



Legislation Text

File #: 10-1334, Version: 1

Resolution to Approve Purchase Agreement for the Purchase of Development Rights on the Lee A. Maulbetsch Trust and Lori M. Maulbetsch Trust Property in Northfield Township and Appropriate Funds in the Amount of \$804,392.00 **(8 Votes Required)**

Attached for your review and action is a resolution to approve an agreement for the purchase of development rights on the Lee A. Maulbetsch Trust and Lori M. Maulbetsch Trust farm in Northfield Township.

On June 21, 2010 (R-10-218), City Council approved a grant application to the Farm and Ranch Land Protection Program for the Purchase of Development Rights (PDR) for the Maulbetsch farm in Northfield Township. Subsequently, City Council approved the acceptance of grant funds (R-10-344) in the amount of \$282,750.00 toward the purchase of the development rights on the farm.

An appraisal was completed for the development rights on the property in June, 2010.

The attached resolution approves an agreement for the Purchase of Agricultural Land Development Rights on the farm. The agreement is contingent on the following:

- A. Approval of the appraisal by FRPP and the City for the establishment of a fair market price for the development rights;
- B. Conveyance of good and marketable title to the development rights;
- C. An environmental site assessment acceptable to the City of Ann Arbor in its sole discretion;
- D. Agreement to the terms and conditions of a Grant of Easement for the Development Rights required by all respective governmental entities connected with the purchase of the development rights.

Details of the budget for this purchase of development rights are as follows:

<u>Purchase Price:</u>	
Appraised Fair Market Value:	\$742,400.00
FRPP Amount:	<u>-\$282,750.00</u>
City portion of purchase price:	\$459,650.00

<u>Other Costs:</u>	
Estimated Due Diligence:	\$ 20,000.00
Estimated Closing Costs:	\$ 18,125.00
Endowment:	<u>\$ 23,867.00</u>
Total Other Costs:	\$ 61,992.00

<u>City Costs:</u>	
Purchase Price:	\$ 459,650.00
Other Costs:	<u>\$ 61,992.00</u>

Total City Costs: \$ 521,642.00

The total project budget of \$804,392.00 includes the total cost for the City as well as, the FRPP grant, which will be reimbursed after the completion of the project.

Matching grant funds are through the Federal Natural Resources Conservation Service. The City's share is from the Open Space and Parkland Preservation Millage proceeds. The FRPP program is voluntary and provides matching funds for local governments to acquire development rights on farmland. The landowners retain the right to use their property for agriculture.

The farm is approximately 128 acres and is located along Northfield Church Road. The deed to the property is held by Lee A. Maulbetsch Trust and Lori M. Maulbetsch Trust. An application to participate in the Program was received from the deed holders in 2005.

This farm is considered large enough to sustain agricultural production and is in a location that will encourage additional farmland preservation activities. The property is approximately one mile from the Kapp farm, which Ann Arbor Township and the City's Greenbelt program purchased the development rights on in 2006. Additional applications have been received in the vicinity of the property, and there are additional opportunities for protection of farmland.

The Greenbelt Advisory Commission recommended the purchase of development rights on this property and appropriation of funds at its July 14, 2010 meeting.

Prepared by: Ginny Trocchio, The Conservation Fund

Reviewed by: Sumedh Bahl, Community Services Area Administrator

Whereas, Chapter 42 of The Ann Arbor City Code establishes the Greenbelt District and enables the City to purchase development rights on property within the district;

Whereas, Purchase of Development Rights may be funded through the Open Space and Parkland Preservation Millage proceeds;

Whereas, Sufficient funds are available in the Open Space and Parkland Preservation Millage Proceeds for the expenditure;

Whereas, The Greenbelt Advisory Commission approved a motion recommending approval of the purchase of development rights and appropriation of funds at its July 14, 2010 meeting; and

Whereas, The Fair Market Value for the development rights will be determined by an appraisal as required by Section 1:320 of the Ann Arbor City Code;

RESOLVED, That City Council approve the purchase agreement to be subject to the approval of the appraisal by the City and FRPP; environmental site assessment approved by the City at its sole discretion; conveyance of good and marketable title to the development rights by Farmland Development Rights Easement;

RESOLVED, That City Council authorize the Mayor and City Clerk to execute all documents necessary to complete purchase of development rights after approval as to form by the City Attorney; and

RESOLVED, That \$804,392.00 be appropriated for the purchase of development rights for the Lee A. Maulbetsch Trust and Lori M. Maulbetsch Trust property in Northfield Township from the Open Space and Parkland Preservation Millage proceeds for the life of the project without regard to fiscal year, including closing, incidental and endowment costs.