

Smith, Michael

to me, atlmedia

Tue, Oct 22, 3:07 PM (1 day ago)

Find the letter pasted below. Please reach out with any questions.

Best,

October 2, 2019

McPherson Implementing Local Redevelopment Authority
1794 Walker Avenue, S.W.
Atlanta, Georgia 30310
Attn: Alan Ferguson, Sr., Interim Executive Director

Re: *Reimbursement of Sums Due Pursuant to Certain Intergovernmental Agreements between the City of Atlanta (the "City") and McPherson Implementing Local Redevelopment Authority ("MILRA" or the "Authority"), as amended*

Dear Mr. Ferguson:

This letter shall serve as written notice that MILRA is in default of its obligation to reimburse certain sums paid by the City pursuant to the referenced intergovernmental agreements. Capitalized terms, not otherwise defined in this letter, shall have the same meaning as those set forth in the Intergovernmental Agreement.

The description of facts contained herein is not intended to be exhaustive and we hereby specifically reserve the right to supplement and/or modify the facts as further investigation dictates. The City has a general duty to its taxpayers to enforce the City's contractual rights and to collect all amounts due thereunder. Please understand that this letter has been prepared and sent for the sole purpose of encouraging settlement discussions. Therefore, its contents, and any related communications, are considered privileged and confidential, to the extent permitted by applicable law.

I. BACKGROUND

The City and MILRA entered into an intergovernmental agreement as authorized by City Resolution 14-R-3007 in 2014^[1]. Pursuant to the Intergovernmental Agreement, the City agreed to provide matching funds to MILRA in an amount equal to \$250,000 for the then current fiscal year, and for each of the three successive fiscal years. In exchange for the provision of the funding, MILRA agreed to perform certain redevelopment activities and to comply with the Reporting Requirements set forth in the Intergovernmental Agreement. Furthermore, MILRA agreed to reimburse the City for any advances made to the Authority under the Intergovernmental Agreement. In 2015, the Intergovernmental Agreement was amended pursuant to City Resolution 15-R-3416 to authorize the purchase of certain property known as the "Commons Area" (the "Property") and to extend the term of the agreement to May 30, 2018.

A second intergovernmental agreement was entered into by the City and MILRA pursuant to City Resolution 19-R-3457, adopted on May 6, 2019, which was subsequently amended pursuant to City Resolution 19-R-4326, adopted on August 19, 2019 (the "Second Governmental Agreement"). Section 3 of the Second Intergovernmental Agreement provides as follows:

Section 3. Payments and Reimbursements. As compensation for performing the Responsibilities and the Reporting Requirements, the City hereby covenants and agrees to pay MILRA an amount equal to \$500,000.00 in the form of one payment to be made by the City upon the execution and delivery of this Agreement. Notwithstanding the foregoing, the City reserves the right to make the above referenced payments, or provision for such payments, from any legally available funds therefor. **In consideration of this payment, MILRA covenants and agrees to reimburse the \$500,000.00 payment to the City plus negotiated interest^[2], from the proceeds of the initial sale of any property at Fort McPherson. Additionally in consideration for the funding provided by the City in accordance with this Intergovernmental Agreement, and in accordance with the terms of an Intergovernmental Agreement between the City of Atlanta and MILRA entered in 2014 as authorized by 14-R-3007 and amended pursuant to 15-R-3416, MILRA additionally covenants and agrees to renew its commitment to reimburse the City for the funding provided to it in accordance with the 2014 IGA, plus negotiated interest, from the proceeds of the initial sale of any property at Fort McPherson.**

(Emphasis added.)

From March 14, 2014 until May 16, 2019, the City made payments to MILRA totaling Four Million Five Hundred Thousand Dollars (\$4,500,000.00). The details concerning those payments, along with the negotiated interest, are as follows:

Date	Amount	Interest @3%	Total		Wire #/Check #
3/14/2014	250,000.00	42,391.15	292,391.15		WT140314-1340
7/17/2014	250,000.00	39,425.36	289,425.36		WT140717-1682
7/1/2015	250,000.00	31,377.20	281,377.20		WT1507701-2889
7/5/2016	250,000.00	23,072.75	273,072.75		WT160701-4253
5/12/2017	500,000.00	32,586.33	532,586.33		WT170512-5485
6/14/2017	250,000.00	15,573.79	265,573.79		WT170614-5638
11/21/2017	1,500,000.00	73,063.97	1,573,063.97		WT181121-0546
8/13/2018	750,000.00	19,787.67	769,787.67		CK2382167
5/16/2019	500,000.00	1,849.32	501,849.32		WT190516-2698
	4,500,000.00	279,127.54	4,779,127.54		

On August 30, 2019, MILRA consummated the sale of the FORSCOM Building located at Fort McPherson at a sale price of \$17,000,000.00. To date, MILRA has not reimbursed the City as required by the Second Intergovernmental Agreement.

II.

CONCLUSION

On the basis of the foregoing, the City hereby demands immediate payment of the sum of Four Million Seven Hundred Seventy-Nine Thousand One Hundred Twenty-Seven and 54/100 Dollars (\$4,779,127.54), representing the principal sum of Four Million Five Hundred Thousand Dollars (\$4,500,000.00) plus interest at the rate of 3% in the amount of Two Hundred Seventy-Nine Thousand One Hundred Twenty-Seven and 54/100 Dollars (\$279,127.54).

This matter requires your immediate attention. Please govern yourself accordingly.

Sincerely,

Roosevelt Council, Jr.
Chief Financial Officer