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MEMORANDUM

To: Mayor and City Council
From: Warren Hutmacher, City Manager
Date: September 26, 2011
Subject: **Parks Bond Transparent Procurement Policy**

ITEM DESCRIPTION

Staff recommends adopting the Parks Bond Transparent Procurement Policy.

BACKGROUND

In July 2011, the City Council approved a call for 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.

If the voters give approval for a \$33,000,000 bond issuance for investment in park and open space acquisition, the Parks Bond Transparent Procurement Policy would assist the City in its effort to be transparent in regards to potential parks bond land acquisition purchases.

Since the September 12 discussion, staff has incorporated the Council's suggestions in regard to the process for land acquisition as well as included further details to the policy including sections for background, purpose, scope, exceptions, and responsibilities.

RECOMMENDATION

Staff recommends the City Council adopt the Parks Bond Transparent Procurement Policy by Resolution

**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2011-09-49

**A RESOLUTION TO APPROVE AND ADOPT THE PARKS BOND TRANSPARENT
PROCUREMENT POLICY**

- WHEREAS,** Dunwoody (the "City") is a municipality created by the 2008 Georgia General Assembly pursuant to Ga. L. 2008, p. 3526; and
- WHEREAS,** it is necessary, from time to time, to establish policies and procedures consistent with the administration of a municipal government in alignment with federal, state, and local regulations; and
- WHEREAS,** the City Council adopted Ordinance 2010-09-32 as an updated Purchasing Policy which serves as a vital part of the City's Financial Management Program; and
- WHEREAS,** following a public planning process, in June 2011, by Resolution 2011-05-27, the City adopted a Parks, Recreation, and Open Space Master Plan; and
- WHEREAS,** as detailed in the Parks, Recreation, and Open Space Master Plan, based on national standards, and reaffirmed by extensive community feedback, the City's park system does not presently include sufficient parkland, facilities, and recreation opportunities; and
- WHEREAS,** the City has determined that in a down economy, it is in the best interest to put before the voters the opportunity to acquire land for parks and greenspace; and
- WHEREAS,** the City identified the issuance of General Obligations Bonds to be the most feasible method to finance the costs of the land acquisition; and
- WHEREAS,** in July 2011, by Resolution 2011-07-36, the City called for an election to be held on Tuesday, November 8, 2011, to afford to the qualified voters of the City the opportunity to vote in favor of or against the issuance of the Bonds for the acquisition of parks and greenspace; and
- WHEREAS,** the City wishes to be transparent about potential land acquisitions by detailing the process by which the City Council would effectuate potential parks and open space land acquisitions, and said proposed Policy is attached hereto and incorporated herein by reference.

NOW, THEREFORE BE IT RESOLVED by the Mayor and City Council of the City of Dunwoody that by passage of this Resolution the City of Dunwoody approves and adopts the Parks Bond Transparent Procurement Policy, as attached hereto and incorporated herein, to be utilized as the City effectuates potential land acquisitions of park and open space properties.

SO RESOLVED AND EFFECTIVE this 26th day of September, 2011.

Approved:

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**STATE OF GEORGIA
CITY OF DUNWOODY**

RESOLUTION 2011-09-49

Attest:

Ken Wright, Mayor

Sharon Lowery, City Clerk

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PARKS BOND TRANSPARENT PROCUREMENT POLICY

I. Background

On September 27, 2010, the City Council adopted Ordinance 2010-09-32 as an updated Purchasing Policy. The Purchasing Policy, as adopted, is a vital part of the City's Financial Management Program as it establishes strong internal controls and provides for an efficient and effective means to operate the government in regards to purchasing.

In July 2011, the City Council approved a call for 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.

II. Purpose

If the voters give approval for a \$33,000,000 bond issuance for investment in park and open space acquisition, the Parks Bond Transparent Procurement Policy will guide the City through the purchasing process and provide transparency to the public while preserving the City's ability to purchase parks and open space at the best value. This policy has been designed in order to assist the City Council in its effort to be transparent in regards to potential parks bond land acquisition purchases.

III. Scope

The scope of this Land Acquisition Strategy covers future land acquisitions funded through the parks bond referendum for acquisition of park and open space property.

IV. Process for Land Acquisitions

The City Council shall utilize the following process for acquisitions of park and open space property:

1. City staff will investigate and identify properties for purchase that generally meet the approved "Parks Bond Land Acquisition Strategy."
2. City staff along with outside experts will gather information and make site visits related to properties under consideration for acquisition.
3. City staff will regularly brief the City Council in Executive Session on properties the City is considering purchasing to receive direction on "terms and price" from the City Council.

Transparent Procurement Policy

4. City staff will negotiate for "Letters of Intent" with land owners on properties the City Council has provided staff with direction on "terms and price."
5. City staff will make the "Letter of Intent" public on the City website through a press release within 48 hours of the City receiving a fully executed copy of the "Letter of Intent."
6. City staff will present the "Letter of Intent" at a public meeting and at that time request a Resolution from the City Council authorizing the City Manager to execute a Sales Contract to purchase the property using the Letter of Intent as the guidelines for a contract. **(PUBLIC HEARING REQUIRED)**
7. City staff will publish the executed Sales Contract on the City website.
8. City staff will conduct due diligence on the property including at a minimum but not limited to:
 - a. Environmental testing (Phase I required, Phase II and specialized testing if warranted)
 - b. Production of an ALTA boundary survey of the property
 - c. Production of at least one independent third-party, MAI appraisal of the property
 - i. One appraisal for properties under contract for less than or equal to \$1,000,000
 - ii. Two appraisals for properties under contract for more than \$1,000,000
 1. Should the two appraisals vary by more than 25% a third appraisal will be completed to help establish market value
 - d. Complete title work on the property
 - e. Other reasonable due diligence activities as warranted, including conceptual renderings when appropriate
9. City staff will present the findings of the due diligence on the property at a public meeting and request a Resolution from the City Council authorizing the City Manager to execute any and all Closing Documents to complete the purchase of the property. **(PUBLIC HEARING REQUIRED)**
10. City staff will publish all due diligence materials and other purchase related materials on the City website after the Resolution authorizing the City Manager to execute closing documents has been approved.

V. Exceptions

Land acquisitions funded through means other than the parks bond referendum for acquisition of park and open space property shall be exempt from this procurement process.

VI. Responsibility

The City Council and the City Manager all have specific duties in regards to the Parks Bond Land Acquisition Strategy

A. City Council

1. Provide direction to the City Manager including terms and price for land acquisitions.
2. Authorize the execution of documents including Letters of Intent, Sales Contracts, and Closing Documents for land acquisitions deemed to be in the best interest of the City as outlined in Section IV. Process for Land Acquisitions.

B. City Manager

1. Provide sufficient information, including that gathered from discussions with professional staff and outside experts, to the City Council to facilitate their consideration of potential land acquisitions.
2. Conduct "due diligence" on properties as outlined as outlined in Section IV. Process for Land Acquisitions.
3. Negotiate and execute all documents and contracts as directed by the City Council and as outlined in Section IV. Process for Land Acquisitions.
4. Publicize all documents as outlined in Section IV. Process for Land Acquisitions.