



OPEN SPACE AND PARKLAND PRESERVATION PROGRAM

ACTIVITY REPORT FISCAL YEAR 2015-2016

JULY 1, 2015 – JUNE 30, 2016

PREPARED FOR:
THE CITY OF ANN ARBOR
GREENBELT ADVISORY COMMISSION
PARKS ADVISORY COMMISSION

PREPARED BY:

TABLE OF CONTENTS

INTRODUCTION AND BACKGROUND.....	3
GREENBELT	3
<i>Strategic Direction</i>	3
<i>Land Acquisitions</i>	6
<i>Leveraging Funds</i>	9
<i>Public and Landowner Outreach</i>	9
<i>Financial Spreadsheet</i>	9
<i>Stewardship Funds</i>	9
<i>Status of Goals for 2015-2016</i>	10
<i>Goals for 2016-2017</i>	11
PARK LANDS	12
<i>Strategic Direction</i>	12
<i>Land Acquisitions</i>	12
<i>Financial Spreadsheet</i>	12
<i>Status of Goals for 2015 – 2016</i>	12
<i>Goals for 2016 – 2017</i>	12

INTRODUCTION AND BACKGROUND

In 2003, residents of Ann Arbor passed the Open Space and Parkland Preservation Millage, which authorized a tax for 30 years to provide funds for the preservation and protection of open space, natural habitats, agricultural lands, and the City's source waters outside the City limits, as well as additional parkland and recreational opportunities within City limits. Money generated through this tax is used to purchase parklands within Ann Arbor and farmland and natural areas within portions of eight Townships surrounding the City, known as the Greenbelt District.

The Greenbelt program just completed its eleventh year and is making great strides in achieving the goals set out for the program. Within the City limits, the millage has provided funds to add 72 acres of additional parkland, providing critical linkages between existing parks and protecting high quality natural features remaining in the City. It has also increased access to existing parks, increasing the viability of the overall park system for Ann Arbor residents. All of these are priorities for acquisition listed in the City's Parks and Recreation Open Space (PROS) Plan.

Within the Greenbelt District, the millage has helped to protect over 4,700 acres of working farmland and open space. Protecting farmland and natural areas provides many benefits to Ann Arbor residents by protecting the scenic rural vistas of the area, the local agricultural economy, and protecting land along the Huron River and its tributaries.

During the 2015 - 2016 fiscal year the program protected an additional 107 acres of farmland and open space in the Greenbelt District.

GREENBELT

STRATEGIC DIRECTION

As directed in the Greenbelt's Strategic Plan, which was originally adopted in 2005, the program focuses on protecting large blocks (1,000 acres or greater) of farmland and natural areas by purchasing the development rights on private properties (known as conservation easements) and by acquiring public parks. Five areas, or Farmland Complexes, were defined in which acquisitions that maximize these contiguous blocks are prioritized (Figure 1, Table 1). Many of the acquisitions are completed in collaborative partnerships with local, state, and federal agencies and other nonprofit organizations.

Priorities outlined in the Strategic Plan continue to guide the Greenbelt Advisory Commission's recommendations to City Council on all land acquisition deals. In 2013, the Greenbelt Advisory Commission updated the Strategic Plan to include more comprehensive information on agriculture in Washtenaw County, additional details on each of the Farmland Complexes, and to prioritize community outreach about the program.

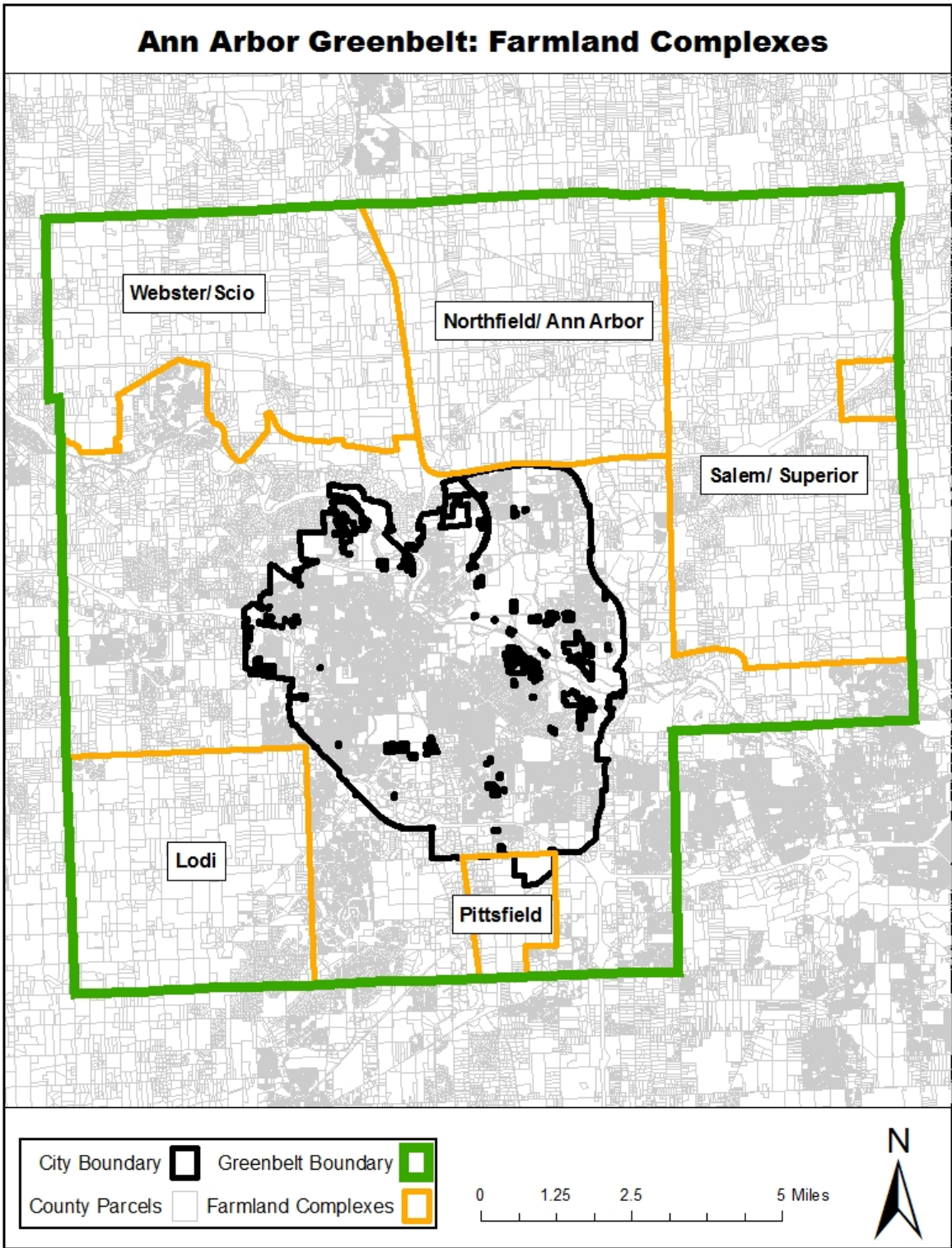


Figure 1. Farmland Complexes defined by the Greenbelt Program Strategic Plan.

Farmland Complex	Acres Protected
Webster / Scio	2,080
Northfield / Ann Arbor	1,054
Salem /Superior	721
Lodi	423
Pittsfield	97
<i>Purchases Outside Farmland Complexes</i>	<i>340</i>
Total:	4,716

Table 1. Acres protected through the end of Fiscal Year 2016 by the Greenbelt Program in each of the Farmland Complexes. *Note: These acres represent only Greenbelt-related purchases, not properties protected by other organizations for which the Greenbelt Program did not provide funding.*

In 2008, the Greenbelt Advisory Commission modified the Strategic Plan to acknowledge the increased interest from owners (and prospective owners) of small farms and local food producers. Prior to 2008, the Greenbelt focused on farms 40 acres or larger that were eligible for the U.S. Department of Agriculture Natural Resources Conservation Service’s (USDA-NRCS) Farm and Ranch Land Protection Program (FRPP) grant funding. In recent years this program was replaced by the Agricultural Conservation Easement Program (ACEP). The Greenbelt Program is exploring ways to use ACEP and similar programs to protect smaller farms that directly supply products to the Ann Arbor market, thereby protecting the diversity of agricultural property types in the area.

Another top priority for land acquisitions identified by the Greenbelt Advisory Commission is the protection of the Huron River and its tributaries. The Huron River is an important recreational and natural resource in the Ann Arbor area, in addition to supplying the residents of Ann Arbor with a majority of their drinking water. Applications received along the Huron River or its tributaries are a priority for the Greenbelt.

The Greenbelt scoring criteria also award points to applications that provide scenic views and visibility from major corridors frequently traveled by Ann Arbor residents. Examples of these major corridors are the highways and other major entryways into the City and routes frequented by cyclists. The Farmland Complexes are bounded by major corridors, so an added benefit of forming large blocks of protected land is preserving critical view sheds within the Greenbelt District.

LAND ACQUISITIONS

Since the inception of the Greenbelt Program, the Ann Arbor area has witnessed significant changes in the local economy and real estate market, which has affected all land acquisitions including purchase of development rights transactions. The downturn in the real estate market that occurred in 2007/2008 resulted in fewer developers buying land in the area, an increase in number of properties on the market, longer property sale times, and a decrease in real estate sale prices.

In recent years, the residential real estate market has started to recover, especially within the Ann Arbor city limits. According to the Ann Arbor Area Board of Realtors, average home sale prices in the Ann Arbor area increased to more than \$270,000 at the end of 2015, up from a low of around \$173,000 in 2008 (Figure 2). Developers who have been inactive in the area over the last several years, such as Toll Brothers and Biltmore, are returning to the area with current projects ranging from 26 units to almost 500 units.

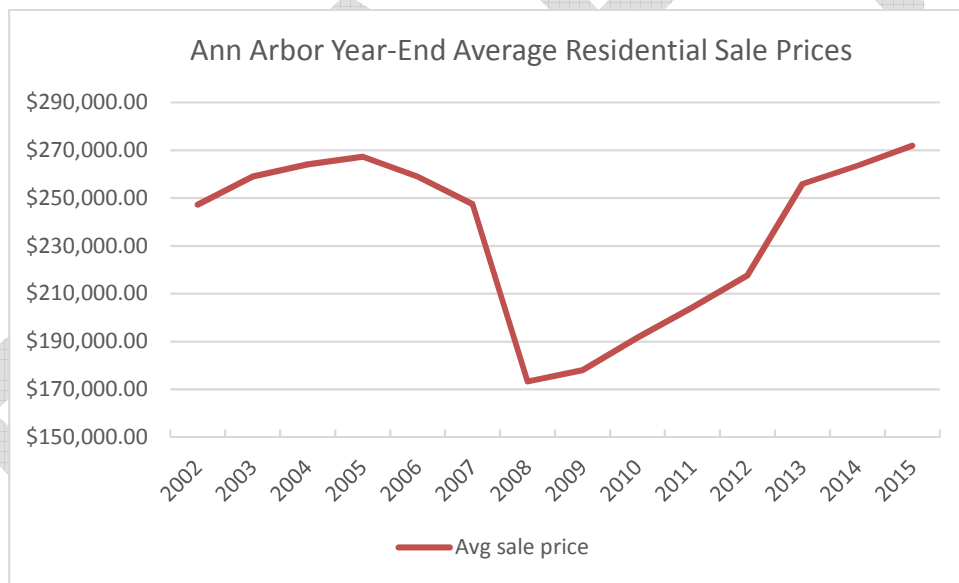


Figure 2. Ann Arbor December average residential sale prices, 2002 – 2015
(source: Ann Arbor Area Board of Realtors)

Similar to the residential real estate market, values for development rights also decreased after 2007, from an average per acre value of more than \$16,000 in fiscal year 2006 to a low of about \$2,700 in fiscal year 2014 (Figure 3). Average values have increased slightly again to between \$3,700 and \$4,600 per acre in fiscal years 2016 and 2015.

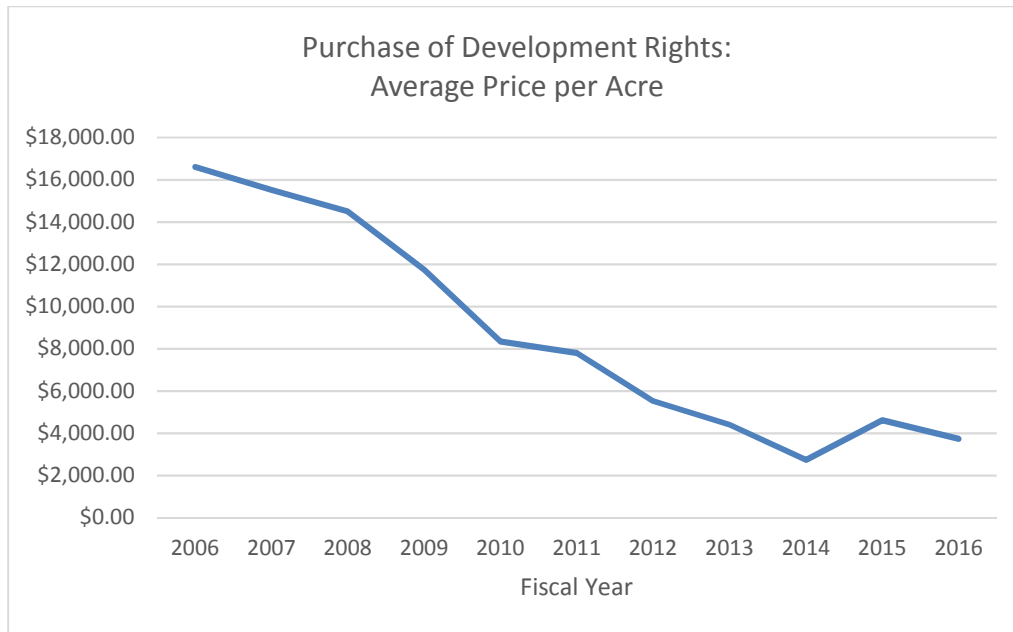


Figure 3. Average appraised values of purchase of development rights easements for the Greenbelt Program, fiscal years 2006 - 2016

As of June 30, 2016, the Greenbelt Program has helped to protect more than 4,700 acres of working farms and natural areas (Figure 4). The cumulative fair market value of these properties is nearly \$45 million, of which more than \$23 million, or 53%, were contributed by other local and federal organizations, enabling the City to maximize the use of the millage dollars. Matching funds are often secured through collaboration with other organizations and local, state, and federal agencies, and for several transactions the landowners themselves contributed a portion of the purchase price by selling the development rights at bargain sale prices.

During the 2015 – 2016 fiscal year the Greenbelt Program completed 2 acquisitions, protecting a total of 107 acres of working farmland and natural areas:

- Partnership with Pittsfield Township:** The Greenbelt Program purchased a conservation easement on seven acres of working farmland and a wetland in Pittsfield Township. The property is contiguous with active farmland and adjacent to the Pittsfield Preserve. Pittsfield Township and a private donor contributed funds to this project. This property is located in the Pittsfield Farmland Complex.
- Partnership with Webster Township and Washtenaw County Parks and Recreation:** Webster Township was the lead on a project that protected 99 acres of natural area adjacent to other existing Greenbelt-protected properties, adding to a large block of protected areas in the Webster-Scio Farmland Complex. The property is primarily

wooded, but a portion of the property will be farmed for organic vegetable production. Washtenaw County's Parks and Recreation Department also contributed funds.

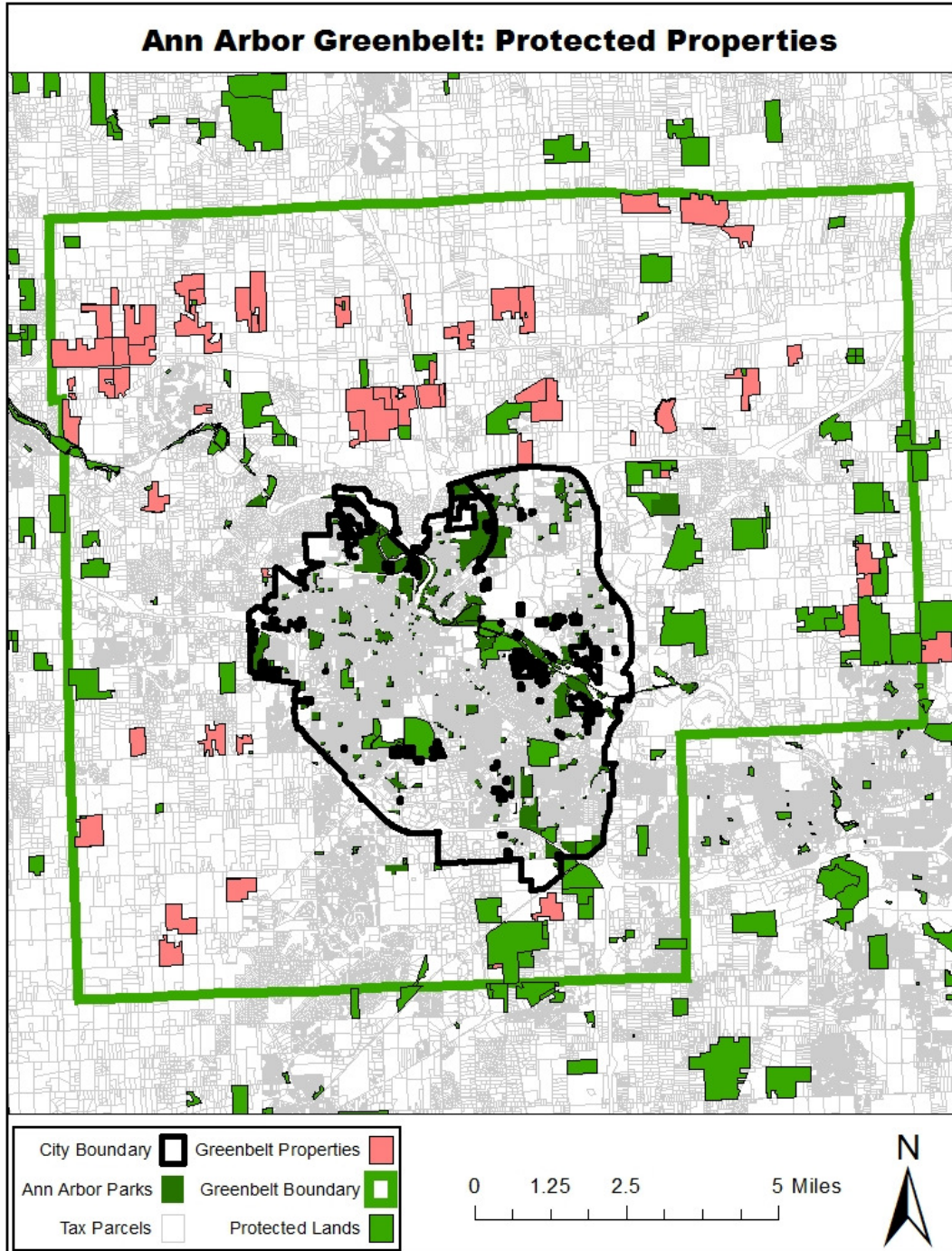


Figure 4. Properties protected by the Greenbelt Program through June 30, 2016

LEVERAGING FUNDS

AGRICULTURAL CONSERVATION EASEMENT PROGRAM (ACEP)

The City successfully submitted an application to the USDA-NRCS's Agricultural Conservation Easement Program (ACEP), to provide a portion of the funds towards the purchase of the development rights on one property.

LOCAL PARTNERS

As discussed above, the Greenbelt program partnered with the Washtenaw County Parks and Recreation Department and Pittsfield Township for transactions completed this fiscal year, in addition to receiving a private donation. In total, partners contributed just over \$150,000, or 51%, of the purchase prices for the projects completed this year.

PUBLIC AND LANDOWNER OUTREACH

In addition to outreach to landowners within the Greenbelt District, the Greenbelt Commission and staff have increased efforts to reach out to the general Ann Arbor public. Commissioners and staff have participated in several local events to spread the word about the Greenbelt, such as the Superior Land Preservation Celebration and the HomeGrown Festival.

The annual bus tour, held in May 2016, was filled to capacity with more than 40 participants, and included stops at several projects in Superior Township that had been completed over the life of the millage.

On March 21, 2016, Ann Arbor's mayor marked the 10th anniversary of the Greenbelt Program's first conservation easement by presenting a proclamation to the private landowners, Tom and Rosanne Bloomer. The proclamation recognized and appreciated their dedication to the long-term preservation, protection, and management of productive farmland and the rural beauty that is part of the natural historic character of the Ann Arbor community.

FINANCIAL SPREADSHEET

See Appendix A for detailed financial reports.

STEWARDSHIP FUNDS

For each conservation easement, approximately \$24,000 are set aside in a separate endowment fund. Since conservation easements are required to be monitored annually in perpetuity, these

endowment funds are used to cover the monitoring costs, in addition to funding any potential costs to enforce the easement terms and respond to easement violations. As of June 30, 2016, the balance in the Greenbelt's endowment fund was \$726,785.

STATUS OF GOALS FOR 2015-2016

BUILDING BLOCKS OF PROTECTED PROPERTIES

- *Complete at least 3 transactions this year in the Greenbelt's strategic plan blocks.*
 - AS STATED ABOVE, THE GREENBELT COMPLETED 2 TRANSACTIONS THIS YEAR.

LEVERAGING FUNDS

- *Apply for USDA Agriculture Conservation Easement grant funds on at least one property.*
 - THE CITY APPLIED FOR GRANT FUNDS ON ONE PROPERTY
- *Secure at least 20% matching funds on all transactions completed.*
 - OVER 50% MATCHING FUNDS WERE SECURED ON AVERAGE FOR DEALS COMPLETED THIS YEAR.
- *Secure partners for any transactions.*
 - THE CITY PARTNERED WITH WASHTENAW COUNTY PARKS AND RECREATION AND PITTSFIELD TOWNSHIP.

OUTREACH

- *Organize annual Bus Tour in spring 2016 and schedule tour for next year.*
 - BUS TOUR WAS HELD ON MAY 14, 2016. THE NEXT BUS TOUR WILL BE SCHEDULED FOR SPRING 2017.
- *Finalize signs on all properties, based on landowners' willingness.*
 - SIGNS HAVE BEEN DELIVERED AND ARE BEING DISTRIBUTED TO PARTNERS AND LANDOWNERS ON A VOLUNTARY BASIS.
- *Finalize Outreach and Communication Plan with subcommittee.*
 - THE OUTREACH AND COMMUNICATION PLAN WAS FINALIZED.
- *Have table at HomeGrown Festival and any other event, as appropriate.*
 - THE GREENBELT PARTICIPATED IN THE HOMEGROWN FESTIVAL AND SUPERIOR LAND PRESERVATION CELEBRATION.

GOALS FOR 2016-2017

BUILDING BLOCKS OF PROTECTED PROPERTIES

- *Complete at least 3 transactions this year in the Greenbelt's strategic plan blocks.*

LEVERAGING FUNDS

- *Apply for USDA Agricultural Conservation Easement grant funds on at least 2 properties.*
- *Secure at least 20% matching funds on all transactions completed.*
- *Secure at least one partner for all transactions.*

OUTREACH

- *Organize annual Bus Tour in spring 2017.*
- *Have table at HomeGrown Festival and any other event, as appropriate.*

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PARK LANDS

STRATEGIC DIRECTION

Ann Arbor's Parks and Recreation Open Space (PROS) Plan lists the following criteria for evaluating future parkland acquisitions. Please refer to the PROS Plan for more details on each criterion.

1. City-wide System Balance / Geographic Distribution as well as Open Space Convenient to Each Neighborhood
2. Natural Resource Protection
3. Open Space and Green Space Imagery/Aesthetics
4. Enhance Access and Linkage
5. Protection of the Huron River, Watersheds, and Water Quality
6. Recreation Value and Suitability for Intended Use
7. Method of Acquisition/Direct Costs
8. Provides for Future Needs/Anticipates Growth
9. Long-Term Development and Maintenance Costs

LAND ACQUISITIONS

The City of Ann Arbor did not complete any land transactions to add parkland to the City this year.

FINANCIAL SPREADSHEET

See Appendix A for details.

STATUS OF GOALS FOR 2015 – 2016

- *Complete at least one transaction.*
 - AS NOTED ABOVE, NO PARKLAND ACQUISITIONS WERE COMPLETED THIS YEAR.

GOALS FOR 2016 – 2017

- *Complete at least one transaction.*

About The Conservation Fund

The City of Ann Arbor has worked with The Conservation Fund since 2004 to implement the Greenbelt Program.

At The Conservation Fund, we make conservation work for America. By creating solutions that make environmental and economic sense, we are redefining conservation to demonstrate its essential role in our future prosperity. Top-ranked for efficiency and effectiveness, we have worked in all 50 states since 1985 to protect more than 7.5 million acres of land.

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Appendix A: Fiscal Year 2015-2016 Financial Report

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