



OPEN SPACE & PARKLAND PRESERVATION PROGRAM

ACTIVITY REPORT

*Fiscal year 2009 – 2010
July 1, 2009 – June 30, 2010*

Prepared for:

THE CITY OF ANN ARBOR
GREENBELT ADVISORY COMMISSION
PARKS ADVISORY COMMISSION



TABLE *of* CONTENTS

INTRODUCTION & BACKGROUND	3
GREENBELT	4, 6
<i>Strategic Direction</i>	4
<i>Land Acquisitions</i>	6
<i>Conservation Easements – Transfer of Ownership</i>	7
<i>Leveraging Funds</i>	8
<i>Public and Landowner Outreach</i>	9
<i>Preserve Washtenaw</i>	9
<i>Financial Spreadsheet</i>	10
<i>Stewardship Funds</i>	10
<i>Status of Goals for Fiscal Year 2009 – 2010</i>	10
<i>Goals for 2010-2011</i>	11
PARK LAND ACQUISITIONS	12
<i>Strategic Direction</i>	12
<i>Land protection</i>	12
<i>Financial Spreadsheet</i>	14
<i>Status of Goals for 2009 – 2010</i>	15
<i>Goals for 2010 - 2011</i>	16
APPENDICES	16



INTRODUCTION & BACKGROUND

Ann Arbor residents are fortunate enough to not only have a vibrant park system, but to also have protected open space surrounding the city that provide scenic vistas, reprieve from urban closeness, and recreational opportunities. All of these factors play a role in the quality of life for Ann Arbor residents, and as a result, Ann Arbor has received numerous awards for being one of the best small towns to live in America. The Open Space and Parkland Preservation Program, also known as the Greenbelt program, helps to ensure this quality of life is maintained for current and future generations of Ann Arbor residents.

In 2003, residents had the foresight to pass the Open Space and Parkland Preservation Millage. Money generated through this tax levy is used to purchase parkland within the City, as well as to protect farmland, open spaces and natural areas within portions of 8 Townships surrounding Ann Arbor, known as the Greenbelt District. The purpose of the initiative is to preserve open space, natural habitats, working lands, and the City's source waters outside the city limits, as well as add parkland and recreational opportunities within the City limits.

The Greenbelt program is in its fifth year of land acquisition and is making great strides in achieving the goals of the program. Within the City, the millage has provided funds to add 41 acres of additional parkland within the City limits. These additions have provided critical linkages between existing parkland, protected high quality natural features remaining in the City, and increased access to existing parks, increasing the viability of the overall park system for the Ann Arbor residents. All of these are priorities for acquisition stated in the City's PROS Plan. Outside of the City, the millage has helped to protect over 1,782 acres of working farmland and open space. Protecting farmland provides many benefits to the Ann Arbor residents by protecting the rural, scenic vistas, local agricultural economy, as well as protecting land along tributaries of the Huron River. This year, the program protected an additional 460 acres of farmland and added 2 properties to the City's park system.

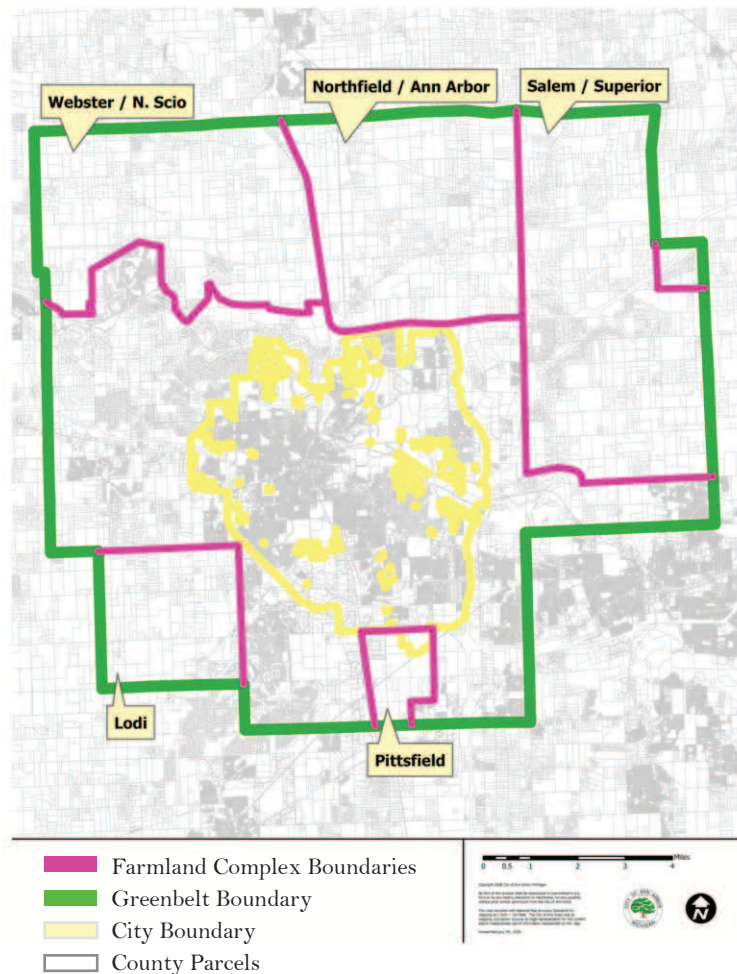
Ann Arbor, Webster and Scio Townships located within the Greenbelt District have also passed similar land preservation millages, providing opportunities for the Greenbelt to leverage city funds and collaborate with other jurisdictions on land preservation. Washtenaw County Parks and Recreation also has funds for the purchase of high quality natural areas, and have partnered with the Greenbelt on several purchases.

GREENBELT

STRATEGIC DIRECTION

As outlined in the Greenbelt's Strategic Plan, which was originally adopted in 2005, the program has focused on forming large blocks (1,000 acres or greater) of protected farmland and open space through the acquisition of easements, protecting land within the Huron River Watershed, and capitalizing on partnership opportunities. The Greenbelt identified 5 areas to concentrate acquisitions within the Greenbelt District to form these large blocks of protected land (see map below). The Commission continues to use the Strategic Plan to guide recommendations to Council on land acquisition.

City of Ann Arbor Greenbelt





CITY *of* ANN ARBOR GREENBELT

Strategic Plan Block	Acres Completed	Acres Approved	Total Acres
Web. / Scio / Ann Arbor	940	337	1,277
Northfield / Ann Arbor	217	353	570
Salem / Superior	296	0	296
Lodi	101	0	101
Pittsfield	89	0	89
Purchases Outside St. Plan Blocks	139	0	139
Total:	1,782	690	2,472

Note: These figures are for the Greenbelt related purchases only and do not take into consideration other protected property.

The Greenbelt Advisory Commission modified the Strategic Plan in 2008 to also include language to acknowledge the increased interest from owners (and prospective owners) of small farms and local food producers. Prior to 2008, the Greenbelt focused on larger farms – 40 acres or great – that were eligible for Farm and Ranch Land Protection (FRPP) grant funding. The Greenbelt continues to explore ways that the program may also be a viable option for smaller farms that are producing for the direct market in the Ann Arbor area in order to protect a diversity of types of agricultural properties in the area.

The Greenbelt Advisory Commission also continues to rank the protection of the Huron River as another top priority for land acquisitions. The Huron River is an important recreational and natural resource in the Ann Arbor area. Applications received either along the Huron River or which contain tributaries of the Huron River will be a priority for the Greenbelt, recognizing the significance of the Huron River to the Ann Arbor residents as their source of drinking water.

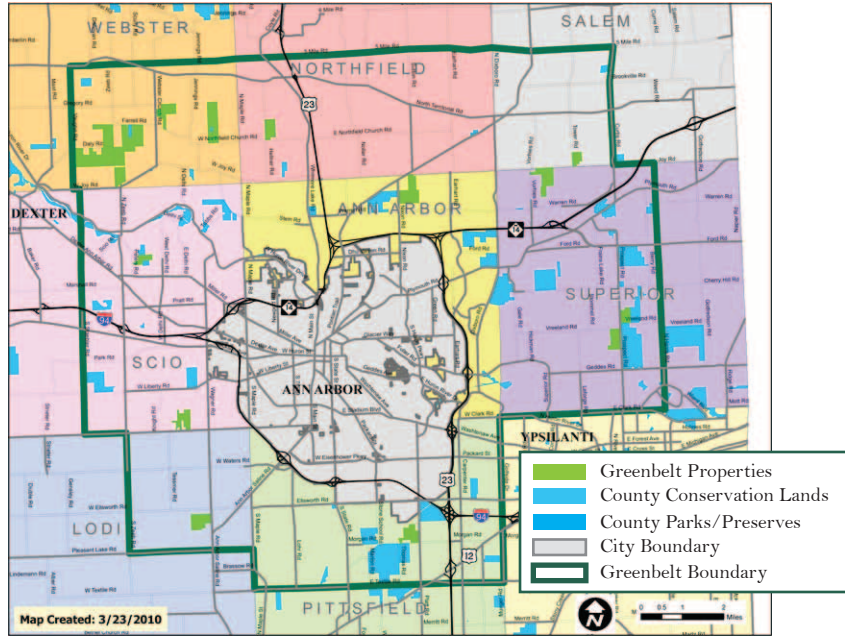
The Greenbelt scoring criteria awards points to applications that provide scenic views, and visibility from major corridors frequently traveled by Ann Arbor residents. Examples of these major corridors are along the highways that surround the city, which are often an entryway into the City, or routes that are frequented by bikers. The scenic value of each of the applications will continue to be a part of the scoring criteria. Furthermore, the strategic blocks encompass major corridors, so an added benefit of forming large blocks of protected land will be preserving critical viewsheds within the Greenbelt District.

LAND ACQUISITIONS

Over the last 3 years, the Greenbelt has witnessed significant changes within the local economy and real estate market, which has had an effect on land acquisition transactions. The downturn in the market has resulted in fewer developers buying land in the area and an increase in properties on the market. Furthermore, the properties are remaining on the market for a longer period of time. Ultimately, this has equated to appraised values for development rights decreasing from an average of \$16,000 / acre to about \$6,000 / acre.

In order to get a better understanding of the changes in the local real estate market, the Greenbelt hired a local appraiser, Mike Williams of Gerald Alcock Company, to conduct a market analysis in Webster and Superior Townships. The appraiser determined that based on the current properties on the market that it would take between 5 and 8 years for the market to absorb the availability of homes and vacant property.

As of the end of the fiscal year, the Greenbelt Program has helped to protect 1,782 acres on working farms and natural areas (see map below of completed projects). These properties have a total fair market value of roughly \$24.3 million, with a cost to the Ann Arbor taxpayers of \$12.5 million. Thus, the City has contributed roughly 50% of the funds, and the remaining



funds have been secured from FRPP grants, local partners, or landowner donations. In many cases, matching funds are secured through a variety of sources.

During the 2009-2010 Fiscal Year the Greenbelt completed 3 acquisitions, protecting a total of 460.89 acres of working farmland. In November 2009, the conservation easement was purchased on the Webster United Church of Christ property, located along Farrell Road in Webster Township. The property is located in close proximity to other protected farms. Webster Township contributed funds toward the purchase, as outlined below in the section on “Local Partners”. In December 2009, the conservation easement was purchased on the William and Cherie Nixon Farm in Webster Township and Stephen, Frederick and Christopher Girbach Farm (formerly known locally as the Frederick farm) in Lodi Township. The Nixon Farm is located at the corner of Zeeb and Daly Road in Webster Township and is adjacent to both the Merkel / Heller farm and Smyth farm, already protected by the Greenbelt and Webster Township. The Girbach farm was the first completed project in Lodi Township. This project would not have been possible without the partnership of both Lodi Township and the Legacy Land Conservancy.

CONSERVATION EASEMENTS - TRANSFER & OWNERSHIP

For the first time, properties that the City owns a conservation easement on have been transferred to new owners. The Hilton Trust farm located in Pittsfield Township was sold to Duane Mason for \$3,200 per acre. Duane Mason is a local farmer and continues to farm the property in row crop agriculture. The Girbach farm was the second property that



was transferred to a new owner. The City completed the purchase of development rights in December of 2009 and shortly thereafter the farm was purchased by Michael and Hope Vestergaard for \$4,300 / acre.

In addition to the 101.9 acres easement parcel, the Vestergaards purchased the additional 10 acres with the house and farm buildings that are not encumbered by the conservation easement. The Vestergaards plan to turn the farm into a grass fed beef operation. They also hope to develop public education component to highlight agricultural production and will open a small market to sale additional local products. While the Vestergaards renovate the house and farm buildings, the farm is leased to a local farmer and continues to be in row crop agriculture.

LEVERAGING FUNDS

Farm & Ranchland Protection Program

For the 2010 grant cycle, the City was awarded \$679,380 toward the purchase of development rights on the Gilbert and Kathryn Whitney in Webster Township and Honke Family LLC property in Northfield Township. Once completed, these properties will total another 242.51 acres of preserved farmland. The Whitney farm is ideally located, adjacent to the Webster United Church of Christ property that was completed this fiscal year and will complete the first 1,000 acre block in Webster Township. The Honke Family LLC is also located in proximity to several projects in the works and will contribute to the continuation of a “greenbelt” along the northern boundary of the City.

This year an unprecedented amount of FRPP dollars have been obligated to Michigan for farmland preservation. An additional grant cycle was announced for FRPP, with funding from the Great Lakes Restoration Initiative. The City submitted an additional 3 properties and are awaiting notice of awards on the applications.

Since 2005, the City has secured over \$5.4 million from the FRPP program. The City has partnered with other local agencies within the Greenbelt District, who have received additional FRPP grant funds.

Local Partners

As mentioned above, the City partnered with a number of local partners on each of the completed projects during this fiscal year. Webster Township contributed \$77,000 toward the purchase of development rights on the Webster United Church of Christ deal and \$200,000 for the William and Cherie Nixon deal.

It should be noted that since the land preservation millage originally passed in Webster Township in 2005 was a 5-year millage, it was up for renewal in November 2009. The millage again passed with 60% approval, showing continued strong support for farmland preservation efforts.

The purchase of development rights on the Girbach Farm marked a couple of new local partners for the Greenbelt. Lodi Township contributed \$1,000 toward the purchase and Legacy Land Conservancy committed \$37,000 toward the purchase.

PUBLIC & LANDOWNER OUTREACH

Letters and Greenbelt applications were mailed to over 250 landowners who own 20 acres or greater within the Greenbelt District, in order to solicit new applications.

In addition to outreach conducted to possible applicants within the Greenbelt District, the Greenbelt Commission and staff made strides in reaching out to the public. For one, the Greenbelt worked with many landowners who have protected their properties to put up signs at Greenbelt properties. In addition, this fiscal year the Greenbelt began planning for its first Bus Tour for participants to visit Greenbelt properties, meet some local partners and landowners who have participated in the program. Commissioners and staff have also participated in many local events and presented at conferences to spread the word about the Greenbelt, including the following: hosting a booth at the HomeGrown Festival, presenting at Land Trust Alliance's Midwest Regional Conference, Food System Economic Partnership Annual Conference, Ottawa Greenbelt Visioning Workshop, Michigan Organic Food and Farming Annual Conference, and the Michigan Affordable Housing Annual Conference.

PRESERVE WASHTENAW

Preserve Washtenaw is a collaborative group consisting of public agencies and private organizations in Washtenaw County, focused on land preservation. Preserve Washtenaw has informally been meeting for over 4 years. The City is an active member of Preserve Washtenaw. The purpose of Preserve Washtenaw is to serve as a coordinating body for ongoing public and private land protection efforts, ensuring the highest possible level of cooperation and communication, and least possible amount of duplication and overlap.

The group hopes to provide a virtual single point of entry for landowners interested in land protection and/or stewardship to reduce confusion for landowners. The partners include Legacy Land Conservancy, Washtenaw County Parks and Recreation Natural Area Program, Raisin Valley Land Trust, Southeast Michigan Land Conservancy, Ann Arbor Township, Webster Township, Scio Township, and the City of Ann Arbor.

FINANCIAL SPREADSHEET

See Appendix A for details.

STEWARDSHIP FUNDS

For each conservation easement that is purchased, between \$23,000 and \$25,000 is set aside in a separate endowment fund. These endowment funds are to cover the annual monitoring requirements in perpetuity and enforcement obligations of any violations on the easements. To date, a total of \$95,467 is in the Greenbelt's endowment fund.

STATUS OF GOALS *for* FISCAL YEAR 2009 - 2010

1. Apply for FRPP funds on at least 3 properties.

The City applied for FRPP grants on 6 properties – Gilbert and Kathryn Whitney, Honke Family LLC, Nancy Geiger Trust and Rose Geiger Trust (2 properties), Lee Maulbetsch Trust and Lori Maulbetsch Trust, and Betty L. Nollar Trust.

2. Close on at least 5 properties.

The City closed on 3 properties during the fiscal year and have another 2 under contract, awaiting FRPP approval for closing.

3. Complete 1,000 acre block for webster township.

The City has protected 940 acres in Webster Township and received additional grant funds for another property in Webster Township.

4. Obtain at least 20% matching fund on all transactions from local governments, state government, federal grants or landowner donations.

For the transactions completed this fiscal year, the City averaged 38% match.

GOALS *for* 2010 - 2011

- 1. Apply for grant funds on 2 properties in 2011 cycle.**
- 2. Close on 4 properties.**
- 3. Complete 1,000 acre block for Webster Township.**
- 4. Complete the first Greenbelt Bus Tour and develop plan for future tours.**
- 5. Obtain at least 20% matching funds on all transactions.**



PARK LAND ACQUISITIONS

STRATEGIC DIRECTION

During the previous fiscal year, the Park Advisory Commission and staff utilized GIS to embark on a Strategic Planning process for parkland acquisitions. Through GIS, vacant parcels were identified and ranked based on their suitability for acquisition as a park. The goal of this process is to provide a strategic approach to ensure the viability of the City's park system.

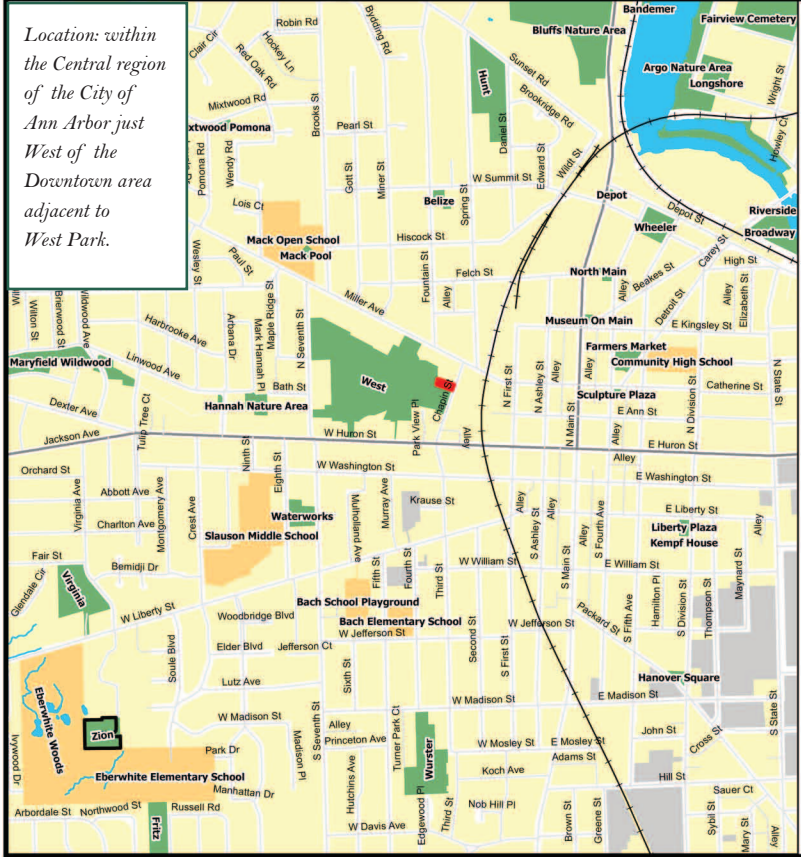
Through the strategic planning process, using GIS, staff was able to identify underserved neighborhoods. In an ideal system, every household should be within walking distance ($\frac{1}{4}$ mile) of a neighborhood park (City of Ann Arbor PROS Plan F6). By using functions of GIS, the housing units not within walking distance of an existing neighborhood park were identified. This helps to ensure adequate access to the park system for all neighborhoods. This fiscal year, the Park Advisory Commission began to build on the GIS study and to dig a little deeper in the underserved neighborhoods. Each Commissioner took a section of the City and the GIS maps created to determine the areas that are underserved for neighborhood parks.

In addition, at the end of the fiscal year, the City parks staff began the process for updating the PROS Plan, which included a series of public meetings and online surveys. The updated PROS Plan will include an updated list of priorities for acquisitions.

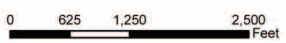
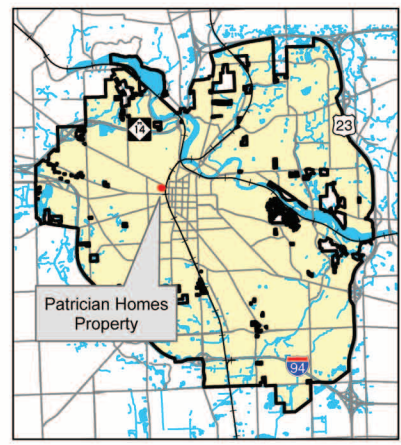
LAND PROTECTION

The City of Ann Arbor added 2 additions to existing parks this fiscal year. The first was an addition to West Park, along Chapin Street. The site currently has a house on the site that will be demolished during the next fiscal year. The property adds visibility to the parking area from the street for better safety. In addition the house that is located in floodplain will be demolished and will help with ongoing storm water mitigation efforts at West Park associated with the Allen Creek Drain.

Location: within the Central region of the City of Ann Arbor just West of the Downtown area adjacent to West Park.

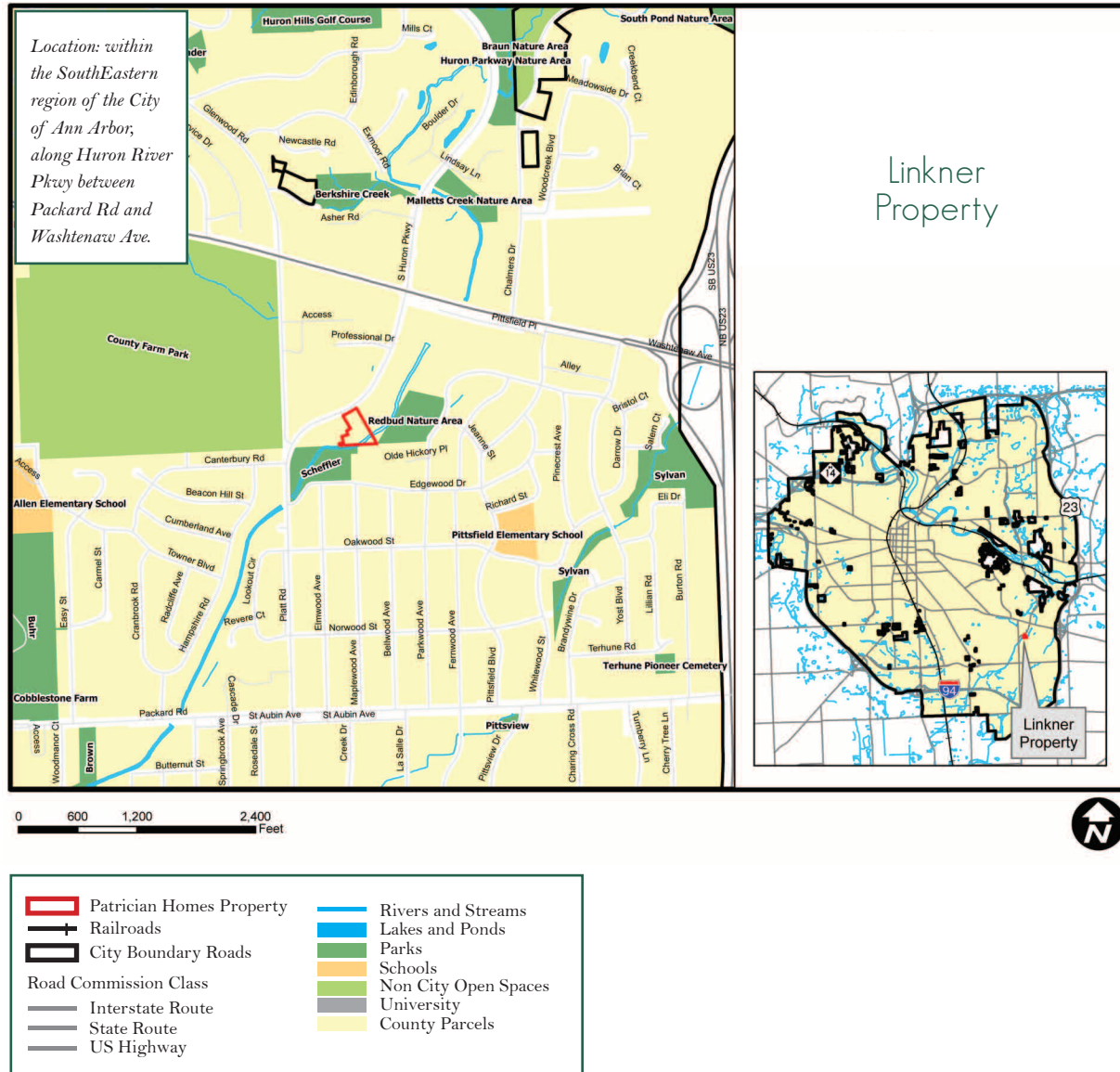


Patrician Homes Property



- Patrician Homes Property
 - Railroads
 - City Boundary Roads
- Road Commission Class
- Interstate Route
 - State Route
 - US Highway
 - Rivers and Streams
 - Lakes and Ponds
 - Parks
 - Schools
 - Non City Open Spaces
 - University
 - County Parcels

Secondly, the City accepted a donation of a portion of land that connects Redbud Nature Area and Scheffler Park. The linkage also contains a portion of Malletts Creek. The site was donated from Dr. Linkner to the City of Ann Arbor parks.



FINANCIAL SPREADSHEET

See Appendix A for details.

STATUS OF GOALS *for* 2009 – 2010

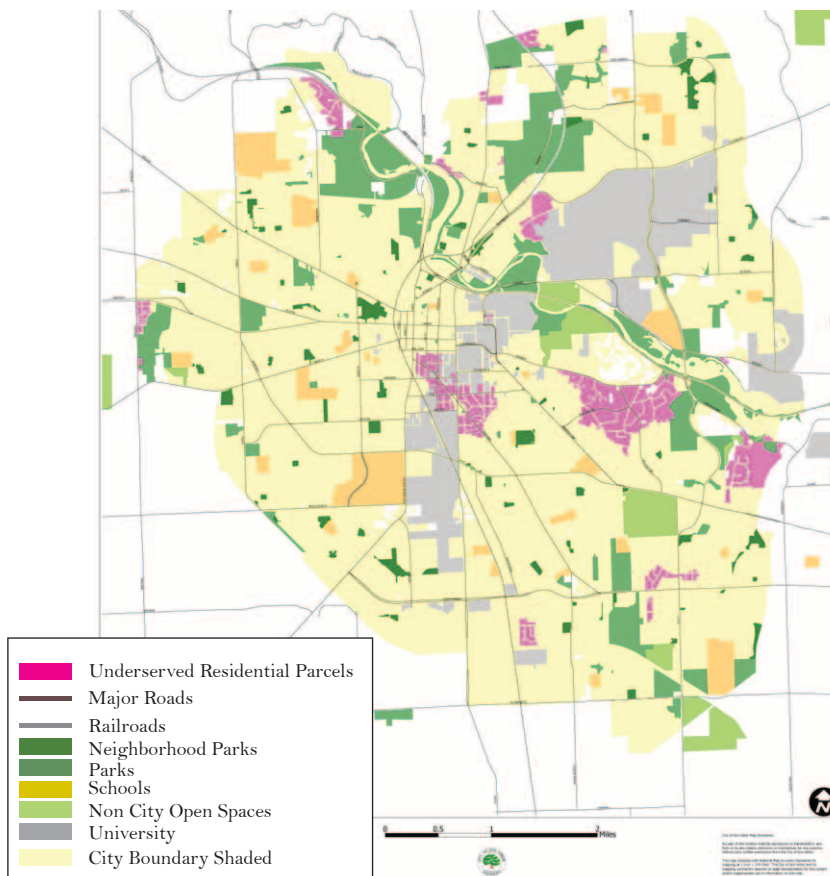
1. Complete 1 - 2 transactions, including one donation.

The City purchased 2 properties as additions to existing parks.

2. Update priorities for future land acquisitions.

The Land Acquisition Committee and staff worked to generate updated maps to identify parcels that are not currently being served by a neighborhood park. As a general rule, the Commission identified, through a GIS study and on the ground survey, those parcels that are not within about a .25 mile walking distance from the nearest neighborhood park. Those areas highlighted in pink were the neighborhoods identified.

Underserved Neighborhood Park Residents



GOALS *for* 2010 – 2011

1. Complete 1 - 2 transactions.

APPENDICES

Appendix A: Financial Report

Appendix B: Compilation of news articles

City of Ann Arbor
INCOME STATEMENT - OPEN SPACE AND PARKLAND PRESERVATION MILLAGE
For the Period Ended June 30, 2010

	Audited					Unaudited	
	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2009	FY 2010
<u>REVENUE</u>							
Millage Proceeds		\$ 1,939,530	\$ 2,014,851	\$ 2,130,654	\$ 2,234,030	\$ 2,232,550	\$ 2,262,001
Bond/Note Proceeds		-	20,108,066	-	-	-	\$ -
Investment Income	1	116,040	760,529	1,177,978	920,378	815,261	\$ 130,011
Prior Year Refund of Expenses				3,918	2,643	0	
Refund of Escrow					8,409	0	
State Grants		659,337	-	-	-	-	
Federal Grants		-	190,642	1,257,400	336,643	681,800	\$ 1,030,500
Contributions & Memorials		50,000	-	-	-	-	\$ 3,500
Gross Revenue		\$ 2,764,907	\$ 23,074,088	\$ 4,569,950	\$ 3,502,103	\$ 3,729,611	\$ 3,426,012
Tax Refund		(1,546)	(3,235)	(1,930)	(13,020)	0	\$ (11,087)
Uncollectible Personal Property Taxes		(950)	-	-	-	-	\$ (1,117)
Net Revenues		\$ 2,762,412	\$ 23,070,853	\$ 4,568,020	\$ 3,489,083	\$ 3,729,611	\$ 3,413,808
<u>EXPENSES</u>							
DEBT SERVICE		\$ -	\$ 470,468	\$ 1,158,125	\$ 1,165,950	\$ 1,198,175	\$ 1,197,950
<u>PROJECTS</u>							
Greenbelt Projects	2	\$ 33,370	\$ 4,746,315	\$ 3,292,912	\$ 1,855,831	\$ 2,641,093	\$ 3,429,509
Park Projects	3	1,399,484	204,370	2,907,316	2,525,060	237,444	\$ 281,020
Total Project Expenditures		\$ 1,432,854	\$ 4,950,686	\$ 6,200,228	\$ 4,380,890	\$ 2,878,537	\$ 3,710,529

City of Ann Arbor
INCOME STATEMENT - OPEN SPACE AND PARKLAND PRESERVATION MILLAGE
For the Period Ended June 30, 2010

	Audited					Unaudited	
	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2009	FY 2010
ADMINISTRATIVE EXPENSES							
Conservation Fund							
Non-Transaction Expenses		\$ 34,920	\$ 76,136	\$ 62,951	\$ 65,029	\$ 61,370	\$ 45,723
Transaction Expenses		24,600	68,353	42,816	88,680	75,523	\$ 76,007
General Expenses		11,629	21,857	15,991	14,950	2,549	9,644
Total Conservation Fund		<u>\$ 71,149</u>	<u>\$ 166,345</u>	<u>\$ 121,757</u>	<u>\$ 168,659</u>	<u>\$ 139,443</u>	<u>\$ 131,374</u>
Personnel & IT		9,318	15,946	25,249	22,905	42,999	\$ 41,130
Contractual - Appraisers		-	-	2,111	885		\$ 4,500
Contractual - Clark		28,539	19,695	-	-		
Contractual - Lonik		6,245	-	-	-		
Professional Services		-	-	-	200		
MI Farmland Alliance		500	-	-	-		
Telecommunications						88	\$ 83
Insurance Fund		1,428	2,664	2,844	2,220	2,328	\$ 1,692
Advertising		769	-	36	2,752	66	
Printing		21	-	-	-	-	\$ 50
Materials & Supplies		248	84	(2,138.0)	-	-	\$ 62
Bond Issuance Costs		-	87,865	-	-	-	
Subtotal		<u>\$ 47,069</u>	<u>\$ 126,255</u>	<u>\$ 28,103</u>	<u>\$ 28,962</u>	<u>\$ 45,481</u>	<u>\$ 47,517</u>
Total Administrative Expenditures		<u>\$ 118,217</u>	<u>\$ 292,600</u>	<u>\$ 149,860</u>	<u>\$ 197,621</u>	<u>\$ 184,924</u>	<u>\$ 178,891</u>
Total Expenditures		<u>\$ 1,551,071</u>	<u>\$ 5,713,753</u>	<u>\$ 7,508,213</u>	<u>\$ 5,744,461</u>	<u>\$ 4,261,636</u>	<u>\$ 5,087,370</u>
Net Change In Fund Balance		<u>\$ 1,211,341</u>	<u>\$ 17,357,100</u>	<u>\$ (2,940,194)</u>	<u>\$ (2,255,378)</u>	<u>\$ (532,025)</u>	<u>\$ (1,673,562)</u>
MEMO							
Total Fund Balance	\$ 4,260,286	\$ 5,471,627	\$ 22,828,726	\$ 19,888,533	\$ 17,633,154	\$ 17,101,130	\$ 15,427,568
Millage					\$ 7,993,111	\$ 10,225,661	\$ 12,475,458
Bond					\$ 9,640,043	\$ 6,875,468	\$ 2,952,109

The City of Ann Arbor
NOTES TO THE FINANCIAL STATEMENTS

Note 1 The City invests the funds balance in accordance with its investment policy. All earnings from investments are included in investment income.

Note 2 **Greenbelt Projects** - To maintain confidentiality, properties are assigned unique identification numbers during negotiations.

ID No.	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010	TOTAL
Biltmore	\$ -	\$ -	\$ -	\$ 630,235			\$ 630,235
Bloomer	4,490	1,923,333	-	-			\$ 1,927,823
Bloomer - Endowment	-	-	23,867	-			\$ 23,867
Cares	3,200	500	2,427,559	-			\$ 2,431,259
Cares - Endowment	-	-	23,867	-			\$ 23,867
Fishbeck-Salem	3,995	804,754	-	-			\$ 808,749
Fishbeck-Superior	4,695	1,992,708	-	-			\$ 1,997,403
Fishbeck - Endowments	-	-	47,733	-			\$ 47,733
Fox				192,750			\$ 192,750
John & Bev Alexander	3,700	1,300	3,130	1,028,001			\$ 1,036,131
John & Bev Alexander - Endowment							\$ -
Kapp	-	-	760,936	-			\$ 760,936
Merkel	-	-	4,950	-	856,599	1,350	\$ 862,899
Merkel - Endowment							\$ -
Smyth	-	-	-	455	156,126		\$ 156,581
Webster Church	-	-	-	230	4,800	553,840	\$ 558,870
Webster Church - Endowment							\$ -
Gould					7,371	6,999	\$ 14,370
Charles & Catherine Braun				230	8,796	12,050	\$ 21,076
Open Roads, Dudley					312,252		\$ 312,252
Nixon				230	3,240	1,891,949	\$ 1,895,419
Girbach						770,706	\$ 770,706
Hilton					1,269,864		\$ 1,269,864
Hilton - Endowment							\$ -
2005-01	4,290	-	-	-			\$ 4,290
2005-06	-	3,200	-	-			\$ 3,200
2005-08	-	4,815	-	-			\$ 4,815
2005-12	5,100	500	-	-	4,595	7,150	\$ 17,345
2005-14	3,900	690	-	-			\$ 4,590
2005-13					3,360	17,100	\$ 20,460
2005-15	-	500	190	-			\$ 690
2005-16	-	500	-	-			\$ 500
2005-17	-	3,890	-	-			\$ 3,890
2005-18	-	4,925	190	-			\$ 5,115
2005-29						3,050	\$ 3,050
2006-01						2,450	\$ 2,450
2006-02	-	4,700	190	-			\$ 4,890
2006-03	-	-	300	-			\$ 300
2007-06	-	-	-	230	10,850		\$ 11,080
2007-22				3,470	3,240		\$ 6,710
Zeeb						162,865	\$ 162,865
Total Greenbelt	\$ 33,370	\$ 4,746,315	\$ 3,292,912	\$ 1,855,831	\$ 2,641,093	\$ 3,429,509	\$ 15,999,030

Note 3 **Park Projects**

To maintain confidentiality, properties are assigned unique identification numbers during negotiations.

ID No.	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010	TOTAL
Andres	\$ -	\$ 3,000	\$ 153,203	\$ 2,232			\$ 158,435
Bandemer	5,586	-	-	-			\$ 5,586
Brookside	-	150,000	-	-			\$ 150,000
Columbus Homes	-	18,017	15,312	12,946	28,474		\$ 74,749
Crary Trust	-	-	1,895	8,550	1,587		\$ 12,032
Dicken Woods	-	6,900	-	-			\$ 6,900
Dolph Nature-South Addition	1,244,267	694	-	-	15,628		\$ 1,260,590
Evergreen - Lot 108	39,300	-	-	-			\$ 39,300
Evergreen - Lots 78 & 80							\$ -
Evergreen - Lot 118	57,247	-	-	-			\$ 57,247
Evergreen - Lot 120	49,668	-	-	-			\$ 49,668
Girl Scouts/Camp Hilltop	-	2,400	2,236,849	-			\$ 2,239,249
Narrow Gauge Way	-	6,600	-	1,834,388	3,208	120	\$ 1,844,316
Norfolk Southern	3,365	-	-	7,000	7,796	7,378	\$ 25,539
Onder	-	2,400	487,585	-			\$ 489,985
Traver	-	-	-	65,237			\$ 65,237
Ward Park	50	-	-	-			\$ 50
Zion Lutheran	-	2,960	12,472	582,232			\$ 597,664
Botsford	-	2,900	-	-	156,000		\$ 158,900
219 Chapin	-	-	-	-	11,945	256,817	\$ 268,762
Elizabeth Kauffman & Wes Vivian	-	-	-	4,450		4,200	\$ 8,650
Linkner	-	-	-	2,155	7,908		\$ 10,063
2005-03	-	2,000	-	-			\$ 2,000
2005-04	-	2,000	-	-			\$ 2,000
2005-05	-	4,000	-	-			\$ 4,000
2005-09	-	500	-	-			\$ 500
2007-02	-	-	-	4,760			\$ 4,760
2007-03	-	-	-	1,110			\$ 1,110
2008-03					2,500	230	\$ 2,730
2008-04					2,400	3,830	\$ 6,230
2010-01						5,295	\$ 5,295
2010-02						3,150	\$ 3,150
Total Parks	\$ 1,399,484	\$ 204,370	\$ 2,907,316	\$ 2,525,060	\$ 237,444	\$ 281,020	\$ 7,554,694

OPEN SPACE AND PARKLAND PRESERVATION MILLAGE (FINAL)

	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010 as of 06/30/2010
REVENUE						
Millage Proceeds	\$ 1,939,530	\$ 2,014,851	\$ 2,130,654	\$ 2,234,030	\$ 2,232,550	\$ 2,262,001
Bond Proceeds	\$ -	\$ 20,108,066	\$ -	\$ -	\$ -	\$ -
Fund Balance from Prior Year	\$ 4,260,286	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Income	\$ 116,040	\$ 760,529	\$ 1,177,978	\$ 920,378	\$ 815,261	\$ 130,011
Prior Year Refund of Expenses	\$ -	\$ -	\$ 3,918	\$ 2,643	\$ -	\$ -
Escrow Refund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tax Refund	\$ (1,546)	\$ (3,235)	\$ (1,930)	\$ (13,020)	\$ -	\$ (11,087)
Uncollectible Property Taxes	\$ (950)	\$ -	\$ -	\$ -	\$ -	\$ (1,117)
Net Revenues	\$ 6,313,361	\$ 22,880,211	\$ 3,310,620	\$ 3,144,031	\$ 3,047,811	\$ 2,379,808
Parks Advisory Commission (PAC)						
Associated Revenue	\$ 2,104,454	\$ 7,626,737	\$ 1,103,540	\$ 1,048,010	\$ 1,015,937	\$ 793,269
Fund Balance from Prior Year	\$ -	\$ 1,381,840	\$ 8,561,073	\$ 6,321,302	\$ 4,399,122	\$ 4,716,582
Contributions	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Escrow Refund	\$ -	\$ -	\$ -	\$ 8,409	\$ -	\$ -
Grant reimbursement (St of Mich)	\$ 659,337	\$ -	\$ -	\$ -	\$ -	\$ -
PAC Associated Admin Expenses	\$ (28,539)	\$ (19,695)	\$ -	\$ -	\$ -	\$ -
Joint PAC/GAC Admin Expenses	\$ (3,928)	\$ (66,615)	\$ (49,953)	\$ (64,890)	\$ (61,641)	\$ (58,114)
PAC Debt Service	\$ -	\$ (156,823)	\$ (386,042)	\$ (388,650)	\$ (399,392)	\$ (399,317)
Project Expenditures	\$ (1,399,484)	\$ (204,370)	\$ (2,907,316)	\$ (2,525,060)	\$ (237,444)	\$ (281,020)
Fund Balance	\$ 1,381,840	\$ 8,561,073	\$ 6,321,302	\$ 4,399,122	\$ 4,716,582	\$ 4,771,401
Greenbelt Advisory Commission (GAC)						
Associated Revenue	\$ 4,208,907	\$ 15,253,474	\$ 2,207,080	\$ 2,096,021	\$ 2,031,874	\$ 1,586,539
Fund Balance from Prior Year	\$ -	\$ 4,089,787	\$ 14,267,653	\$ 13,567,231	\$ 13,234,032	\$ 12,384,548
Grant Reimbursement (FRPP)	\$ -	\$ 190,642	\$ 1,257,400	\$ 336,643	\$ 681,800	\$ 1,030,500
Contributions and Memorials	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500
GAC Associated Admin Expenses	\$ (77,894)	\$ (73,059)	\$ -	\$ (2,952)	\$ -	\$ (4,550)
Joint PAC/GAC Admin Expenses	\$ (7,856)	\$ (133,231)	\$ (99,907)	\$ (129,779)	\$ (123,282)	\$ (116,227)
GAC Debt Service	\$ -	\$ (313,645)	\$ (772,083)	\$ (777,300)	\$ (798,783)	\$ (798,633)
Project Expenditures	\$ (33,370)	\$ (4,746,315)	\$ (3,292,912)	\$ (1,855,831)	\$ (2,641,093)	\$ (3,429,509)
Fund Balance	\$ 4,089,787	\$ 14,267,653	\$ 13,567,231	\$ 13,234,032	\$ 12,384,548	\$ 10,656,167

Fund 24 Administrative Limit Calculation

Limit on Administrative Expenditure

	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010
Cumulative Legal Limit *	\$ 4,120,400	\$ 4,002,183	\$ 3,709,583	\$ 3,559,723	\$ 3,362,102	\$ 3,177,179
Administrative Expenditure (from income statement)	<u>\$ 118,217</u>	<u>\$ 292,600</u>	<u>\$ 149,860</u>	<u>\$ 197,621</u>	<u>\$ 184,924</u>	<u>\$ 178,891</u>
Remainder	<u>\$ 4,002,183</u>	<u>\$ 3,709,583</u>	<u>\$ 3,559,723</u>	<u>\$ 3,362,102</u>	<u>\$ 3,177,179</u>	<u>\$ 2,998,288</u>

* Limit calculation (legal)

Six percent of bond principal	\$ 20,250,000	6.0%	\$ 1,215,000
Millage Revenue	\$ 84,400,000		
Debt Service	<u>\$ (35,976,660)</u>		
+ Six percent of excess millage after debt service	\$ 48,423,340	6.0%	<u>\$ 2,905,400</u>
= Maximum Administrative Expenditure over 30 years			<u>\$ 4,120,400</u>

Limit on Administrative Expenditure

	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010
Cumulative Operating Limit *	\$ 3,296,320	\$ 3,178,103	\$ 2,885,503	\$ 2,735,643	\$ 2,538,022	\$ 2,353,099
Administrative Expenditure (from income statement)	<u>\$ 118,217</u>	<u>\$ 292,600</u>	<u>\$ 149,860</u>	<u>\$ 197,621</u>	<u>\$ 184,924</u>	<u>\$ 178,891</u>
Remainder	<u>\$ 3,178,103</u>	<u>\$ 2,885,503</u>	<u>\$ 2,735,643</u>	<u>\$ 2,538,022</u>	<u>\$ 2,353,099</u>	<u>\$ 2,174,208</u>

* Limit calculation (operating)

4.8% percent of bond principal	\$ 20,250,000	4.8%	\$ 972,000
Millage Revenue	\$ 84,400,000		
Debt Service	<u>\$ (35,976,660)</u>		
+ 4.8% percent of excess millage after debt service	\$ 48,423,340	4.8%	<u>\$ 2,324,320</u>
= Maximum Administrative Expenditure over 30 years			<u>\$ 3,296,320</u>

Comparison of Administrative Expenditures to Total Expenditures

	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 2009	FY 2010
Total Expenditures (from income statement)	\$ 1,551,071	\$ 5,713,753	\$ 7,508,213	\$ 5,744,461	\$ 4,261,636	\$ 5,087,370
Total Administrative Expenditures (from income statement)	<u>\$ 118,217</u>	<u>\$ 292,600</u>	<u>\$ 149,860</u>	<u>\$ 197,621</u>	<u>\$ 184,924</u>	<u>\$ 178,891</u>
Percentage	7.6%	5.1%	2.0%	3.4%	4.3%	3.5%

THE DEXTER LEADER

Ann Arbor and Webster Township purchase farms

The City of Ann Arbor and Webster Township have partnered to protect two significant farms.

Farmland development rights were purchased on the Marjorie Smyth Farm in Webster Township by Webster Township using Webster Township millage funds, City of Ann Arbor Greenbelt funds and Natural Resources Conservation Service Farm and Ranchland Protection Program (FRPP) funds.

A total of 100 acres were protected on the Smyth Farm.

John Westman, chair of the Webster Township Farmland and Open Space Preservation Board, said "Without the cooperation of the Farm and Ranchland Protection Program and the City of Ann Arbor Greenbelt Program, these two important farmland properties would not be protected."

The City of Ann Arbor acquired farmland development rights on the 147-acre farm owned by the Merkel, Heller and Marr family with funds from the City's Greenbelt millage, Webster Township's Land Preservation millage and the Farm and Ranchland Protection Program.

"This increases the quality of life in Ann Arbor now and for generations to come. I am grateful that the city taxpayers made the investment in obtaining natural areas and supporting local farms," said Laura Rubin, chair of the Ann Arbor Greenbelt Advisory Commission.

These two properties are both located along Zeeb Road across from one another and adjacent to another property 180 acres of land protected with Greenbelt and FRPP funds. With the completion of these two transactions, nearly 600 acres of farmland have now been protected in Webster Township as a result of the land preservation millages.

The Webster Township millage was passed in 2005 by the voters and is a dedicated source of revenue for the purchase of open space and farmland in the township.

The Open Space and Parkland Preservation Program (commonly referred to as the Greenbelt Program) was approved by City of Ann Arbor voters in November 2003 to provide funding for the preservation and protection of open

space, natural habitats and working landscapes both inside and outside the city limits. Voters authorized a one-half mill tax for 30 years, which provides funds for parkland acquisition within the City of Ann Arbor, and for the preservation and protection of open space and agricultural land, natural habitats outside the City of Ann Arbor in the designated Greenbelt district.

Click here to return to story:

http://www.dexterleader.com/stories/070209/loc_20090702007.shtml

the ann arbor chronicle

it's like being there

ANN ARBOR, MICHIGAN

TUESDAY, AUGUST 24, 2010

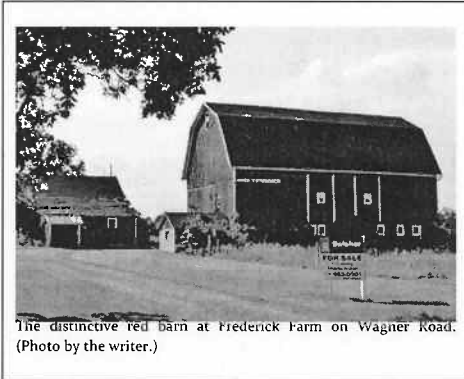
SUBSCRIBE

Frederick Farm in Line to Join Greenbelt

Development rights deal could pave way for new venture

BY MARY MORGAN

OCTOBER 12, 2009



The distinctive red barn at Frederick farm on Wagner Road.
(Photo by the writer.)

Not many people attended the September meeting of the Ann Arbor Greenbelt Advisory Commission, so it was easy to figure out who was there, and why. Scott Rosencrans, for example, came to introduce himself to the commission – he's the new chair of the city's Park Advisory Commission. He said he hoped the two groups could find ways to work together, given their common interests.

Others attending had a more specific goal in mind: To see whether GAC would approve the purchase of development rights to the Frederick Farm.

The commission *did* approve the PDR, sending it on to Ann Arbor's city council for a vote to authorize the deal – it might be on the council's agenda as early as November. If approved, it would be the first time the city's greenbelt program has undertaken an agricultural project without federal funding, and the first time they've made a purchase in Lodi Township. If the Legacy Land Conservancy joins in on the deal as expected, it also would mark that nonprofit's first participation in the city's greenbelt initiative.

The Farm and The Buyer

The Frederick Farm sits on about 100 acres in Lodi Township, with a house, barn and out-buildings facing Wagner Road, just north of Ann Arbor-Saline Road and across from Turner's nursery. It was owned by the late Erwin and Dorothy Frederick – Erwin Frederick served as Lodi Township supervisor for more than 40 years, and his photo still hangs in the township hall.

Now owned by the Fredericks' three grandsons – Chris, Fred and Steve Girbach – it hasn't been an active family farm for several years, though they've leased out the land to other farmers for corn and soybean crops.

The parcel has attracted developers in the past. Most recently, Fairview Land Development of Auburn Hills had planned to build 450 houses on the land, but was denied a zoning request by Lodi Township, according to an April 30, 2008 article in The Ann Arbor News. Residential development would run counter to the township's zoning for that area – the draft of a master plan that's currently being considered by township officials designates the bulk of the township for agricultural preservation.

And that use fits the goals of Mike Vestergaard, one of the people attending GAC's Sept. 9 meeting. If the deal for the purchase of development rights gets approved by city council, Vestergaard says he'll realize a plan that's been a long time in the making.

Vestergaard first came to Michigan nearly 20 years ago as an exchange student from Denmark. He met his future wife Hope, who's from Ann Arbor, while working as a camp counselor in northern Michigan. He returned to Denmark to finish college, majoring in dairy management, then came back to the U.S. and worked at a dairy farm in the Connecticut River Valley.

The land there was lush and fertile for farming, but residential developers were purchasing farmland at a rapid rate to build housing, Vestergaard said. It was there that he was first introduced to the concept of buying development rights.

The tool allows governments and conservancy groups to pay landowners the difference between what a developer would be willing to pay for the land, and what the land would be worth if it couldn't be developed. It allows farmers to keep their land or preserve it, while taking advantage of the profits they would otherwise get from selling it to developers.

Moving to Ann Arbor in the mid-1990s, Vestergaard hoped to buy a farm in this area but couldn't afford anything on the market other than a 10-acre hobby farm he now owns on East Delhi Road, where he keeps four cows and raises pigs in the summer. Instead of making farming his main business, Vestergaard started a construction company – Vestergaard & Sons – which has done pretty well, he said. "Financially, I should stay at that – there's no doubt about it."



But earlier this year he found out that the Frederick Farm was for sale, and that its owners might apply to be part of the greenbelt. The location – on a frequently traveled road between Saline and Ann Arbor – was perfect for the kind of operation he'd like to start: a working farm and retail store, with a strong educational component.

Mike Vestergaard at the Sept. 8 meeting of the Ann Arbor Greenbelt Advisory Commission. (Photo by the writer.)

Calder Dairy & Farms serves a model and inspiration for what he'd like to do, Vestergaard said. That family-owned business – located in Carleton, Mich., southeast of Milan – produces milk, ice cream and other items, but also opens its farm to visitors, and has a store on site. "I thought, why is there not anything like this in Ann Arbor?" Vestergaard said.

Vestergaard also had been working with Mike Score, an agent with the local Michigan State University Extension office. Score advised Vestergaard to specialize, like Calder, and to sell what the farm produced.

Given Vestergaard's background in dairy farming, he hopes to raise grass-fed cattle, selling the meat at the farm store along with items from other local producers, possibly including Calder, Backwoods Beef Jerky (made in Chelsea) and others. He says he wants people to see how a working farm actually operates, and to show how food can be produced safely and humanely. "I have to be able to sell this product with a good conscience," he said.

Structuring the Deal

Vestergaard plans to invest a total of \$2 million into the purchase of the farm, renovation of the old barn and construction of a store. He has offered \$3,500 per acre for the property. The land, including development rights, appraised for \$9,000 an acre – Vestergaard said he wouldn't have been able to pay that amount, plus invest in the necessary renovations.

What's lowering the price for him is the city's pending purchase of development rights. Through the greenbelt program, the city will pay the current owners an amount that will allow them to lower the purchase price for the property, after it's been stripped of development rights. According to a resolution passed by the Greenbelt Advisory Commission, the city's share of that payment will not exceed \$835,400.

Funds to pay for the PDR come from a millage that Ann Arbor voters passed in 2003. Approved for 30 years, the millage levies 0.5 mill annually, or 50 cents for each \$1,000 of a property's taxable value.



A prototype for a sign being designed to mark land that's part of the greenbelt program. (Photo by the writer.)

Vestergaard had been working with Charlie Koenn of Swisher Commercial, who was helping him look for suitable property. Koenn is also from a local farming family – he noted that his grandfather, Herm Koenn, was friends with Erwin Frederick, and his brother still runs a dairy farm near Chelsea.

Koenn knew of other farm families who'd sold their development rights through the greenbelt program, and thought that might be a way to make the transaction work for the Frederick Farm. As part of the deal, the Girbachs are contributing 16.5% of the PDR price – meaning they'll get 16.5% less than they would have otherwise received for the development rights.

Landowner contributions of this kind, which typically result in a tax benefit, are a common component of a PDR deal, but are not as common in farmland transactions. The city's current policy calls for between 20-25% of the PDR price to come from matching funds from other sources, which might include landowner contributions. For agriculture deals, however, those matching funds are usually from the U.S. Department of Agriculture's Farm and Ranchland Protection Program, or FRPP.

The city applied for FRPP funds in the Frederick Farm deal, but did not receive any. Instead, Lodi Township and the Legacy Land Conservancy – an Ann Arbor-based nonprofit previously known as the Washtenaw Land Trust – have been asked to chip in, along with the landowner.

Lodi Township does not have a dedicated millage for land preservation, and The Chronicle did not receive a response from township officials about their plans to participate in the Frederick Farm PDR deal.

Susan Lackey, executive director of the Legacy Land Conservancy, said the nonprofit's board will likely vote on the issue in November. There are several factors that make this a good transaction, she said. Preserving the farm will keep the historic connection to the land, and the kinds of things that Vestergaard hopes to do in that very visible location will highlight the local food system. The deal, which transitions the farm from one active use to another, is also proof that the greenbelt program actually works for agricultural land, she said, if the price is low enough.

Greenbelt's Added Emphasis on Farmland

Jennifer Santi Hall, vice chair of the Greenbelt Advisory Commission, said the commission is putting more of an emphasis on land that produces food sold locally, so it's likely there'll be more such deals than in the past. That's reflected in the newest version of its strategic plan, approved by GAC in March 2009:

This year, the Greenbelt Advisory Commission has identified locally produced foods, agritourism, and other agricultural

specialty products sold directly to local markets as an emerging issue. Our local markets, restaurants, non-profits, and most recently, the Homegrown Festival have all focused on the environmental, health, economic and community benefits of buying and selling local foods and other agricultural specialty products. In addition, we feel that a visible connection to our Greenbelt through the foods and other products that we buy and eat provides a tangible reminder of our preservation efforts. Local foods and other crops can find their way in to our Ann Arbor economy in a number of diverse ways: the Ann Arbor Farmers Market, local food stores, direct restaurant purchases from farms, U-pick farms, and even at larger chain groceries through regional food distributors.

Recognizing that the Greenbelt's mission and direction is solely the protection of land, the Greenbelt program will make a priority to protect those farms that are producing foods for local markets. Even without this priority in our previous strategic plans, the Greenbelt program has actually preserved several farms that provide local food or other crops to the Ann Arbor area.

To date, the Greenbelt has focused on large parcels of active agriculture, however, many farms that are likely to produce vegetables or specialty crops for sale to our local markets or restaurants are likely to be less than 40 acres. Furthermore, these parcels are likely not going to qualify for Federal Farm and Ranchland Protection Program grant dollars. As such, our existing scoring system precludes these types of farms from our consideration. The Greenbelt Advisory Commission will amend our scoring system to award points to those applications that are supporting local food production or direct marketing production.

[.PDF of 2009 Ann Arbor Greenbelt District Strategic Plan]

Since the greenbelt program began in 2003, the city has spent a total of \$10.089 million on 12 properties encompassing 1,321 acres in Washtenaw County – land that includes both farmland and open space. Another nearly \$10 million for those purchases has come from landowner contributions, grants and partnerships with other governments.

More funds are available. As of June 30, 2009, the greenbelt fund had a balance of \$11.847 million. Of that, city council has approved three additional purchases totaling \$2.54 million from the greenbelt fund: The 286-acre Braun farm in Ann Arbor Township; the 51-acre William Gould property, also in Ann Arbor Township; and 265 acres owned by the Nixons in Webster Township. Those deals haven't yet closed.

[.PDF of June 30, 2009 summary of Ann Arbor Greenbelt acquisitions]

In addition to the city of Ann Arbor, the townships of Ann Arbor, Scio and Webster also have millages for land preservation, allowing them to partner in the greenbelt. In 2003, Ann Arbor Township voters approved a 20-year, 0.7 mill property tax for that purpose. Scio Township's 0.5 mill land preservation tax was passed in 2004 for 10 years. Webster Township's five-year, 0.5 mill land preservation tax was approved in 2005 and is on the ballot for renewal in November, to take effect in 2010.

The other local government with a dedicated millage for land preservation is Washtenaw County, which levies 0.25 mill to fund its Natural Areas Preservation Program.

To find property that might be eligible for the greenbelt program, the city typically mails out applications and letters each year to large landowners in the greenbelt area, said Ginny Trocchio of The Conservation Fund, a consulting firm that's managing the program for the city. The program has received nearly 80 PDR applications from landowners since the program began, including 13 so far this year.

The Conservation Fund has managed the greenbelt program since 2005, and its contract expires next year. In a Sept. 9, 2009 memo to city council, Jayne Miller, the city's community services administrator, said she plans to issue a request for proposals on the contract this fall. According to city council minutes, in 2007 council approved a three-year contract for the Conservation Fund at \$209,879 for the first year, \$222,175 in year two and \$233,460 for year three.

the ann arbor chronicle

December 1, 2009

Greenbelt Explores Support for Small Farms

Federal housing grants could offer funding options

By MARY MORGAN

The main topic of discussion for the Ann Arbor Greenbelt Advisory Commission's November meeting could be distilled into this: How can the greenbelt program support the development of small farms, and ensure that farm properties remain farms, even when the property changes ownership?

It's an unlikely resource that might actually be able to help answer those questions: the federal housing programs administered by the Office of Community Development, a joint county/city department.

Jennifer Hall, OCD housing program coordinator, attended the Nov. 4 meeting of the greenbelt group and floated some ideas for how federal funding might provide resources to retain land for the farming community.

The commission also heard from the managing organization of the greenbelt program, The Conservation Fund, about strategies for preserving small farms.

Ensuring a Farming Legacy

Peg Kohring of The Conservation Fund, which is under contract with the city to manage the greenbelt program, gave a presentation to commissioners designed, she said, to give them something to "chew on."

She reported she'd recently attended a conference hosted by the Land Trust Alliance, a national organization, and had come back with some ideas about how to preserve farmland in this area. To see an example of the kind of thing that's possible, Kohring suggested that commissioners go online to view a clip from a documentary called "The Last Crop," about an attempt by owners of an organic farm in California to make sure their land remains a farm for future generations.

Kohring outlined several ways that farmland could be secured for farming. One option is an agricultural easement stipulating that at least 50% of the landowners' gross income, averaged over five years, comes from farming. Another option might be for the city, via the greenbelt program, to own the land, with a farmer signing a long-term lease to use the property.

Commissioner Tom Bloomer, a farmer from Webster Township, wondered why there couldn't just be a deed restriction on the land, limiting it to agricultural use. Kohring said that one issue was the cost of the land itself. New farmers don't necessarily have the capital to buy the land, she said. Leasing the land to farmers would make it more affordable for them.

Carsten Hohnke, city council's representative to the greenbelt commission, asked how these other approaches differed from the purchase of development rights (PDR). He noted that just recently the greenbelt advisory commission had approved a deal that would allow a family to sell their farm at a lower price, because of the greenbelt PDR. [See Chronicle coverage: "Frederick Farm in Line to Join Greenbelt"]

Kohring said that none of the greenbelt's conservation easements – the agreements which put restrictions on property, such as preventing dense housing developments – have required that the land be farmed. The easements put restrictions on what it can't be used for, not what it must be used for. It would be possible to buy a farm, for example, and use the land as a large mowed back yard, she said.

Laura Rubin, the commission's chair, clarified that there were two issues of concern: 1) making farmland affordable for new farmers, and 2) permanently restricting the use of the property to farming.

Commissioner Jennifer Santi Hall brought up the fact that Ann Arbor Township had received a federal grant to explore the development of sustainable agriculture. From the project's website:

The primary outcome of this project is to establish small farms producing for regional markets using purchase of development rights (PDR) to reduce land costs, improve farm profitability and preserve farmland in a near-urban setting. Ann Arbor Township, with its proximity to the City of Ann Arbor and its ample open space and farmland, is an ideal location for this initiative.

In the short term, the project will identify and introduce interested landowners and potential farmers to learn about opportunities to work together and establish small farming operations. In the intermediate term, those relationships will be established and farmers will be encouraged to seek guidance in formulating sound business plans to meet market demands. The long-term outcomes (third year and beyond) will be to have established several operations and to share the results and lessons of our work with others in the immediate region, before reaching out to southeast Michigan, the entire state and beyond.

This project is being viewed as a demonstration for other communities interested in agricultural profitability, land use at the urban/rural interface and local food production. It is expected that new relationships will be created, small farm operations will be established, more local food and other produce will enter the marketplace and lessons will be learned to provide insight and establish the area as a center for innovative approaches to preserving farmland.

Commissioner Dan Ezekiel said that the greenbelt commission's committee on small farms had been discussing this issue too, in light of the commission's efforts to prioritize farmland within the greenbelt program. Unfortunately, he said, the size of properties that would be ideal for small farms would also make it attractive as a large estate with a single house. Even if the greenbelt program buys development rights with the expectation that the land be used for

farming, right now there's nothing to prevent the land from being used merely as a residence.

Kohring encouraged commissioners to consider ways that they might institutionalize the commitment to small farms.

Affordable Housing for Farmers

Jennifer L. Hall, housing program coordinator for the Office of Community Development, talked to greenbelt commissioners about how the Urban County program might be a path for helping to make small farms affordable. The Urban County is a consortium of townships and cities within Washtenaw County that are eligible for the federal Community Development Block Grant (CDBG) program, which funds low- and moderate-income housing, infrastructure and other community development projects.

Hall said that for the Urban County's federally-funded affordable housing projects, restrictions can be placed on the property with regard to the buyer's income level at the time of purchase. Owners can also be restricted from reselling the dwelling to anyone who doesn't meet those income requirements. She said that the Urban County hadn't targeted farms in the past, but there was no reason why they couldn't use federal dollars and apply the same income restrictions for someone purchasing a small farm through the Urban County's housing program.

Right now, 11 jurisdictions are part of the Urban County partnership. They include the

cities of Ypsilanti and Ann Arbor, and the townships of Ann Arbor, Bridgewater, Northfield, Pittsfield, Salem, Scio, Superior York and Ypsilanti. Nationwide, dollars are awarded to designated urban areas and urban counties based on a calculation that includes factors such as population, poverty rate and infant mortality rate, among others. Locally, an Urban County Executive Committee, chaired by county commissioner Leah Gunn, determines how those funds are used within the participating municipalities, which propose projects for consideration.

Hall said that rural communities who participate in Washtenaw's Urban County might be excited about a focus on small farms. York Township, for example, is considered a "donor" township because it typically contributes more federal dollars to the Urban County pool than it gets back in projects.

In response to questions from commissioners, Hall said that funds could be available for rehab as well as new construction. The deed restrictions – requiring that the property be sold to people below a certain income level – would apply in perpetuity. The owner's income level could increase while they owned the property – the only thing that mattered was their income level at the time of purchase.

Commissioner Gil Omenn said that the program seemed to offer more options than they'd previously considered. The harder question, he said, is whether they feel strongly enough to promote this approach. "That's a whole other level of activity," he said.

Sunday, January 17, 2010

Glimpse of Green: Ann Arbor's Greenbelt Program making strides on preserving open space

By RYAN J. STANTON

Members of the Webster United Church of Christ - the oldest continuously used church in Washtenaw County - say they thought long and hard before agreeing to relinquish the development rights to 94.4 acres behind their aging building.

The fact that the land was historically used for agricultural purposes was a major consideration when the congregation decided to accept the \$613,000 offer by the city of Ann Arbor's Greenbelt Program. That will ensure the property can't be developed and will remain forever preserved as open space.

Now entering its seventh year, the Ann Arbor taxpayer-funded Greenbelt Program is making strides. Administrators of the program are reporting 2009 was one of the most successful years to date. After the purchases of multiple properties in Webster Township, an actual greenbelt is starting to form around Ann Arbor.

"The congregation overall felt that it was important to maintain the property," said Jim Kulp, chairman of the church committee that evaluated putting the land into the preservation program. "We felt that it would be best to utilize it as a green space area, and when we learned of the Greenbelt Program,



The city of Ann Arbor's Greenbelt Program recently purchased the development rights to 286 acres of farmland owned by Bill Nixon of Webster Township for \$2.14 million. Aside from being the largest chunk of land ever acquired by the Greenbelt Program, the purchase is significant because the property once was slated to become a manufactured home park. (Photo by Ryan J. Stanton | AnnArbor.com)

we looked into it and it appeared to be an excellent program that would serve that purpose."

A stone's throw away from the church, at the intersection of Zeeb and Daly roads in rural Webster Township, lies another 286 acres of farmland owned by Bill Nixon. At the end of December, the city closed on the purchase of development rights to Nixon's property for \$2.14 million.

Aside from being the largest chunk of land ever acquired by the Greenbelt Program, the purchase of the development rights on the 286-acre Nixon farm is significant because

the property once was slated to become a manufactured home park.

"After having faced that, to have Bill now turn around and put this in the PDR is a great thing," said Webster Township resident Spencer Ford, who owns 90 acres of property across the road that he is considering putting into the Greenbelt.

"It's been a great program," Ford said. "It's really great for Webster Township, and I love what it's doing for Ann Arbor, too. It would have been a shame to have turned into another Canton and have solid development all the way around the city."

A total of 709 acres were added to the Greenbelt in 2009, which includes 607 acres in Webster Township and 102 acres in Lodi Township. That brings the total land protected by the program to date to 1,782 acres.

Those acres are spread across eight townships surrounding Ann Arbor, including Webster, Northfield, Ann Arbor, Salem, Superior, Pittsfield, Lodi, and Scio townships.

"We're just delighted with closing the projects at the end of the year," said Peg Kohring, midwest regional director for The Conservation Fund, a nonprofit firm under contract with the city to administer the program.

"The big thing that's been done this year is that it's blocks of land," Kohring said. "When we started out with the Greenbelt, we did individual properties in kind of spread-out townships, but now we're actually doing blocks of land that are safe to drive a tractor between and that will actually lead to sustainable farming."



The congregation of the Webster United Church of Christ recently decided to relinquish the development rights to 94.4 acres of property to the city of Ann Arbor's Greenbelt Program. (Photo by Ryan J. Stanton | AnnArbor.com)

Critical matching funds were received this past year, resulting in an average 1-to-1 match for every dollar the city spent. A total of \$564,500 was provided by Webster Township, \$366,850 from landowners, and \$2.07 million from the Natural Resources Conservation Service's Farm and Ranch Land Protection Program.

"The Greenbelt Program has been accomplishing its mission, and it's kind of into a golden time right now because a very large percentage of the federal monies that come to Michigan come here because we're the people with the program with matching funds," said Ann Arbor Mayor John Hieftje, who was the public leader of the campaign seven years ago to start the program. "It's been a whole lot of success, and I look forward to the next few years particularly."

The Greenbelt Program was approved by Ann Arbor voters in November 2003 - at a time when a significant amount of development activity was occurring around Washtenaw County, and farmland was being sold for development.

Voters authorized a 0.5-mill tax for 30 years, which provides funds for parkland acquisition within the city and the preservation of open space, agricultural

land, and other natural habitats outside the city in a designated Greenbelt district (see map).

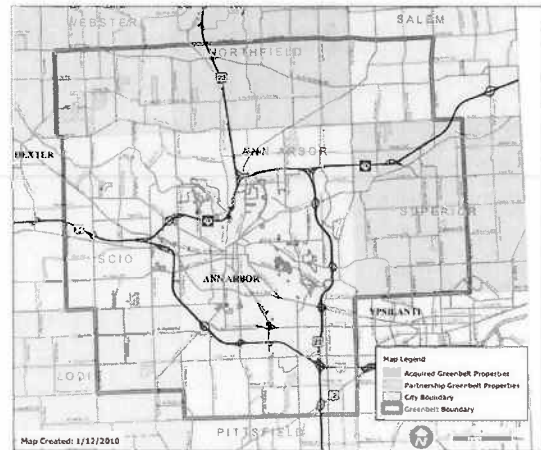
Hieftje points out the Greenbelt millage wasn't a new tax when it was approved in 2003. The city had a land acquisition millage off and on dating back to the 1980s, and it was extended a couple years before it would have expired.

The millage - officially called the Open Space and Parkland Preservation millage - brought in \$2.2 million in revenues from city taxpayers last fiscal year. An income statement obtained by AnnArbor.com shows expenses totaled \$4.26 million, while revenues - factoring in grants and investment income - totaled \$3.73 million. The program ended the year with a fund balance of \$17.1 million - \$10.23 million from the millage and \$6.9 million from bond proceeds.

About \$1.2 million went toward debt service for bonds, while \$2.6 million was spent on Greenbelt projects and \$237,444 on park projects. Another \$184,924 was paid out in administrative expenses, \$139,443 of which went to The Conservation Fund.

City Council Member Carsten Hohnke, a member of the Greenbelt Advisory Commission, said lower land prices and more matching funds are helping city dollars go further than ever before through the Greenbelt Program.

"The market place is much different - there aren't a whole lot of developers looking for farmland - and so we've seen the price per acre for the development rights come down by about half," Hohnke said. "And so we're actually protecting a lot more land than we expected."



A view of the two silos on the Nixon farm from behind the broken boards of an old barn on the property. (Photo by Ryan J. Stanton | AnnArbor.com)

Last November, Webster Township residents voted to continue their support of preserving farmland and open space, township Supervisor John Kingsley noted. He said the township looks forward to working with the city and other partners to preserve even more land in the future.

The city of Ann Arbor originally estimated it would cost \$617,257 to acquire 75 acres of property behind the Webster United Church of Christ, about half of which would be funded through a federal land protection program. But when federal grants were denied, the church was willing to donate additional acreage for free and Webster

Township kicked in a contribution of \$77,000.

A historic marker standing in front of the white building indicates the church traces its roots to the 1830s. While the congregation agreed to make 94.4 acres untouchable, Kulp said the church kept the development rights to land immediately surrounding the building. The church is considering using

the money it was paid through the Greenbelt Program to complete a renovation or expansion in the future.

"The gain that we did get from the property, we've put it away and we have a meeting in January where we'll have some discussion," Kulp said. "We have additional property we can build upon - we didn't put all of the property into the Greenbelt."

February 1, 2010

Ann Arbor officials take action to add more farmland to Greenbelt

By RYAN J. STANTON

The Ann Arbor City Council took steps tonight to add another piece of farmland to the ranks of the city's Greenbelt Program, forever preserving it as open space.

The city will spend \$165,140 from Greenbelt millage proceeds for the purchase a portion of farmland in Ann Arbor Township owned by Kenneth and Joann Zeeb.

The parent parcel is about 83.7 acres and is currently being farmed. The landowner is excluding 2.12 acres - which includes the house and farm buildings - from the Greenbelt.

"The property is considered large enough to sustain agricultural production and is in a location that will encourage additional farmland preservation and agricultural preservation activities," Ginny Trocchio, one of the Greenbelt Program's administrators wrote in a memo to the City Council. "The property is adjacent to the Kapp Farm that was jointly protected by Ann Arbor Township and the City's Greenbelt program in 2006."

The property owners applied to the Ann Arbor Township Land Preservation program in 2008, and the township in turn applied for federal Farm and Ranch Land Protection Program grant funds. The township was awarded \$307,720, which covered half of the purchase of development rights to the property. The city



and township each paid another \$160,140, plus due diligence costs.

In other action tonight, the council voted to approve going after federal grants for two other Greenbelt purchases. That includes a 156-acre farm owned by the Whitney family along Farrell Road and Webster Church Road in Webster Township, and a 98-acre farm owned by the Honke family (no relation to City Council Member Carsten Hohnke) at the intersection of Northfield Church Road and Nollar Road in Northfield Township.

City officials recently announced 709 acres were added to the Greenbelt in 2009, bringing the total land protected by the program to date to 1,782 acres.

the ann arbor chronicle

it's like being there

February 12, 2010

Greenbelt Commission Backs County Tax

Also, new appraisals hike city's cost for two properties

By MARY MORGAN

Ann Arbor Greenbelt Advisory Commission meeting (Feb. 10, 2010): Citing benefits to the city's own greenbelt program, members of the greenbelt commission at their Wednesday meeting voiced support for a county land preservation millage, which is up for renewal this year.

The commission passed a resolution urging the city council formally to endorse the millage, though it's up to the Washtenaw County Board of Commissioners to decide whether to put the millage on the ballot. It's not yet clear the board will do that.

Greenbelt commissioners also discussed the implications of new, lower appraisals that had just been received on the Braun and Gould properties in Ann Arbor Township. The city already has binding purchase agreements with the owners based on older, higher appraised values, but recently learned that new appraisals will result in fewer federal matching funds for the acquisitions. The city could be on the hook for more money than was anticipated to close these deals.

Related to that, some commissioners raised concerns over information they'd received last month from the city attorney's office,

which appeared to be in conflict with what they were being told by staff at Wednesday's meeting.

Support for Natural Areas Millage

The county's Natural Areas Preservation Program (NAPP) is funded by a countywide millage that voters approved in 2000, taking effect in 2002. At 0.25 mills, it raises about \$3 million annually, and expires next year.

At an administrative briefing last month, some county commissioners expressed reservations about whether to put the millage renewal on the ballot. Barbara Bergman, a commissioner representing District 8 in Ann Arbor, said she'd be reluctant to do so, given the need for funding to support human services nonprofits. Commissioners and other elected county officials have discussed putting a new human services millage on the ballot this year, though no formal proposal has been made. [See Chronicle coverage: "County Natural Areas Tax Up for Renewal"]

At Wednesday's meeting of the greenbelt commission, there was some discussion about whether the millage renewal was

considered likely to pass, if it were on the ballot. "I think any millage is controversial right now," said Laura Rubin, who chairs GAC and co-sponsored the commission's resolution urging the city council's support, along with vice-chair Jennifer S. Hall.

Peter Allen asked whether anyone knew what else is on the ballot at this point. Carsten Hohnke, a greenbelt commissioner who also represents Ward 5 on city council, said there were a number of possibilities, but it wasn't clear what would ultimately be put before voters. He asked Ginny Troccio of The Conservation Fund, a consulting firm that's managing the greenbelt program for the city, whether the county board had taken any action related to the millage. She said they hadn't, and that the county need to act by June or July to get it on the November ballot.

Dan Ezekiel expressed his strong support for the millage renewal. He noted that Ann Arbor's greenbelt program had partnered with the county to buy three high-quality properties: the Fox Science Preserve on Peters Road and Scio Preserve on Scio-Church Road, both in Scio Township, and Meyer Preserve on Prospect Road in Superior Township. He said he hoped council would endorse the millage.

Mike Garfield, who's also director of the Ecology Center in Ann Arbor, said NAPP has been terrific for the county. When it first launched, he noted, there was some talk about the possibility of the program including farmland preservation. So Garfield proposed a friendly amendment to the resolution, asking that council consider urging the county to enlarge the scope of the program to include that type of acquisition. [The city's greenbelt program already includes farmland preservation - see

Chronicle coverage "Frederick Farm in Line to Join Greenbelt"]

Commissioners discussed whether someone from the greenbelt staff or commission should talk with representatives from the county before voting on the resolution. Gil Omenn felt that the resolution might blindside the county. He could imagine that, in general, there would be fears about putting millages on the ballot, and that the idea of expanding the program's scope might make county commissioners uneasy. Rubin said it might be wise for someone from the greenbelt commission to speak at an upcoming county board meeting, to talk about the value of the county's natural area preservation efforts.

Ezekiel weighed in with the view that they should vote on the resolution now. The county board is going through some very serious deliberations regarding its budget, he said, and it's important to show support for the millage. "The voters will decide," he said.

After further discussion, commissioners agreed to support Garfield's amendment. The amended resolution passed unanimously.

Later this week, Trocchio told The Chronicle that commissioners subsequently requested more information about the millage. The issue will likely come up again at the greenbelt commission's next meeting, she said, perhaps in the form of an additional or further amended resolution.

Appraisals Increase City's Share of Funding

The final item handled at the meeting was a report from Peg Kohring of The Conservation Fund. New appraisals for two

properties – the 286-acre Braun farm and 51 acres of Gould land, both in Ann Arbor Township – had been requested by the U.S. Department of Agriculture’s Farm and Ranchland Protection Program, or FRPP. The city is requesting FRPP funds to help pay for the purchase of development rights to those properties, but previous appraisals were more than a year old by the time the federal program accepted all of the application paperwork, according to Kohring. [The city council has already approved the purchases, but the deals haven’t yet closed, pending FRPP funding.]

At its January meeting, the greenbelt commission had recommended that the city council authorize the new appraisals. On Wednesday, Kohring reported that the Braun farm, which originally appraised for just over \$4 million, was now appraised at \$2,107,500. For the Gould property, the appraisal was lowered from \$691,000 to \$385,000.

In response, the available FRPP funds dropped from \$1.43 million for the Braun farm to just over \$1 million, Kohring said. For the Gould land, FRPP funds fell from \$256,000 to \$192,500. To cover the difference, an additional \$377,000 is needed for the Braun property, and an additional \$63,500 for the Gould property – those costs could be split with Ann Arbor Township, if township officials agree, Kohring said. The city had previously committed to paying \$1,363,500 for Braun and \$269,000 for Gould.

Ginny Trocchio of The Conservation Fund said that the next steps would be to ask city council to approve the additional funds. It takes the FRPP between three months to a year to process the federal portion, she said, adding that she’s been told the FRPP would

expedite this application because the deals need to close by Sept. 30, 2010.

Peter Allen asked what the implications would be if the commission postponed action until its next meeting. Trocchio said they’ve been working with the landowners since 2007, and both owners are “pretty antsy.”

Jennifer Hall confirmed with Trocchio and Kohring that the city had binding purchase agreements with the landowners. Allen said the commission was hearing for the first time that the financing contingency in the agreements wasn’t valid. “What we’re hearing tonight is the reverse of what we were told by the attorney at the last meeting,” he said, referring to Mary Fales from the city attorney’s office. He suggested scheduling another meeting – perhaps an emergency meeting – to bring back someone from the city attorney’s office to clarify the situation.

Gil Omenn, describing the news as a “pretty unexpected turn of events,” said he couldn’t imagine the need for such urgency, given that they had until Sept. 30 to close the deal. However, Kohring cautioned that given the time it takes for FRPP to process an application, the commission would need to act in March in order to be done by September.

Omenn wondered whether the city would be required to pay the full purchase price, if the FRPP funds don’t come through. Trocchio deferred that question to the city attorney’s office.

Hall said that they wanted to do right by the landowners, but they also needed to do right by the city’s taxpayers, given the very different land values. It was important to

have all the relevant information before making a decision, she said.

Carsten Hohnke clarified that if Ann Arbor Township didn't agree to pay half of the extra funds, the city would be obligated to pay the entire additional amount. Kohring confirmed that was correct, but noted that preserving the property was a top priority for township officials.

The commission agreed to delay a decision, and directed staff to have someone from the city attorney's office come to their next meeting. Omenn suggested getting written advice from the attorney's office in advance

of the meeting. Calling that a great idea, Hohnke asked Trocchio to request a written opinion clarifying the issues in the existing contract. There is a general view, he said, that the city's exposure is different than what they'd previously understood it to be.

Present: Laura Rubin (chair), Jennifer Santi Hall (vice-chair), Mike Garfield, Peter Allen, Dan Ezekiel, Gil Omenn, Carsten Hohnke, Tom Bloomer, Catherine Reising

Next meeting: Wednesday, March 10, 2010 at 4:30 p.m. at the Washtenaw County Board of Commissioners boardroom, 220 N. Main, Ann Arbor.

the ann arbor chronicle

March 11, 2010

Greenbelt Supports Ann Arbor Twp. Deals

Advisory commission also gets update on small farms

By MARY MORGAN

Ann Arbor Greenbelt Advisory Commission meeting (March 10, 2010): After hearing from Ann Arbor Township supervisor Mike Moran, and meeting in closed session with Mary Fales of the city attorney's office, commissioners passed a resolution of support for the acquisition of development rights on the Braun and Gould properties in Ann Arbor Township.

These deals have been in the works for more than two years. The city has binding purchase agreements with the owners based on appraisals taken when land values were higher. New appraisals, required to get funds from a federal program, came in with much lower values. That means fewer-than-expected federal funds will be available, and the city would be required to come up with the difference.

Saying that Ann Arbor Township was their partner, Moran urged commissioners to support the purchase of development rights. He called the Braun farm a "poster child" for the township's land preservation movement, and said it would be a significant error to reject the deal simply because of the new appraisals.

Later in the meeting, commissioners also got an update on committee work being done to help support small farms in the greenbelt.

Impact: Land Values, Delayed Application Approval

Problems with the Braun and Gould deals came up at the commission's February 2010 meeting. From The Chronicle's report:

New appraisals for two properties – the 286-acre Braun farm and 51 acres of Gould land, both in Ann Arbor Township – had been requested by the U.S. Department of Agriculture's Farm and Ranchland Protection Program, or FRPP. The city is requesting FRPP funds to help pay for the purchase of development rights to those properties, but previous appraisals were more than a year old by the time the federal program accepted all of the application paperwork, according to Kohring. [The city council has already approved the purchases, but the deals haven't yet closed, pending FRPP funding.]

At its January meeting, the greenbelt commission had recommended that the city council authorize the new appraisals. On Wednesday, Kohring reported that the Braun farm, which originally appraised for just over \$4 million, was now appraised at

\$2,107,500. For the Gould property, the appraisal was lowered from \$691,000 to \$385,000.

In response, the available FRPP funds dropped from \$1.43 million for the Braun farm to just over \$1 million, Kohring said. For the Gould land, FRPP funds fell from \$256,000 to \$192,500. To cover the difference, an additional \$377,000 is needed for the Braun property, and an additional \$63,500 for the Gould property – those costs could be split with Ann Arbor Township, if township officials agree, Kohring said. The city had previously committed to paying \$1,363,500 for Braun and \$269,000 for Gould.

Ginny Trocchio of The Conservation Fund said that the next steps would be to ask city council to approve the additional funds. It takes the FRPP between three months to a year to process the federal portion, she said, adding that she's been told the FRPP would expedite this application because the deals need to close by Sept. 30, 2010.

Peter Allen asked what the implications would be if the commission postponed action until its next meeting. Trocchio said they've been working with the landowners since 2007, and both owners are "pretty antsy."

Jennifer Hall confirmed with Trocchio and Kohring that the city had binding purchase agreements with the landowners. Allen said the commission was hearing for the first time that the financing contingency in the agreements wasn't valid.

"What we're hearing tonight is the reverse of what we were told by the attorney at the last meeting," he said, referring to Mary Fales from the city attorney's office. He suggested scheduling another meeting – perhaps an emergency meeting – to bring back someone from the city attorney's office to clarify the situation.

Fales attended the March 10 meeting, along with Sumedh Bahl, the city's interim community services director. They joined the commissioners in a closed session that lasted over an hour.

Public Commentary

Just before going into closed session, commissioners heard from Ann Arbor Township supervisor Mike Moran, who spoke during the time set aside for public commentary. The Braun farm is a significant parcel, he said, noting that years ago it was the site of a proposed mobile home development – a project, called Colt Farms, that helped spur residents to mobilize and pass a land preservation millage, both in the township and for the city's greenbelt.

Initially, Moran said resistance to the greenbelt program came from homebuilders, not surprisingly, but also from farmers. It's taken a long time to build up significant credibility, he said. Now, however, farmers will take township officials at their word when approached about being part of the greenbelt. "Our word is our bond," he said, and it's very important to live up to their commitments.

Moran also expressed concern over the views of some commissioners whom he'd heard are reluctant to close on these deals at a time when the city is facing significant

budget cuts. But the city can't use greenbelt monies for other purposes, he noted, and if purchases aren't made when land values are low, they won't be making the best use of taxpayer dollars.

"I hope you'll be strong in this regard," Moran said.

He ended by saying that the township is a partner with the city in this matter and is ready "to do what needs to be done" to close the deal. "We will share with you those difficulties that have been occasioned by the delay of time," he said.

Resolution of Support

About an hour and 20 minutes later, the commission returned from its closed session on attorney-client privileged communication about the land acquisition deal. Laura Rubin, the commission's chair, said they'd discussed the two properties and had spent considerable time reviewing decisions that were made two years and four months ago. Back then, the properties had first been considered for the greenbelt and had received high scores on measurements used to evaluate potential acquisitions. Rubin said the commission was ready to consider a resolution related to the topic of the closed-session discussion.

Carsten Hohnke, who also represents Ward 5 on city council, said the commission had concluded that the new information they'd received didn't impact their support for the deal. He moved a resolution stating that the commission "wishes to express its continued support of the acquisition of the Braun and Gould property development rights, in compliance with FRPP requirements and in partnership with Ann Arbor Township and the property owners."

There was no further discussion.

Outcome: *The resolution of support passed with no dissent. The matter will next be considered by city council at an upcoming meeting.*

Supporting Small Farms: Working Out the Details

Dan Ezekiel gave an update on the commission's small farms subcommittee. A recent meeting had included Ezekiel and fellow commissioner Tom Bloomer; Molly Notarianni, manager of the Ann Arbor Farmers Market; local farmers Tomm Becker and Shannon Brines; and Mike Moran and Ray Grew of Ann Arbor Township.

Ezekiel said they kicked around possible language for a conservation easement specifically for small farms. They used the boilerplate easement language required for the FRPP applications (U.S. Department of Agriculture's Farm and Ranchland Protection Program), but considered how it could be adapted without some of the federal requirements. Ann Arbor Township is doing a lot of parallel work, Ezekiel said, and it was good to get their perspectives.

One issue they discussed was impervious surfaces. What would be a reasonable amount of temporary, impervious surface to accommodate hoop houses? The requirement should meet the needs of farmers, Ezekiel said, but also take into account the fact that neighbors probably don't want to have a collection of hoop houses packed close together and covering the entire property.

They also discussed water needs and drainage issues, and whether the greenbelt program should play the role of "farm

police” – that is, how closely should these properties be monitored? Should these small farms be required to submit annual reports? Ezekiel said everyone agreed that requiring a business plan was important. One of the fears is tied to the potential failure of the farm – what would happen to the property in that case? Would it just become someone’s nice yard that’s protected by taxpayer dollars?

Affordable housing was another issue they discussed, Ezekiel reported, including the idea of having housing on the land for an intern or apprentice farmer. What are some creative approaches to fund housing for small farms, and how might that be written into the easement agreement? [This issue was discussed at some length during the greenbelt commission’s December 2009 meeting. See Chronicle coverage:

"Greenbelt Explores Support for Small Farms: Federal housing grants could offer funding options"]

Ezekiel described the conversation as fruitful, saying it was good to have a lot of stakeholders involved. No decisions were made and it will be a continued discussion, he said, but they had made a lot of progress.

Present: Laura Rubin (*chair*), Jennifer Santi Hall (*vice-chair*), Mike Garfield, Peter Allen, Dan Ezekiel, Carsten Hohnke, Tom Bloomer, Catherine Riseng

Absent: Gil Omenn

Next meeting: Wednesday, April 14, 2010 at 4:30 p.m. at the Washtenaw County Board of Commissioners boardroom, 220 N. Main, Ann Arbor.

the ann arbor chronicle

April 14, 2010

Greenbelt, Park Commissions Strategize

What's the plan for Ann Arbor's open space millage?

By MARY MORGAN

Though they share oversight for portions of the same millage, the city's park and greenbelt advisory commissions had never officially met – until last week.

As members arrived at the Ann Arbor Senior Center, where their joint meeting was held on April 6, some knew each other, but many others needed to introduce themselves. Among them were an attorney, a farmer, an ecologist, a teacher, a carpenter, a developer, a research scientist, a landscape architect – and many avid users of the local parks.

Scott Rosencrans, chair of the park advisory commission, told the group he thought it was important to strengthen communication between the two commissions, given the overlap in their strategic goals. And even though he's stepping down from PAC when his term ends later this month, "hopefully you'll pursue that," he said.

At last week's meeting, commission members got overviews of the parks and greenbelt programs from staff of The Conservation Fund, which manages the greenbelt and parks acquisition programs. In some ways, the meeting was a mini-tutorial for each group on the activities of the other, and an informal discussion about some ways to partner in the future.



Scott Rosencrans, center, is chair of the city's park advisory commission, but will be stepping down from PAC when his term ends this month. At Rosencrans' right is developer Peter Allen, a member of the greenbelt advisory commission. In the background is Peg Kohring of The Conservation Fund, which manages the land acquisition millage for the parks and greenbelt.

There was also some frustration about what they couldn't discuss. Typically, PAC's land acquisition committee – a committee of the entire PAC membership – and the greenbelt commission spend much of their meetings in closed sessions, to discuss negotiations with landowners. But because each group needed a six-member quorum required by the Open

Meetings Act to enter a joint closed session – and only five members of GAC attended – all of the meeting remained public. There was one property in particular that some commissioners and staff wanted to discuss in private, but couldn't. About their inability to undertake that discussion, Peg Kohring of The Conservation Fund said, "It's *killing me!*"

Land Acquisition Millage: An Overview

In 2003, Ann Arbor voters passed a 30-year 0.5 mill tax for land acquisition – called the open space and parkland preservation millage. Two-thirds of it is used for the city's greenbelt program, and one-third for parks land acquisition. The millage and the programs that it supports are managed by staff of The Conservation Fund, Ginny Trocchio and Peg Kohring.

To get money upfront for land acquisition, the city took out a \$20 million bond in fiscal 2006, that's being paid back with revenue from the millage. Trocchio told commissioners that the remaining fund balance for the greenbelt is \$8.8 million, with \$3.8 million for parks. [A detailed financial report on the millage was given at GAC's Dec. 9, 2009 meeting by Kelli Martin, the city's financial manager for community services.]

Greenbelt's Strategic Plan and Discussion

Trocchio gave a brief overview of the greenbelt's strategic plan, which has focused on three areas: 1) preserving 1,000-acre blocks of land, 2) working with partners on land deals, and 3) protecting land connected to the Huron River. More recently, they've also been looking to support local food production, by prioritizing smaller farms in the 10-15 acre range.

Trocchio said the greenbelt has focused on preserving land through the purchase of development rights, or PDRs. Buying the rights to development prevents the land from being used for purposes other than farmland or open space. To date, there have been 15 transactions, she said, protecting about 1,800 acres of land.

Scio, Webster and Ann Arbor townships also have land preservation millages, as does Washtenaw County – the greenbelt has partnered with those entities, and has tapped federal funds as well. They haven't protected land directly on the Huron River, but Trocchio said a lot of greenbelt properties are along the river's tributaries.

The market has changed dramatically since the millage passed, Trocchio noted. Land values have dropped sharply, but landowner expectations remain higher than the actual market price – that's an issue in trying to negotiate deals.

Discussion: Opening Greenbelt Land to the Public

Dan Ezekiel of GAC highlighted properties that Washtenaw County has purchased, with contributions from the city's greenbelt millage: the Fox Science Preserve on Peters Road and the Scio Woods Preserve on Scio-Church Road east of Zeeb, both in Scio Township, and Meyer Preserve on Prospect Road in Superior Township. He recently went to the Scio Woods Preserve and saw that the county had put in a new parking lot – volunteers were at the site, pulling invasive plants. It was quite a change from the last time he'd been there, when the property had been privately owned. Peg Kohring said, "The county really gets stuff done."

PAC member Julie Grand recalled that when the greenbelt millage was marketed to voters, there were two benefits cited: 1) reducing sprawl, and 2) creating a network of land not just for preservation, but also for active use. Referring to greenbelt land being used for recreation, like biking or walking trails, Grand said, "When I hear the priorities now, I don't hear that."

Ezekiel said that since the program started, some issues have emerged. For one, the city doesn't want to hold title to greenbelt land – that's why they've taken the PDR approach, which allows the city to hold development rights, but not the property itself. He noted that the greenbelt has partnered with other entities that do buy land, like Washtenaw County. In those deals – the Fox Science Preserve and Scio Woods Preserve, for example – the county owns the property and it's open to the public. Even though the greenbelt program contributed to the purchase, they don't always get credit, Ezekiel said.

They also learned that "bike trails are radioactive to the farming community," Ezekiel said. When the program began, there was a lot of suspicion among farmers that Ann Arbor was trying to take over the county. "That's a perception we've been working very hard to overcome," he said. Although the current generation of farmers is dramatically opposed to opening up even a portion of their land to the public, that might change for future owners. He also noted that so far, no property connected to the county's Border-to-Border trail has been nominated to the greenbelt program – that, too, might change.

Ezekiel cited a program in Columbus, Ohio in which bike trails are placed along the land that runs underneath power lines in rural

areas. But even this idea has been opposed by farmers in Washtenaw, he said.

Kohring clarified that in addition to owner hostility toward the idea of having greenbelt land open to the public, there's also no budget for the city to manage additional property. Millage funds can only be used for land acquisition, not property management.

Discussion: Farming

Responding to questions from PAC commissioners, Kohring said there's been a sea change in interest for small farms and locally produced food. There are two properties that the greenbelt could technically buy, she said, but it's a hot market for young farmers. Trocchio reported that during the program's first three years, she never got calls for people interested in buying farms. "I get calls quite often now," she said, especially from people connected to Michigan State University's organic farm program. These farmers are interested in being close to the Ann Arbor market, but the land cost can still be prohibitive.

Scott Rosencrans asked about the economic health of farms and community-supported agriculture, or CSAs. Kohring said it's too soon to say – they'll know in 10 or 20 years. She noted that the greenbelt had recently completed its first deal that helped transition land to a new farmer. [See Chronicle coverage: "Frederick Farm in Line to Join Greenbelt"]

Kohring pointed out that GAC member Tom Bloomer grows soybeans, with a lot of his produce sold locally.

Bloomer, a farmer from Webster Township who also serves on the township's farmland and open space preservation board, then gave a lengthy description of issues facing

local farms, and their connection to the greenbelt program. It's hard for many people to understand the complexity of agriculture, he said. There are no new farms or old farms – there are just farms. “We protect the land,” he said. “We don't really protect the business.”

The greenbelt program makes it possible for farmers to continue working the land. And though there's been an increased focus on small farms and food produced for local consumers, most farmland that's been preserved by the greenbelt already has some involvement in the local market – “you just might not see it,” he said.

Bloomer said that small farms alone won't support an agricultural economy in Washtenaw. It takes 1,000 to 1,500 acres to earn a living, he said – smaller than that, and it's likely a hobby.

Agriculture is mostly invisible to residents of Ann Arbor, Bloomer said. Most people think of fruits and vegetables when they think of local farms, but that's really just a small portion of the agricultural economy. There's actually a lot of other agricultural activity in the county, he said, though it's been under duress, especially before the greenbelt program started.

Farmers think in terms of 20-50 years, Bloomer said. Before the greenbelt program, there was uncertainty about whether farms would survive. But by selling their development rights, farmers know that even when they're gone, the property will be protected. And that makes them more comfortable in making major investments in infrastructure, like barns. Their planning horizon is instantly extended, he said.

Finally, Bloomer noted that even though farmers aren't keen to have people walk or

ride bikes on their property – it's just not practical, he said – the roads in these rural areas are public. And it's pretty pleasant to take a ride in the country.

Discussion: The Big Picture, and Future Acquisitions

Peter Allen, a member of GAC, described what he saw as two “big picture” issues related to the greenbelt. One was that they're trying to build clusters of 1,000-acre greenbelt-protected land in three regions of the county: Superior Township to the east, Northfield and Ann Arbor townships to the north, and Scio and Webster townships to the northwest.

The second issue is the impact of land values, which have gone from more than \$12,000 per acre to roughly \$5,000 to \$8,000 for development rights, he said. Because of that, “we can make our money go at least two times greater than before,” he said.

Scott Rosencrans asked how GAC determined what property to buy – what criteria did they use to identify “extraordinary” land? Tom Bloomer said the Scio Woods Preserve property, with its mature woods, was one of those, but that it's hard to define. “When you see it, you know it,” he said.

Catherine Riseng mentioned property along the Huron River would be a priority, but said that's more in the purview of the county or the city's natural area preservation programs.

Dan Ezekiel noted that the greenbelt is a voluntary program – landowners can apply, and properties are scored based on several criteria. The criteria include the type of land, parcel size, availability of matching funds,

and adjacent land use, among others. There's some flexibility, he said, if something comes along that's clearly desirable like the Fox Science Preserve, where "every fourth grader goes on a field trip."

Ezekiel also mentioned that in addition to the geographic areas that Peter Allen had cited, there's also a large block of preserved land in Pittsfield Township – referring to the Pittsfield Preserve, more than 500 acres owned by the township, and the nearby 94-acre Morgan Farm.

Sam Offen of PAC asked what kinds of stipulations are on the greenbelt land. Trocchio explained that the PDR agreements include about 25 pages outlining what can and can't be done on the land. For example, hunting is allowed, and though there are restrictions on what can be built on the land, it doesn't have to be used for agriculture.

Later in the meeting, Gil Omenn brought up another issue related to spending priorities. He said that when the greenbelt program first started, the market was such that developers were buying farmland and the commission made a commitment "not to dally about committing resources." Now, however, times have changed, he said. By continuing to spend the greenbelt money, they're taking away the opportunity for the next generation to make choices, he added: "We haven't talked about that for quite a long time."

Kohring responded that with land prices at historic lows, this was not the time to stop buying property.

Parks & Rec Strategic Plan and Discussion



Gil Omenn, left, introduces himself to Gwen Nystuen at the April 6 joint meeting of the Ann Arbor Greenbelt Advisory Commission and the Park Advisory Commission. Omenn serves on GAC; Nystuen is a member of PAC.

Ginny Trocchio showed the group a map identifying areas in the city that aren't within a quarter-mile walking distance of a park. That's helpful in prioritizing acquisitions, she said, as is the city's Parks, Recreation and Open Space plan, known as PROS, which is being updated this year. [Section F of the plan, covering 25 pages, is devoted to land use planning and acquisition principles.]

Some parcels for land acquisition are highlighted in the PROS plan, she said, with the focus generally on needs for existing city parkland, such as better access to the Bluffs Nature Area off of North Main. Land that provides linkages between parks is another priority.

Trocchio also noted that in the last few years, most of the park land acquisitions have been for natural areas, including Camp Hilltop Park.

Commenting on the map of underserved areas, Scott Rosencrans noted that while some areas technically fit the category of

underserved – they don't have a city park within a quarter mile – there are other factors to consider. The upscale area of Arbor Hills, for example, shows up on the map but wouldn't be a priority – their large lot sizes provide a fair amount of greenspace for residents. But on the city's far west side there are genuinely underserved low-income neighborhoods, he said. "So there's still a lot to be done."

In addition to underserved areas, Rosencrans said priorities included downtown playgrounds – something that would be important if the city intends to encourage more density, especially for families – and perhaps a downtown dog park. Greenways are another priority, he said.

Allen Creek Greenway

Peter Allen queried PAC members specifically about the Allen Creek Greenway, and Rosencrans responded, "That's not dead in our world."

Gwen Nystuen of PAC noted that city property located in the floodway is supposed to be designated as parkland – and that would contribute to building the greenway. Rosencrans cited the land at First & William as an example, which prompted Nystuen to say, "But there are still cars on it!" [The land is currently a surface parking lot.] She pointed to city property on North Main and at First and Washington as other city-owned property that could be part of the greenway.

Funding Sources, Financial Challenges

Tom Bloomer asked whether PAC used state or federal funding sources to augment the millage, in the same way that the greenbelt taps the U.S. Department of Agriculture's Farm and Ranchland Protection Program, or FRPP. Rosencrans said they sometimes

partner with other entities, citing the Swift Run Dog Park, a joint city/Washtenaw County venture – the city provided the land for that.

Tim Berla noted that the renovations underway at West Park are using federal stimulus funds, and funding from the county water resources commission. [See Chronicle coverage: "West Park Improvements Get Fast-Tracked"] The renovations at Mary Beth Doyle Park were another example of partnering with the water resources commission.

Peg Kohring of The Conservation Fund told the group that federal funding for city parks hadn't been available, and that the city was too wealthy to be awarded state funds through the Michigan Natural Resources Trust Fund.

Funding is one of the reasons he wanted GAC and PAC to meet, Rosencrans said. He'd like the groups to communicate better in the event that PAC identified a property that might exceed the amount of funds available from its share of the millage. Sam Offen said he didn't think people realized how many properties PAC passed on because they were too expensive.

Julie Grand said they'd been told they might see a council resolution putting a moratorium on buying land within the city – Rosencrans said he'd heard that rumor too. The question, he said, is how big of a park system can the city afford to maintain. Grand pointed out that they were very thoughtful in their acquisitions, and that she'd hate to pass on a fantastic property, if something became available. Nystuen said that the public needs to be better educated – people don't understand that revenues from the millage can only be used for land

acquisition, and can't be allocated elsewhere.

Fuller Road Station

Mike Anglin, an ex-officio PAC member who also represents Ward 5 on city council, brought up the issue of the Fuller Road Station. He said there seems to be some movement about using parkland for other purposes, and "this might be the first salvo, so to speak." [Fuller Road Station is a joint project with the city of Ann Arbor and the University of Michigan, located near UM's medical complex on city-owned land that's designated as parkland. The first phase is a parking structure with about 1,000 spaces, plus a bus station. Later, a station for commuter rail might be added.]

The city staff's presentation about the project focused on the commuter rail aspect, Anglin said, when "in fact, we're getting a parking structure." He added that the salesmanship did not have the factual data to support the "sale." [See Chronicle coverage: "Concerns Voiced over Fuller Road Station"]

Gwen Nystuen also questioned whether it was an appropriate use of parkland. Currently, the university leases a surface parking lot on that site, as well as on another city lot north of Fuller Road, next to Fuller Park. Those lots have fewer spaces and limited hours for university parking – weekdays between 6 a.m. and 4-5 p.m. In contrast, she said, the parking structure would have 1,000 spots and be used 24/7.

Working Together

Scott Rosencrans asked whether there was interest in having the two commissions meet one or two times a year, or perhaps schedule

meetings when there was a property that both groups were interested in.

At that, Tim Berla said that during a PAC land acquisition committee meeting, they'd heard about some land that GAC had decided against buying. PAC members had wondered about doing it as a joint project with GAC, sharing the cost – "since the money is coming from the same place," he said. Rosencrans said there are always unanswered questions and lots of conjecture in those kinds of situations – for example, why didn't GAC see value in the land?

Dan Ezekiel said it was too bad they couldn't talk about the land in question – which wasn't identified at the meeting, but which all commissioners seemed aware of. His remark prompted Peg Kohring to exclaim, "It's killing me!" It was clarified that to enter closed session, each commission needed a quorum of six members – PAC had eight people attending, but only five GAC members were present.

Ginny Trocchio explained that even though she and Kohring participate in closed sessions for each group, they can't share information from one meeting with participants of the other. Berla asked whether ex-officio members of both groups could share information, and Trocchio said she'd ask the city attorney's office about it.

She also pointed out that if someone applied to have their land considered for the greenbelt but was turned down for that, GAC could pass the application on to PAC for consideration.

Returning to the issue of partnering on land acquisition, Sam Offen said that PAC has some interest in fields for soccer or disc golf – if there were a large parcel for recreational use outside the city, would that be

something that GAC would consider? Catherine Riseng pointed out that the greenbelt doesn't have money for maintenance, so they'd have to be a minor contributor in that kind of a deal.

Berla said there was some danger of both groups going after the same property, and that would be a bad thing since it could result in bidding up the price of the land. Dan Ezekiel had mentioned this earlier in the meeting, recalling that several years ago the city and the Ann Arbor District Library both had been bidding for the property that's now Dicken Woods, a park owned by the city.

On the topic of joint meetings, Julie Grand said she liked the idea of everyone getting together each year. "It reminds us that we're all on the same side, using the same

millage," she said. Several other commissioners also expressed interest in a joint meeting, citing the benefits of better communication.

Rosencrans encouraged them to do that, saying it reduced the chance of miscommunication or conjecture, and would allow them to meet their strategic goals better, since the groups have so much in common. "Hopefully, you'll pursue that," he said.

***Present:** (Park Advisory Commission): Mike Anglin, Tim Berla, Doug Chapman, Julie Grand, John Lawter, Gwen Nystuen, Sam Offen, Scott Rosencrans. (Greenbelt Advisory Commission): Peter Allen, Tom Bloomer, Dan Ezekiel, Gil Omenn, Catherine Riseng. **Staff:** Peg Kohring, Ginny Trocchio.*

the ann arbor chronicle

June 15, 2010

Greenbelt: How Best to Support Small Farms

One concern: Keeping land in production for future generations

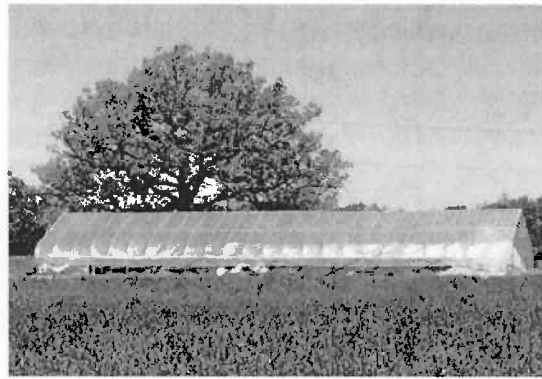
By MARY MORGAN

Ann Arbor Greenbelt Advisory Commission meeting (June 9, 2010): Under typical agreements crafted for the city's greenbelt program, only 2% of land protected by a greenbelt conservation easement is allowed to be covered by an impervious surface – a house, for example, or roads.

To date, that hasn't been an issue for most parcels in the program, which are fairly large – more than 40 acres. But as the greenbelt advisory commission (GAC) considers ways to support small farms – in the 15-20 acre range – some challenges have emerged. A farm of that size with hoop houses, for example, might easily result in covering more than 2% of the land.

During the public portion of this month's GAC meeting, commissioners discussed how to address this and other issues that might require modifying the language in conservation easements for the city's greenbelt program. Also addressed were strategies to ensure that the land stays in agriculture for future generations.

No action was taken at the June 9 meeting, and comments from commissioners indicate there's also no clear consensus yet for how to handle this relatively new greenbelt focus.



A hoop house at Sunseed Farm, northwest of Ann Arbor. (Photo by Marianne Rzepka.)

Conservation Easement: Tailored to Small Farms

A subcommittee on small farms has been working on these issues for about a year. That group includes GAC commissioners Tom Bloomer, a Webster Township farmer; Dan Ezekiel, an Ann Arbor teacher and environmentalist; and Mike Garfield, director of the Ecology Center, an Ann Arbor nonprofit.

At GAC's November 2009 meeting, commissioners addressed the topic as well, and heard from Jennifer L. Hall, housing manager for the joint city/county office of community development, who outlined some ideas for how federal funding might

provide resources to retain land for the farming community.

This month, Ginny Trocchio of The Conservation Fund, who serves as staff for the greenbelt program under a contract with the city, presented more detailed options for possible conservation easements designed for small farms. In general, conservation easements limit the amount of development that can be done on the site, in exchange for certain tax benefits.

The farmland that's been protected under Ann Arbor's greenbelt program has consisted of fairly large parcels, in order to qualify for matching funds from the U.S. Department of Agriculture's Farm and Ranchland Protection Program, or FRPP. Easement agreements stipulate that no more than 2% of the land can be covered by impervious surfaces. Hoop houses – structures covered with plastic that allow farmers to extend their growing seasons by farming under the shelter – are considered impervious surfaces, Trocchio said. Because hoop houses are often used by smaller farms, the small farms subcommittee has been exploring ways that the easement agreements might be changed to accommodate them.

The subcommittee met with several owners of small local farms, Trocchio reported, including Shannon Brines of Brines Farm in Dexter and Tomm Becker of Sunseed Farm, northwest of Ann Arbor. Based on their feedback, one possible approach is to separate out permanent and non-permanent structures, and to allow non-permanent structures – such as hoop houses – to cover up to 20% of the acreage. That would allow the easement to keep the permanent impervious percentage at 2%.

The general goal is to protect the soil, Trocchio said. With that in mind, non-permanent structures could be defined as “structures where the soil surface is not disturbed, including, but not limited to, hoop houses and farm structures without a floor or alterations to the soils such as gravel or concrete paths.”

Another possible concern centers on what happens if a small farm is sold to a new owner who isn't interested in farming. Easements limit what can be done on the land, Trocchio noted, but don't currently require that certain types of activities – like farming – must be done. So it would be possible for a new owner to simply use the land as an estate, rather than a small farm. The land would continue to be protected from development, but it wouldn't serve the greenbelt program's original goal – namely, supporting small farms.

Trocchio described some research done by the American Farmland Trust, which evaluated agricultural easement programs nationwide. The nonprofit reported that in some regions, farmland with conservation easements was being resold at rates that weren't affordable for farmers. However, the land would often be kept in farming anyway, with the owner leasing it to farmers for specialty crops or for horse farms.

Trocchio also outlined the work of a Massachusetts nonprofit called Equity Trust, which has been exploring options to help land trusts keep farmland affordable for farmers. One possibility – a very new option for land trusts, Trocchio noted – would be to include language in the conservation easement stating that the land must be sold to a qualified farmer. The definition of a qualified farmer is someone who earns a certain stipulated percentage of their income from farming. If such a buyer couldn't be

found, then the entity holding the easement would have the right to purchase the land, and sell it to a farmer at a later date.

The advantages to this approach would be that there's more control to keep the land in farming, Trocchio said. But there are several possible disadvantages too. For one, it would create an increased responsibility for the entity that holds the easement – for the greenbelt program, that entity is the city of Ann Arbor. If GAC was interested in pursuing this option, they'd need to check state statutes, to make sure it would be possible. Trocchio also pointed out that it might be too soon to know what the future of farming will be in this area, so it's hard to say if this is even a concern.

There were several other options discussed by GAC's small farm subcommittee that could be used to support small farms, Trocchio said. The commission could choose to give priority to greenbelt applications for small farms, prioritizing either by the length of time that the farmer has been on the land, or by the length of time that the land has been used for farming. Trocchio said another option is to give priority to small farms adjacent to larger farms that are already protected under the greenbelt program.

Trocchio said the subcommittee wasn't making a recommendation at this point. She said the staff could start working with the city attorney's office to check state statutes and craft easement language that would give the city the option to purchase farmland, but that wouldn't make it mandatory. They could then bring back a proposal for the subcommittee and GAC to review. Trocchio also noted that there's an amendment clause in the conservation easement agreements that would allow the city to change easements in the future.

Commissioner Questions & Comments: Keeping Land as Farmland

Jennifer S. Hall began by saying she wasn't sure she understood the issue related to small farms being transferred to new owners in the future. Why would they be concerned more about small farms going out of production, compared to large farms?

Peg Kohring of The Conservation Fund said that small farms, because of the size of the parcel, would be more attractive to someone who just wants to have a home with a lot of land. And because of the conservation easement, which limits development, the land would be available at a relatively low price, she said. In general, smaller parcels sell more easily than larger parcels.

Hall asked whether that was a fact, or just an assumption. Kohring responded that if there's a small parcel available at lower-than-market rates, because of the easement, she couldn't imagine that it wouldn't be attractive for someone interested in having an estate, given this community and the desire to have land.

But once the easement is in place, Hall said, it wasn't clear what the risk was, compared to any other property in the greenbelt. With an easement, it wouldn't be available for development.

Tom Bloomer jumped in, saying that the concern is that the land would no longer be meeting the original goal of contributing to local food production. For those parcels, it's not simply the preservation of the land, he said. The first owner would meet that goal, because they'd apply to the greenbelt and be accepted in virtue of their farming operation. But if the farmer later decided to sell the land to a homeowner who simply wanted a big yard, then the city would have

squandered its resources to buy a conservation easement that no longer met its goals.

Hall said it seemed like they were adding another layer of difficulty, and she didn't understand why. Bloomer replied that the smaller parcels might be susceptible to different kinds of pressures than large farms are. That could be especially true if they're located in areas where there's already residential development. He added that there was uncertainty, however, because the greenbelt didn't yet have experience in protecting small farms.

Trocchio pointed out that current easements stipulate what can't be done, not what must be done. They're not saying that small farms are more likely to go out of business, she added. They're just trying to protect the land for the next generation.

Kohring suggested that the staff provide more information to commissioners about these options. Laura Rubin, GAC's chair, clarified that the commission wouldn't be taking any action at this time.

Gil Omenn asked Trocchio to share more details about the feedback they'd heard from local farmers. Trocchio said that representatives from Ann Arbor Township had also attended the subcommittee meeting. The township has its own small farm initiative. From the township's website:

The Township's Small Farm Initiative (SFI) endeavors to link landowners, producers and markets, and can utilize its Purchase of Development Rights program to assist in reducing the cost of land acquisition. Support for the project is provided by a three-year grant from

the Sustainable Agriculture Research and Education (SARE) program.

The primary outcome of the SFI is to establish small farms producing for regional markets using purchase of development rights (PDR) to reduce land costs, improve farm profitability and preserve farmland in a near-urban setting. Ann Arbor Township, with its proximity to the City of Ann Arbor and its ample open space and farmland, is an ideal location for this initiative.

In the short term, the SFI has identified interested landowners and can introduce them to prospective farmers so that both can learn about opportunities to work together and establish small farming operations. In the intermediate term, those relationships will be established and farmers will be encouraged to seek guidance in formulating sound business plans to meet market demands. The long-term outcomes (third year and beyond) will be to have established several operations and to share the results and lessons of our work with others in the immediate region, before reaching out to southeast Michigan, the entire state and beyond.

This project is being viewed as a demonstration for other communities interested in agricultural profitability, land use at the urban/rural interface and local food production. It is expected that new relationships will be created, small farm operations will be established, more local food and other produce will enter the marketplace and lessons will be learned to provide

insight and establish the area as a center for innovative approaches to preserving farmland.

Trocchio said that the township's program is proposing that farmers provide a business plan, and notify the township if there are any changes to that plan. The local farmers who attended the GAC subcommittee meeting expressed concern about sharing proprietary information that might be in a business plan. They were also concerned about the township's level of involvement in their business, she said.

Dan Ezekiel said that there was pretty wide consensus among both growers and land preservation agencies that there should be a business plan to look at. He said he was struck by the fact that small farmers had the same concerns as large growers regarding easements – they were concerned about restrictions.

Trocchio said the Vermont Land Trust has been using “softer” language in its easements, giving the trust the option to buy land in order to keep it as active farmland, but not making the purchase mandatory. Omenn said that buying land wasn't attractive to him – the city isn't in the business of purchasing property, he said. Trocchio clarified that it wasn't the intent to keep the property, but rather to provide a way to hold the land temporarily until a buyer who'd be interested in farming can be found.

Bloomer said his own view is that restrictive language isn't the best approach, in terms of putting the city in the position of buying property. He said the subcommittee's parting thoughts had been that they might try two or three deals with small farms, realizing that they might make some

mistakes along the way. But since they wouldn't be huge deals, he said, it wouldn't be the end of the world if they didn't get it quite right the first time.

Hall said it seemed like an easement on a small farm might create a new type of market for small growers. So the greenbelt program might be helping that type of business in the future, because the land already has an easement and is set up for that type of agriculture. Anyone who invests in setting up a small farm would likely want to see that same type of business exist there in the future, she said. Has that been true in other areas?

Trocchio said that this approach is very new, and there aren't many examples of areas that are trying it. Those that are, she said, are grappling with the same issues.

Commissioner Questions & Comments: Impervious Surfaces

Rubin asked whether the subcommittee wanted GAC to take action related to impervious surfaces and non-permanent structures. Had there been consensus on the subcommittee that allowing 20% for non-permanent structures was a good move? Bloomer said there was far more consensus on that than on the other issue.

There was some discussion about whether to act on the suggestion to change the easement language for small farms to include the 20% stipulation for non-permanent structures. Bloomer noted that for large farms that are eligible for FRPP funding, easements can't include that language because of federal requirements. Instead of making it specific to small farms, he suggested that the language regarding non-permanent structures could be optional, and added to the easement when appropriate. He also said

he'd be more comfortable if they worked on a draft of the wording and brought it back for consideration at GAC's July meeting. Other commissioners agreed to that approach.

Kohring had indicated that there was one farmer waiting for a decision from GAC on these issues before applying to the greenbelt program. Rubin asked her to convey GAC's intention to act at the July meeting.

In addition to the small farms discussion, the commission spent nearly an hour in closed session to discuss issues related to land acquisition.

Present: Laura Rubin (chair), Jennifer Santi Hall (vice-chair), Peter Allen, Dan Ezekiel, Tom Bloomer, Gil Omenn

Absent: Mike Garfield, Carsten Hohnke, Catherine Riseng

Next meeting: Wednesday, July 14, 2010 at 4:30 p.m. at the Washtenaw County Board of Commissioners boardroom, 220 N. Main, Ann Arbor. ***In addition, a greenbelt bus tour is scheduled for Saturday, July 17, 2010, departing from the Ann Arbor Farmers market at 11 a.m. and returning at 1 p.m. The cost is \$15 and pre-registration is requested by July 10. To register, contact Ginny Trocchio at 734-794-6000 ext. 42798 or email gtrocchio@a2gov.org.***