.

**SO RESOLVED AND EFFECTIVE,** this 22<sup>nd</sup> day of August, 2011.

Approved:

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Ken Wright, Mayor

Attest:

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Sharon Lowery, City Clerk

(Seal)



## TMG REALTY ADVISORS

August 12, 2011

Mr. Robert S. Mathews  
 Colliers International Two  
 Midtown Plaza Suite 1100  
 1349 West Peachtree St. NE  
 Atlanta, GA 30309

**Re: Intent to purchase property known as the Atlanta Healthcare Management, L.P. and American Medicorp Development Company property consisting of approximately 24.257 acres located Land Lot 344 of the 18<sup>th</sup> District in Dunwoody, DeKalb County, GA 30338, as more particularly shown in "Exhibit A" to be attached by Seller.**

Dear Bob:

The purpose of this letter is to confirm the intent of the City of Dunwoody, Georgia, (Purchaser) to purchase the above referenced property from American Medicorp (Seller) based on the following terms and conditions:

1. *Deal Structure:* Seller will contract for the entire acreage as referenced above and to close such purchase in two separate transactions. The first transaction (Transaction 1) will be for the 5.173 acre parcel. The second transaction (Transaction 2) will be for the remaining 19.084 acres.

2. *Purchase Price:*

Transaction 1: \$ 1,436,000, all cash at closing.

Transaction 2: \$5,532,000, all cash at closing.

In addition, at the closing of Transaction 2 only, a separate line item on the closing statement shall be a credit to the Seller to be paid by the Purchaser in the amount of the actual cost of demolition for the former hospital site totaling approximately 14.26 acres not to exceed \$600,000.00.

3. *Inspection Period:*

Transaction 1: Purchaser is to have a forty-five (45) day "Inspection Period" from the effective date of the Sales Contract in which to test, inspect, survey, and examine the property in order to determine, in Purchaser's sole discretion, whether the property is suitable for and feasible to develop in accordance with Purchaser's intended development plan. The inspection and examination shall include, but not limited to the availability and adequacy of utilities, development and/or engineering conditions, environmental conditions, and marketable and insurable title. The Seller will allow the Purchaser to enter property for the purpose of testing and surveying.

Transaction 2: Purchaser is to have until the date upon which the vote for that certain bond issue is officially certified/validated and deemed approved by the voters of the City of Dunwoody for parks or alternatively, if the bond issue fails to win voter approval, until December 23, 2011 ("Inspection Period") from the effective date of the Sales Contract in which to test, inspect, survey, and examine the property in order to determine, in Purchaser's sole discretion, whether the property is suitable for and feasible to develop in accordance with Purchaser's intended development plan. The inspection and examination shall include, but not limited to the availability and adequacy of utilities, development and/or engineering conditions, environmental conditions, and marketable and insurable title. The Seller will allow the Purchaser to enter property for the purpose of testing and surveying.

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 404.870.9143

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4. Purchaser shall have the right to cancel any and all agreements with outside contractors, if any, at closing: all cancellation fees, charges or expenses shall be Seller's responsibility.

5. *Earnest Money Deposit:*

Transaction 1 and Transaction 2: Within three (3) business days following full execution and delivery of the Sales Contract, an earnest money deposit of fifty thousand and 00/100 Dollars (\$50,000.00) will be delivered to a mutually acceptable escrow agent for deposit in an interest bearing account for this and any additional deposits of earnest money. Interest accrued on the earnest money shall be paid to the Purchaser or credited to the purchase price. If for any reason during the Inspection Period the Purchaser cancels the Sales Contract, the Earnest money will be returned to the Purchaser promptly. During the period between the end of the Inspection Period for Transaction 1 and the Closing for Transaction 1 the earnest money will be a risk. At the Closing of Transaction 1, the earnest money deposit will remain with the escrow agent and will not be credited to the closing of Transaction 1 and will become applicable to Transaction 2 solely and will not be at risk until the end of the Inspection Period for Transaction 2.

Transaction 2 ONLY: Within three (3) business days following the approval and official certification/validation of the vote for the proposed bond issue on November 8, 2011, or alternatively, if such bond issue fails to win voter approval. December 23, 2011, Purchaser will deposit an additional one hundred thousand and no/100 dollars (\$100,000.00) as additional earnest money applicable to Transaction 2 and total earnest money deposits of one hundred and fifty thousand and no/100 dollars (\$150,000.00) will be at risk after the date above as applicable to the circumstances.

6. *Closing:*

Transaction 1: The closing of the subject property will occur within thirty (30) days after the end of the Inspection Period as described herein.

Transaction 2: Purchaser shall diligently pursue the issuance and funding of the approved bonds. If the bonds have not been funded on or before March 31, 2012, Purchaser shall deposit with escrow agent five hundred thousand and no/100 dollars (\$500,000) as additional earnest money that is applicable to the gross sales price at Closing. If Closing has not occurred on or before March 31, 2012 and if Purchaser has made the required additional earnest money deposit, Closing will then be three (3) business days following the funding of the bonds which would be anticipated to occur no later than July 30, 2012. In the event closing does not occur by July 30, 2012, then the earnest money deposit shall be paid to seller, and no further obligations shall exist between the parties.

7. The Sales Contract will provide for normal and customary closing adjustments and prorations including, but not limited to, taxes, insurance, rent and utilities. Seller and Purchaser will each pay and share closing costs as is customary in the State of Georgia. Each party shall bear the cost of their respective legal counsel. The Sales Contract will provide for one extension of the Closing for both Transaction 1 and 2 with ten (10) days prior written notice. Such extension shall be for fifteen (15) days.
8. The closing documentation would include, but is not limited to, Marketable and Insurable Fee Simple Title to the property by a Limited Warranty Deed as to the real property.
9. The rights of the undersigned, as Purchaser under the Sales Contract, would be fully assignable.

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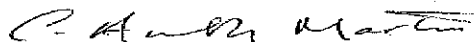
10. *Brokers Disclosure:* In this proposed transaction. Seller has been represented by TMG Realty Advisors, Georgia License number 205725 (Broker), and Purchaser has been represented by Colliers International — Atlanta, Inc. Georgia License number H-664 (Co-Broker). Broker and Co-broker will be paid their respective fees by Seller pursuant to a separate Agreement between Broker and Co-Broker. All commissions will be paid upon the closing of each proposed transaction and only upon such closing.

This letter is not intended to constitute a contract or to establish legal rights or obligations, and you are not to rely on this letter as such. This letter is a statement of the parties intent to proceed with the negotiation of a sales contract incorporating the foregoing terms and conditions. If you are in agreement with these basic terms and conditions, please so indicate by executing and returning it on or before August 17, 2011.

Upon execution of this letter of intent, the Seller shall begin the preparation of a sales contract for our review and approval.

On behalf of American Mediacorp

Sincerely,



Clarence A. Martin  
Managing Principal  
TMG Realty Advisors

Cc: Ron Woods

PURCHASER: City of Dunwoody, Georgia

Acknowledged and agreed to this 12<sup>th</sup> day of August, 2011

By WA. H

Warren Hutmacher  
City Manager

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