



Legislation Text

File #: 09-1088, Version: 1

Resolution to Approve Purchase of Development Rights on Girbach Farm, Approve Participation Agreements with Lodi Township and Legacy Land Conservancy and Appropriate \$815,767.00 from Open Space and Parkland Preservation Millage Bond Proceeds **(8 Votes Required)**

Attached for your review and action is a resolution to approve the Purchase of Development Rights, approve participation agreements with Lodi Township and Legacy Land Conservancy, and appropriate \$815,767.00 from the Open Space and Parkland Preservation Millage Bond Proceeds for the farm owned by Stephen, Frederick and Christopher Girbach in Lodi Township. The farm is 101.9 acres and is located on Wagner Road, just south of Ellsworth Road.

The easement is made pursuant to section 36111 b of the Natural Resources and Environmental Protection Act (MCL 324.36111b; MSA 13A.36111b) and Chapter 42 of the Ann Arbor City Code. The purchase of the easement is for the preservation of the Property's agricultural use, including the protection of prime, unique or important soils, by preventing any use that would significantly impair or interfere with the agricultural value.

The parent parcel is approximately 112 acres and is currently in agricultural production. The landowner is excluding approximately 10.1 acres from the easement, which includes the farm house and buildings. 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.

On May 18, 2009, City Council approved a resolution (R-09-191) to submit an application to the Federal Farm and Ranchland Protection Program (FRPP) for the purchase of development rights on the Girbach Farm. The resolution approved the purchase of development rights, contingent on award of the Farm and Ranchland Protection Program grant funds. On June 25, 2009, the City received a letter from FRPP that the City was not awarded a grant for the property.

Since the grant funds were not received from FRPP, the landowners are willing to donate \$153,000.00 (or 16.5%) of the purchase price. The Legacy Land Conservancy is also willing to make a donation of \$37,000.00 (or 4%) of the purchase price to be reimbursed to the City upon completion of project. In addition, Lodi Township is willing to make a donation of \$1,000.00 toward the purchase price, and the City has received a private donation from Robert and Denise Lutz in the amount of \$2,500.00 toward the purchase price. The budget appropriation is less the 16.5% contribution by the seller, but includes the Legacy Land Conservancy's share of \$37,000.00 toward the purchase price to be reimbursed to the City upon completion of the project. The budget appropriation also includes incidental and closing costs which are estimated to not exceed 2.5% of the total or \$20,000.00 and \$23,867.00 for an endowment, which includes funds for yearly monitoring and potential enforcement of the easement agreement, for a total appropriation of \$815,767.00.

The attached resolution also approves Participation Agreements with Lodi Township and Legacy Land Conservancy for their contributions toward purchase of development rights on the Girbach Farm and appropriates funds to complete the acquisition.

Project Budget:

Purchase Price:
Appraised Value (101.9 acres): \$928,400.00
Landowner Donation: \$153,000.00
Purchase Price: \$775,400.00

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Legacy Land Conservancy: -\$ 37,000.00
Lodi Township: -\$ 1,000.00
Private Donation: -\$ 2,500.00
City Portion: \$734,900.00

Additional Costs:
Closing and Due Diligence: \$ 20,000.00
Endowment Costs: \$ 23,867.00
Total Additional Costs: \$ 43,867.00

Total City Contribution: \$815,767.00

Approval of the Participation Agreements and appropriation of the funds was recommended by the Greenbelt Advisory Commission at the September 9, 2009 meeting.

Prepared by: Ginny Trocchio, The Conservation Fund

Reviewed by: Jayne Miller, 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, Chapter 42 of the Ann Arbor City Code specifically authorizes City Council to enter into agreements for joint acquisition of land in the Greenbelt District with other government agencies;

Whereas, Purchase of Development Rights may be funded through the Open Space and Park Land Preservation Millage Bond Proceeds;

Whereas, Sufficient funds are available through the Open Space and Parkland Preservation Bond Proceeds for this acquisition;

Whereas, The landowners are donating \$153,000.00 (or 16.5%) of the purchase price;

Whereas, Lodi Township has pledged \$1,000.00 as contribution for the purchase of development rights;

Whereas, The Legacy Land Conservancy has pledged \$37,000.00 as contribution for the purchase of development rights; and

Whereas, The Greenbelt Advisory Commission supports approval of the Participation Agreements with the Legacy Land Conservancy and Lodi Township and the expenditure of funds;

RESOLVED, That Council approve the Purchase of Development Rights on the Girbach Farm located on Wagner Road, just south of Ellsworth Road in Lodi Township;

RESOLVED, That City Council appropriate \$815,767.00 from the Open Space and Parkland Preservation Millage Bond Proceeds for the purchase of development rights on this property for the life of the project without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute all necessary documents to complete the requirements for the Purchase of Development Rights and the Farmland Development Rights Grant of Easement for this property after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Participation Agreements with Lodi Township and Legacy Land Conservancy defining each party's interest in the acquisition and if required, any supplemental documents necessary to document the appropriation of funds for the purchase of development rights on this Lodi Township property, after approval as to substance by the City Administrator and as to form by the City Attorney; and

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