



Legislation Details (With Text)

File #: 18-1372 **Version:** 1 **Name:** 8/23/18 Budget Adjustment for Drake Trust Property
Type: Resolution **Status:** Passed
File created: 8/23/2018 **In control:** City Council
On agenda: 9/4/2018 **Final action:** 9/4/2018
Enactment date: 9/4/2018 **Enactment #:** R-18-362

Title: Resolution to Approve Budget Adjustment for USDA-NRCS ACEP Reimbursement on the Purchase of Development Rights on the Donald H. Drake Trust Property in Lodi Township, and Appropriate Additional Funds, Not to Exceed \$141,120.00, from the Open Space and Parkland Preservation Millage (8 Votes Required)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Drake North Aerial Map_.pdf, 2. Drake North Protected Map v2 (002).pdf

Date	Ver.	Action By	Action	Result
9/4/2018	1	City Council	Approved	Pass
8/23/2018	1	City Council		
8/23/2018	1	City Council	Postponed	Pass

Resolution to Approve Budget Adjustment for USDA-NRCS ACEP Reimbursement on the Purchase of Development Rights on the Donald H. Drake Trust Property in Lodi Township, and Appropriate Additional Funds, Not to Exceed \$141,120.00, from the Open Space and Parkland Preservation Millage (**8 Votes Required**)

This resolution approves a budget adjustment to account for federal ACEP Grant Funds to reimburse part of the purchase price the City paid for a conservation easement on the Donald H. Drake Trust Property in Lodi Township. This resolution is necessary to allow the City to secure reimbursement of the funds from ACEP.

Background

On January 4, 2016 (R-16-005), City Council approved a grant application to the NRCS - Agriculture Conservation Easement Program (ACEP) for the Purchase of Development Rights (PDR) on the Donald H. Drake Trust Farm in Lodi Township. Subsequently, on September 6, 2016, City Council approved the acceptance of ACEP grant funds in the amount of \$141,120.00 towards the purchase of the development rights on the tract (R-16-346).

On May 1, 2017 City Council approved the purchase of the development rights on the Donald H. Drake Trust property (R-17-148) and appropriated up to \$263,247.00, from the Open Space and Parkland Preservation Millage Proceeds. Subsequently, Washtenaw County Parks and Recreation approved the contribution of funds in the amount of \$88,250.00, or 25% of the Fair Market Value, towards the purchase of the development rights on the tract.

On September 5, 2017 City Council approved a participation agreement with Washtenaw County Parks and Recreation for the Purchase of the Development Rights on the Donald H. Drake Trust

Property in Lodi Township, and Appropriate Funds, Not to Exceed \$174,997.00, from the Open Space and Parkland Preservation Millage Proceeds (R-17-339).

The project budget presented in that R-17-339 did not account for the fact that the ACEP grant of \$141,120.00 would be reimbursed by USDA-NRCS after closing. The ACEP grant amount therefore needs to be appropriated by the City in addition to the Total City Costs amount, before a reimbursement request can be submitted to USDA-NRCS.

Approval of the resolution is recommended by staff.

Corrected Project Budget:

Purchase Price:

Appraised Fair Market Value:	\$353,000.00
Washtenaw County Amount:	\$ 88,250.00 (25%)
ACEP Grant Amount:	\$141,120.00 (40%) (to be reimbursed to the City after closing)
City portion of purchase price:	\$123,630.00 (35%)

Other Costs:

Estimated Due Diligence:	\$ 20,000.00
Estimated Closing Costs:	\$ 7,500.00
<u>Endowment:</u>	<u>\$ 23,867.00</u>
Total Other Costs:	\$ 51,367.00

Appropriation of Funds Needed at Closing:

Purchase Price:	\$123,630.00
Other Costs:	\$ 51,367.00
<u>ACEP Grant Amount:</u>	<u>\$141,120.00</u>
Total Funds Needed at Closing:	\$316,117.00

Total Final City Costs:

Funds Needed at Closing:	\$ 316,117.00
<u>Reimbursement from ACEP:</u>	<u>\$ 141,120.00</u>
Total City Costs:	\$ 174,997.00

Prepared by: Ruth Thornton, Greenbelt Program Manager, The Conservation Fund

Reviewed by: Derek Delacourt, Community Services Area Administrator

Christopher M. Frost, Senior Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, At its September 6, 2016 meeting, City Council approved acceptance of a USDA Agricultural Conservation Easement Program grant to reimburse part of the purchase price for a conservation easement on the Donald H. Drake Trust property;

Whereas, At its May 1, 2017 meeting, City Council passed a resolution approving purchase of the development rights on the Donald H. Drake Trust property;

Whereas, At its September 5, 2017 meeting, City Council passed a resolution approving a participation agreement with Washtenaw County Parks and Recreation for the purchase of the development rights on the Donald H. Drake Trust property and appropriating funds, not to exceed

\$174,997.00, from the Open Space and Parkland Preservation Millage;

Whereas, The September 5, 2017 resolution should have appropriated funds in an amount equal to the ACEP grant in order to allow reimbursement under the terms of the grant; and

Whereas, The development rights for the Donald H. Drake Trust property were purchased on July 31, 2018;

RESOLVED, That City Council approve adjusting the project budget for the purchase of development rights on the Donald H. Drake Trust property located in Lodi Township for the reasons stated above;

RESOLVED, That an additional \$141,120.00 be appropriated for the purchase of the development rights on the Donald H. Drake Trust property from the Open Space and Parkland Preservation Millage Proceeds for the life of the project without regard to fiscal year;

RESOLVED, That the City submit a request for reimbursement of \$141,120.00 from federal ACEP grant funds for purchase of the development rights on the Donald H. Drake Trust property; and

RESOLVED, That the City Administrator be authorized to take all appropriate actions to implement this resolution.