



Legislation Text

File #: 14-1507, Version: 1

Resolution to Approve the Purchase of Development Rights on the Carol B. Schumacher Trust Farm in Lodi Township; Appropriate Funds in the Amount of \$381,715.00 and Approve a Participation Agreement with Washtenaw County Parks and Recreation (**8 Votes Required**)

Attached for your review and action is a resolution to approve a purchase agreement for the purchase of development rights on the Carol B. Schumacher Trust farm in Lodi Township.

On February 19, 2013 (R-13-0128), City Council approved a grant application to the NRCS - Farm and Ranchland Protection Program for the Purchase of Development Rights (PDR) on the Schumacher farm in Lodi Township. Subsequently, City Council approved the acceptance of grant funds (R-13-0906) in the amount of \$151,410.00 towards the purchase of the development rights on the farm. Funds were re-allocated from the Drake farm, also awarded FRPP funds, to the Schumacher farm, resulting in a total FRPP allocation of \$178,360 for the Schumacher farm.

Carol B. Schumacher, Lodi Township

The farm is approximately 91 acres and is located along Pleasant Lake Road and in Lodi Township. The deed to the property is held by Carol B. Schumacher Revocable Living Trust. An application to participate in the Program was received from the deed holder in October 2011.

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 in close proximity to other Greenbelt projects completed in 2009 and 2011. The property contains a mix of agriculture land and quality natural areas.

Purchase Agreement:

An appraisal was completed for the development rights on the property in July 2014.

The attached resolution approves the Purchase Agreement for the Agricultural Land Development Rights on the farm. The Purchase and the development rights 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.

Project Budget:

Purchase Price:

Appraised Fair Market Value:	\$364,000
County Contribution	\$37,072

FRPP Amount:	\$178,360
City portion of purchase price:	\$148,568

Other Costs:

Estimated Due Diligence:	\$ 20,000
Estimated Closing Costs:	\$ 10,920
<u>Endowment:</u>	<u>\$ 23,867</u>
Total Other Costs:	\$ 54,787

City Costs:

Purchase Price:	\$148,568
<u>Other Costs:</u>	<u>\$ 54,787</u>
Total City Costs:	\$203,555

The total project budget of \$381,715 includes the total cost for the City as well as, the FRPP grant, which will be reimbursed after the completion of the project. The County contribution will be paid at closing.

Conservation Easement:

The easement is made pursuant to section 36111 b of the Natural Resources and Environmental Protection Act (MCL 324.3611b; MSA 13A.3611b) and Chapter 42 of the Ann Arbor City Code. The easement is for the purpose of 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.

Matching grant funds are through the USDA 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.

Participation Agreement:

The resolution also approves a participation agreement with Washtenaw County Parks and Recreation. The City will be the Grantee on the Conservation Easement and will be responsible for monitoring and enforcing the conservation easement. Washtenaw County Parks and Recreation has agreed to contribute \$37,072 toward the acquisition of the conservation easement.

The City's share is from the Open Space and Parkland Preservation Millage proceeds.

The Greenbelt Advisory Commission recommended the purchase of development rights on this property at its October 2, 2014 meeting.

Attachment: Location Map

Prepared by: Ginny Trocchio, The Conservation Fund

Reviewed by: Sumedh Bahl, Community Services Area Administrator

Approved by: Steven D. Powers, City 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, 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, 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 at its October 2, 2014 meeting; and

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

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Participation Agreement 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 the Schumacher farm, after approval as to form by the City Attorney; and

RESOLVED, That \$381,715.00 be appropriated for the purchase of development rights for the Carol B. Schumacher property in Lodi Township from the Open Space and Parkland Preservation Millage proceeds for the life of the project without regard to fiscal year, include closing, incidental and endowment costs.