

**RESOLUTION 20-202**

**A RESOLUTION AUTHORIZING THOMAS & HUTTON TO PREPARE A PRELIMINARY SOILS ASSESSMENT TECHNICAL MEMORANDUM TO DETERMINE SUITABILITY TO DISCHARGING TREATED EFFLUENT FROM THE SEWER TREATMENT PLANT TO FITTS PROPERTY – 3690 JOHN LUNN ROAD**

**WHEREAS**, the City of Spring Hill, Tennessee, (“City”) desires to evaluate the efficacy of leasing property for the purpose of discharging treated effluent from its sewer treatment plant; and

**WHEREAS**, Fitts Land Partners, L.P. (“Fitts”) owns 137 acres of property located adjacent to the current sewer treatment plant; and

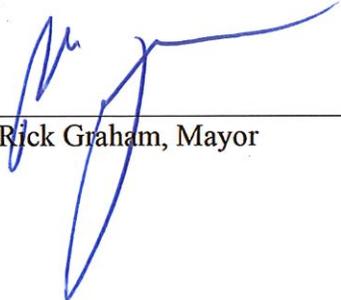
**WHEREAS**, the City and Fitts have entered into a Nonbinding Letter of Intent, attached hereby as Exhibit A, whereby the City will evaluate the efficacy of leasing said property from Fitts pursuant to the terms listed therein; and

**WHEREAS**, in order for the City to evaluate the efficacy of leasing said property it is necessary for the City to engage the services of a consultant engineer in order to perform a preliminary soils assessment of the subject property to determine the suitability of the subject property to discharge treated sewerage effluent from the City’s sewer treatment plant; and

**WHEREAS**, the City requested and received a proposal from Dempsey Dilling & Associates, an Affiliate of Thomas & Hutton, attached hereto as Exhibit B to perform a preliminary soils assessment and prepare a technical memorandum for the subject property to be completed within sixty days as further described in the Scope for a lump sum cost of \$14,800.00.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, that the Mayor be authorized and directed to execute the Proposal for Professional Engineering Services attached hereto as Exhibit B.

Passed and adopted this 21<sup>st</sup> day of December, 2020.

  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick M. Carter, City Attorney



**DEMPSEY, DILLING & ASSOCIATES**

*an affiliate of*



**ENGINEERING | SURVEYING | LANDSCAPE ARCHITECTURE | GIS | CONSULTING**



December 9, 2020

File No. 28298.0001

Mr. Victor Lay  
City of Spring Hill  
199 Town Center Parkway  
Spring Hill, TN 37174

**RE: PROPOSAL FOR PROFESSIONAL ENGINEERING SERVICES  
PRELIMINARY SOILS ASSESSMENT TECHNICAL MEMORANDUM  
FITTS PROPERTY – 3690 JOHN LUNN ROAD**

Dear Mr. Lay:

Thomas and Hutton (T&H) Engineering Consultants appreciate the opportunity to develop a proposal to provide engineering services for the above referenced project. Specifically, the City of Spring Hill requests services in development of a Preliminary Soils Assessment Technical Memorandum. The purpose of this preliminary assessment is to determine the suitability of soils, located on the referenced property, for discharging treated effluent from the City of Spring Hill's Wastewater Treatment Plant (WWTP), by means of drip and/or spray irrigation. If suitable soils are found to be located onsite, an in-depth soils study and engineering report, as required by TDEC for land application, would then be recommended.

**SCOPE**

The following tasks are proposed to be performed as part of the development of the Technical Memorandum:

- Consultation with the City
- Site Reconnaissance and Limited Soil Analysis
- Inventory of Environmental Features
- Identification of Significant Topographic Features
- Preliminary Soils Assessment
- Preliminary Soils Map Exhibit

**SCHEDULE**

T&H is prepared to proceed with this project immediately upon notification to do so. We will complete all field work and development of a Technical Memorandum within 60 days.

**FEES**

T&H proposes to perform the described tasks, under our current contract with the City of Spring Hill, for a lump sum cost of \$14,800.00.

**ADDITIONAL SERVICES**

Additional services such as surveying, property or easement staking, or other tasks outside the scope of the above listed services, will be considered additional services. Additional Services fees will be in accordance the attached Terms and Conditions.

Again, we appreciate this opportunity to provide a proposal for the requested engineering services. If this proposal is acceptable to you, please have the appropriate person sign in the space provided below and return one (1) signed copy to our office as our authorization to proceed.

Sincerely,  
**THOMAS & HUTTON ENGINEERING CONSULTANTS**

Jerome D. Dempsey, P.E., Principal/Regional Director  
W/Attachments

**CITY OF SPRING HILL ACCEPTED BY:** \_\_\_\_\_

**TITLE:** Mayor **DATE:** 12-21-2020

**PROFESSIONAL ENGINEERING SERVICES**  
**CONTRACT TERMS AND CONDITIONS**

**DEMPSEY, DILLING & ASSOCIATES, P.C.**  
**ENGINEERING CONSULTANTS**

**CITY OF SPRING HILL, TENNESSEE**

**08-08-08**

**Access to the Site/Job Site Safety**

Unless otherwise stated, Dempsey, Dilling & Associates, P.C. Engineering Consultants (DDA) will have access to the site for activities necessary for the performance of the services. The Client/Owner (City of Spring Hill, TN) understands that DDA is not responsible, in any way, for the means, methods, sequence, procedures, techniques, scheduling of construction, or job site safety. DDA will not be responsible for any losses or injuries that occur at the project site.

**The Owner's Responsibilities:**

Provide DDA with all available information, which is pertinent to the project.

Guarantee access to the work and make all provisions for DDA to enter upon public lands as required to perform work essential to the development of the project.

Give thorough consideration to all reports and other documents presented by DDA and inform DDA of all decisions within a reasonable time so as not to delay the work of DDA.

Furnish DDA with any standards to be required to follow.

Furnish approvals from all government authorities having jurisdiction over the project and such approvals and consents from others as may be necessary for the completion of the project.

Provide all legal, accounting, independent cost estimating and insurance counseling services as may be required for the project.

Give prompt written notice to DDA whenever it is observed or otherwise becomes apparent that any substantial changes in the scope of work or physical conditions, of the existing geographical features, have occurred which would significantly impact the project.

**Fees**

Hourly rate charges will be as follows:

<u>Classification</u>	<u>Standard Hourly Charge</u>
Principal Engineer	125.00
Engineer	100.00
Engineering Intern	90.00
Sr. CADD Designer	65.00
CADD Technician	50.00
Construction Representative	50.00
Administrative Assistant	50.00
Clerical	40.00

Outside services contracted for a specific project, such as professional or technical consultants, laboratory testing, reproduction, photography, etc., will be invoiced at the amount of the sub-consultant's statement plus 15% for overhead and profit (if applicable).

Other expenses which are properly chargeable to the work will be invoiced as follows:

- a) Travel by private vehicle: standard IRS mileage rate (currently 0.505 cents per mile).
- b) In-house printing, reproduction and photography.

Lump sum fees, when applicable for certain projects, shall be understood to be an estimate and shall not be exceeded without written approval of the Client/Owner. DDA's hourly fee rates may be adjusted during the extent of this contract according to annual review by DDA.

### **Termination of Services**

This Agreement may be terminated by the Client/Owner or DDA should the other fail to perform its obligations hereunder. The Client/Owner and DDA may also, at any time, terminate the Contract for the Client/Owner's or DDA's convenience, with or without cause. Upon receipt of written notice from the Client/Owner or DDA of such termination for the Client/Owner's or DDA's convenience, DDA shall cease work. In the event of termination by either party, the Owner/Client shall pay for all services rendered to the date of termination and all-reimbursable expenses. The Client/Owner or DDA shall have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination.

### **Payment**

DDA will invoice the City of Spring Hill on a monthly basis. Payment is expected within 30 days of the date of invoice. Any invoices which exceed 30-days in payment shall be accessed a 5% fee per 30 days it remains unpaid. Should an invoice be paid in a time less than 30 days then a prorated fee will be paid to DDA.

### **Insurance**

DDA shall secure and maintain professional liability insurance in the amount of \$1,000,000.00 as will protect it from claims of bodily injury, death or property damage, which may arise from the performance of service under this Agreement. DDA will provide the City of Spring Hill a certificate of insurance for their professional liability coverage.

### **Ownership of Documents**

All documents, including, but not limited to, drawings, specifications, reports, calculations and computer software documents, programs and spreadsheets prepared by DDA pursuant to this Agreement are instruments of service in respect to any project. They are not intended or represented to be suitable for reuse by Client/Owner or others on modifications or extensions of this project in the future or on any other project. Any reuse without prior written approval by DDA for the specific purpose intended will be at the Client/Owner's sole risk and without liability or legal exposure to DDA. Client/Owner shall defend, indemnify and hold harmless DDA and its sub-consultants against all judgments, losses, damages, injuries, and expenses, including reasonable attorney's fees, arising out of or as a result from such reuse, to the extent permitted by law. Any verification for another purpose or adaptation of documents will entitle DDA to additional compensation at rates to be agreed upon by Client/Owner and DDA. Except as otherwise provided herein, documents, drawings, and specifications prepared by DDA and furnished to Client/Owner as

part of the services under this Agreement shall become the property of the Client/Owner, provided, however, that DDA shall have the unrestricted right to their use. DDA shall retain any copyright and ownership rights in its design, drawing details, specifications, databases, computer software, and other proprietary property. Intellectual property developed, utilized, or modified in the performance of the services under this Agreement shall remain the property of DDA.

#### **Changes**

The Client/Owner may request changes in the Scope of Services of any project to be performed hereunder. Such changes, including any increase or decrease in the amount of lump sum compensation, which are mutually agreed upon by and between the Client/Owner and DDA shall be incorporated into the agreement for each particular project. Any changes made to the construction documents by the Client/Owner or the Client's/Owner's representatives are strictly prohibited without the knowledge and written consent of DDA. DDA shall be released from any liability resulting from damages, injuries, and or death resulting from the unauthorized alteration of construction documents.

#### **Applicable Laws**

This Agreement shall be governed by the laws of the State of Tennessee.

#### **Opinion of Construction Cost**

Any opinion of probable construction cost or estimates prepared by DDA represents DDA's judgment as engineering design professionals and is supplied for general guidance to the Client/Owner. Since DDA has no control over the construction marketplace, economic factors, elapsed time between opinion of probable construction cost and actual bidding, DDA does not guarantee the accuracy of such opinions as compared to contractor bids or actual cost to Client/Owner.



# AERIAL EXHIBIT MAP

10/29/2020

Parcels



This map was created using geothinq | www.geothinq.com | Mapping Smart Land Decisions

**RESOLUTION 20-136**

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A NONBINDING LETTER OF INTENT TO ESTABLISH A 100-YEAR LEASE FOR THE PURPOSE OF DISCHARGING TREATED EFFLUENT FROM THE CITY OF SPRING HILL SEWER TREATMENT PLANT**

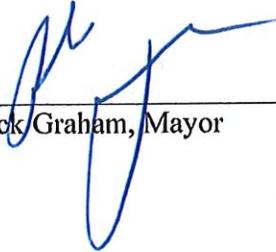
**WHEREAS**, the City of Spring Hill, Tennessee, ("City") desires to evaluate the efficacy of leasing property for the purpose of discharging treated effluent from its sewer treatment plant; and

**WHEREAS**, Fitts Land Partners, L.P. ("Fitts") owns 137 acres of property located adjacent to the current sewer treatment plan; and

**WHEREAS**, the City and Fitts desire to enter into a certain Nonbinding Letter of Intent, attached hereby as Exhibit A, whereby the City will evaluate the efficacy of leasing said property from Fitts pursuant to the terms listed therein.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Mayor and Aldermen of the City of Spring Hill, Tennessee, that the Mayor be authorized and directed to execute the Nonbinding Letter of Intent to Fitts Land Partners, L.P. attached hereto as Exhibit A.

Passed and adopted this 21<sup>st</sup> day of September, 2020.

  
\_\_\_\_\_  
Rick Graham, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Patrick M. Carter, City Attorney

## April Goad

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**From:** Rick Graham  
**Sent:** Friday, August 28, 2020 3:17 PM  
**To:** April Goad  
**Cc:** BOMA Group; Victor Lay; Chuck Downham; Patrick Carter; Jerome Dempsey; Daniel Allen  
**Subject:** Re: [External] Agenda Item Request

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Yes, please place this on our agenda. Thanks

Make a great day,

Rick Graham, Mayor  
Spring Hill, Tennessee  
Sent from my iPhone

On Aug 28, 2020, at 2:52 PM, Daniel Allen <dan.allen@aesp LLC.com> wrote:

**\*\*External Email\*\***

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BOMA is copied on this email for information sharing only. No replies except for agenda confirmation from Mayor please. Patrick, please prepare a simple resolution to memorialize if authorized to move forward by Mayor Graham.

Mayor Graham,

I would like to request an agenda item be added to our next meeting. It would be titled: Resolution to Authorize the Mayor to Execute a Non-Binding Letter of Intent to Establish a 100 year lease for the purpose of discharging treated effluent from the City of Spring Hill Sewer Treatment Plant.

Attached you will find a Word file for ease of use with staff, as well as a scan of the LOI signed by Alicia Fitts and Stephen Fitts of Fitts Land Partners, LP.

A brief synopsis:

This proposal is for the 137 acres of property located next to the sewer plant. I estimate this property to be worth at least \$5M. Original estimates for the sewer plant expansion were approximately \$25M. Recent directives by TDEC to discharge through land application could require as much as 225 acres to need to be purchased or secured for land application of effluent. This could increase the cost by as much as \$9-12M, bringing a potential worst case project cost to \$37M. This is significantly more than what was anticipated in our rate study, and if we follow the traditional borrow to purchase model,

it will definitely lead to another discussion regarding rate increases. OR we could try something creative that establishes control without the huge initial capital outlay.

We consider entering a 100 year lease, with \$50k per year annual payments. Every decade, there is a 10% escalator on the base payment as defined in the table in paragraph 4. The City is responsible for everything associated with dispersing the effluent and the property owner gets to continue the current agricultural and passive income uses on the property. Should the BOMA authorize execution of the LOI, we have 12 months to secure approval from TDEC and adopt a formal agreement to memorialize these terms.

Additionally, access easements and permission to construct the Kings Creek Greenway project are detailed in paragraph 7.

Finally, in the event of death, the Fitts may elect to dedicate the land to the City through their last will and testament, thus ending the lease allowing Spring Hill to own and use the property in perpetuity. Should they choose to leave the property to the City, our lease would run with the property for the remaining duration of its term.

Victor, Jerome, and I have all been working together on various pieces of a revised plan to adapt to the new challenges imposed by TDEC. The general idea is to pursue an intermediate rating of 6.25 MGD with this property and some clever adjustments for expansions on the current site. There will be more to come, but this is the first step to a larger solution.

Thank you for your consideration,

- Dan



This email has been checked for viruses by Avast antivirus software.

[www.avast.com](http://www.avast.com)

<Fitts John Lunn Property LOI 08262020.doc>

<Fitts John Lunn Property LOI V3 08262020 Signed.pdf>

<Fitts John Lunn Property LOI Owner Executed 08282020.pdf>

City of Spring Hill  
199 Town Center Parkway, Spring Hill, TN

August 26, 2020

Fitts Land Partners LP  
P.O. Box 727  
Spring Hill, TN 37174  
c/o Alicia Fitts

Re: Letter of Intent to Lease 137.7 acres at 3690 John Lunn Road

Dear Ms. Fitts:

Please accept the following as a proposed **Nonbinding** Letter of Intent to secure a lease for the property at 3690 John Lunn Road in Spring Hill, TN. Based on our discussions, the City is in need of land for the purposes of discharging treated effluent from our sanitary sewer treatment plant. Therefore, we suggest the following terms and conditions, including, but not limited to, the following:

1. **Lessor:** Fitts Land Partners, LP
2. **Lessee:** City of Spring Hill, TN
3. **Property:** 3690 John Lunn Road (Spring Hill, TN)  
Approximately 137.7 acres  
See attached Exhibit A
4. **Lease Agreement:** Lessee pays Lessor an amount as noted in the table below per month for 100 hundred years for use of the entire property to apply treated effluent for land application. Lessee shall be responsible for designing, building, operating, and maintaining an irrigation and effluent dispersion system in accordance with all applicable federal, state, and local regulations. Lessor shall retain ownership as well as the right to continue current operations, including, but not limited to, agricultural uses and rental of the existing home for the purposes of producing income. This agreement does not now or in the future supercede existing agricultural and residential leases on the property. Lessor shall not sell or cause the land to become unusable for the intended purpose of the Lessee for the duration of the lease.

Proposed Monthly Payment Schedule:

2020 to 2030: \$4,166 per month (120 payments)  
2030 to 2040: \$4,583 per month (120 payments)  
2040 to 2050: \$5,041 per month (120 payments)  
2050 to 2060: \$5,545 per month (120 payments)  
2060 to 2070: \$6,099 per month (120 payments)



2070 to 2080: \$6,709 per month (120 payments)  
2080 to 2090: \$7,380 per month (120 payments)  
2090 to 2100: \$8,118 per month (120 payments)  
2100 to 2110: \$8,930 per month (120 payments)  
2110 to 2120: \$9,823 per month (120 payments)

5. **Due Diligence and Closing:** Upon execution of the Letter of Intent, the Lessee and Lessor shall have 12 months to finalize plans with TDEC and reduce this letter of intent to a formal agreement adopted through resolution by the Spring Hill Board of Mayor and Aldermen. The effective date of this letter of intent shall be when all parties have signed following formal action by the Board of Mayor and Aldermen to authorize the Mayor to sign this letter of intent.
6. **Termination:** Lessor shall have the option to donate the property to the City and terminate the lease agreement through their last will and testament. Should the Lessor choose not to donate the property to the City and terminate the lease upon death, the terms of this lease agreement shall run with the property and the proposed uses for the Lessee shall not be encumbered for the remaining duration of the term of this agreement.
7. **Kings Creek Greenway:** Lessor grants Lessee permission through this agreement to use a portion of the land to construct a greenway in accordance with the Spring Hill Parks and Recreation Master Plan and Spring Hill Bike and Greenway Plan as shown in Exhibit A. Additionally, Lessor shall grant a public access easement for use of the Greenway in perpetuity. Limits of access will be further refined through exhibits as part of the formal lease agreement. Lessor shall have the option to establish easement restrictions through the Land Trust prior to authorizing construction of the greenway. Said option shall be exercised or waived in writing, with material terms to be further defined in the formal lease agreement.
8. **Nonbinding:** The Parties agree that this **Nonbinding** Letter of Intent does not constitute a binding commitment by either party with respect to any transaction. The nonbinding provisions of this Letter of Intent reflect only the parties' current understanding of the potential transaction, and a binding contract will not exist between the parties unless and until they sign and deliver an executed Agreement, which will contain material terms not set forth herein. Upon execution of this **Nonbinding** Letter of Intent, Lessor agrees not to negotiate, advertise for sale, pursue another purchaser, or otherwise create a scenario that would cause the land to be unusable for the stated purpose of the Lessee. Parties agree to reduce this **Nonbinding** Letter of Intent to a binding agreement as previously stated in the terms above.

August 26, 2020  
Page 3

Signature Page for 3690 John Lunn Road LOI

PROPERTY OWNER:

LESSEE:

CITY OF SPRING HILL, TN

By: \_\_\_\_\_  
Alicia Fitts  
Fitts Land Partners, LP

By: Daniel Allen 8/26/2020  
Daniel Allen, Ward 3 Alderman

By: \_\_\_\_\_  
Stephen Fitts  
Fitts Land Partners, LP

By: \_\_\_\_\_  
Rick Graham, Mayor

Exhibit A – GIS Exhibit of Property showing approximate location of Kings Creek Greenway



Signature Page for 3690 John Lunn Road LOI

PROPERTY OWNER:

LESSEE:

CITY OF SPRING HILL, TN

By: \_\_\_\_\_  
Alicia Fitts  
Fitts Land Partners, LP

By: Daniel Allen 8/26/2020  
Daniel Allen, Ward 3 Alderman

By: \_\_\_\_\_  
Stephen Fitts  
Fitts Land Partners, LP

By: \_\_\_\_\_  
Rick Graham, Mayor

Exhibit A – GIS Exhibit of Property showing approximate location of Kings Creek Greenway



City of Spring Hill  
199 Town Center Parkway, Spring Hill, TN

August 26, 2020

Fitts Land Partners LP  
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Spring Hill, TN 37174  
c/o Alicia Fitts

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6. **Termination:** Lessor shall have the option to donate the property to the City and terminate the lease agreement through their last will and testament. Should the Lessor choose not to donate the property to the City and terminate the lease upon death, the terms of this lease agreement shall run with the property and the proposed uses for the Lessee shall not be encumbered for the remaining duration of the term of this agreement.
  
7. **Kings Creek Greenway:** Lessor grants Lessee permission through this agreement to use a portion of the land to construct a greenway in accordance with the Spring Hill Parks and Recreation Master Plan and Spring Hill Bike and Greenway Plan as shown in Exhibit A. Additionally, Lessor shall grant a public access easement for use of the Greenway in perpetuity. Limits of access will be further refined through exhibits as part of the formal lease agreement. Lessor shall have the option to establish easement restrictions through the Land Trust prior to authorizing construction of the greenway. Said option shall be exercised or waived in writing, with material terms to be further defined in the formal lease agreement.
  
8. **Nonbinding:** The Parties agree that this **Nonbinding** Letter of Intent does not constitute a binding commitment by either party with respect to any transaction. The nonbinding provisions of this Letter of Intent reflect only the parties' current understanding of the potential transaction, and a binding contract will not exist between the parties unless and until they sign and deliver an executed Agreement, which will contain material terms not set forth herein. Upon execution of this **Nonbinding** Letter of Intent, Lessor agrees not to negotiate, advertise for sale, pursue another purchaser, or otherwise create a scenario that would cause the land to be unusable for the stated purpose of the Lessee. Parties agree to reduce this **Nonbinding** Letter of Intent to a binding agreement as previously stated in the terms above.