



## Legislation Text

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**File #:** 09-0142, **Version:** 1

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Resolution to Authorize and Appropriate Funds for the Purchase of Development Rights (PDR) on the Anna Marie Merkel, John Nicholas Heller, Barbara Ann Marr, James Michael Heller, Donald Alan Heller, and Thomas Edward Heller Farm, located in Webster Township with Matching Funds through the Federal Farm and Ranch Lands Protection Program (FRPP), and Webster Township Land Preservation Fund and Approve a Farmland Development Rights Grant of Easement Agreement and Participation Agreement with Webster Township - \$1,307,867.00 (8 Votes Required)

Attached for your review and action is a resolution to approve the purchase of development rights (PDR) on the Anna Marie Merkel, John Nicholas Heller, Barbara Ann Marr, James Michael Heller, Donald Alan Heller, and Thomas Edward Heller Farm, which is approximately 146 acres, in Webster Township with funding through the Federal Farm and Ranch Lands Protection Program (FRPP), Webster Township Land Preservation Fund, and the City of Ann Arbor Open Space and Park Land Preservation Millage bond proceeds. The appraised fair market value of the approximate 146-acre agricultural preservation easement is \$1,360,000. City Council approved grant funds from the Farm and Ranch Lands Protection Program (FRPP) to be used for the purchase of the Merkel/Marr/Heller Farm on June 18, 2007 (R-288-6-07). Funds for the purchase of the easement comes from FRPP in the amount of \$680,000.00, Webster Township in the amount of \$110,000, and the City's Open Space and Parkland Preservation bond proceeds in the amount of \$627,867.00

The parent parcel is approximately 150 acres and is currently in agricultural production. The landowners are excluding an approximate 4-acre lot from the easement, which includes the residential and farm buildings. This farm is considered large enough to sustain agricultural production and is in a location that will encourage additional farmland preservation and agricultural preservation activities. The farm is located within one of the 5 Strategic Plan areas highlighted in the Greenbelt Strategic Plan and is immediately adjacent to the 180-acre Cares PDR already protected by the Ann Arbor Greenbelt. Other applications have been received in this area.

The resolution also approves a Farmland Development Rights Grant of Easement Agreement, which establishes the preservation of agricultural values by restricting the use of the property to agricultural uses including the protection of prime, unique or important soils, by preventing any use that would significantly impair or interfere with the agricultural value. The grants of easement are 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.

Federal matching grant funds are through the Federal Natural Resources Conservation Service and the City share is from the Open Space and Park Land Preservation Millage bond proceeds, without regard to fiscal year. 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 Resolution also approves a Participation Agreement with Webster Township for the purchase of the development rights on the farm. The Webster Township Board of Trustees has approved

\$110,000.00 toward the purchase of development rights on the farm from their Land Preservation Fund.

Anna Marie Merkel, John Nicholas Heller, Barbara Ann Marr, James Michael Heller, Donald Alan Heller, and Thomas Edward Heller, own the property. The resolution approves a total conservation easement purchase price of \$1,360,000.00 based on a fair market appraisal approved by the City and the Natural Resources Conservation Service. The FRPP share will reimburse the bond proceeds upon completion of the project. The budget appropriation from the City includes the FRPP share of the purchase price for a total appropriation of \$1,307,867.00 for the PDR, incidental and closing costs, which are estimated to not exceed 2.5% of the total or \$34,000.00 plus \$23,867.00 for an endowment, which includes funds for yearly monitoring of the easement agreement, a one time cost for legal defense, and survey of Farmstead Complex as required by the Farm and Ranch Protection Program, for a total City appropriation of \$1,307,867.00.

Project Budget:

Easement Purchase Price

Purchase Price: \$1,360,000.00

FRPP Grant	680,000.00
Webster Twp.	110,000.00
City OSPP Millage	570,000.00
Purchase Price:	\$1,360,000.00

Other Costs	
Closing/Incidental	\$ 34,000.00
Endowment	23,867.00
Total Other Costs:	\$ 57,867.00

Purchase Price:	\$1,360,000.00
Other Costs:	57,867.00
Webster Twp.	- 110,000.00
Total Appropriation	\$1,307,867.00

The Greenbelt Advisory Commission recommended approval of this PDR at its November 2008 meeting.

Prepared by: Ginny Trocchio, The Conservation Fund

Reviewed by: Jayne Miller, Community Services 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 Park Land Preservation Millage;

Whereas, Chapter 42 of The Ann Arbor City Code authorizes the City to enter into agreement for joint acquisition of land in the Greenbelt District with other governmental agencies;

Whereas, FRPP has matching grant funds available for Purchase of Development Rights on eligible agricultural land in the amount of \$680,000.00;

Whereas, Webster Township has matching funds from the Land Preservation Fund for the Purchase of Development Rights on eligible agricultural land in the amount of \$110,000.00;

Whereas, The farmland has been evaluated and ranked as a priority by Greenbelt staff, FRPP staff and the Greenbelt Advisory Commission;

Whereas, The Fair Market Value of the development rights as determined by the City as required by Section 1:320 of the Ann Arbor City Code and approved by the FRPP is \$1,360,000.00; and

Whereas, There are sufficient funds in the Open Space and Parkland Preservation Bond Proceeds to match the total purchase price, plus estimated closing costs, including the environmental study and a boundary survey, and the monitoring endowment;

RESOLVED, That the Mayor and Council approve the real estate and sales agreement for the Purchase of Development Rights Program including FRPP matching grant funds and the Farmland Development Rights Grant of Easement for the Anna Marie Merkel, John Nicholas Heller, Barbara Ann Marr, James Michael Heller, Donald Alan Heller, and Thomas Edward Heller Farm, located in Webster Township described as:

Legal Description:

The West ½ of the Southwest ¼ of Section 34, Webster Township, except for land described below and in Quit Claim Deed recorded in Liber 2103, page 277, Washtenaw County Records:  
Commencing at the Southwest corner of Section; thence East 456.4 feet in the South line of Section for a Place of Beginning; thence East 6.15 feet in South line of Section; thence N 64° 32' East 129.88 feet; thence N 60° 27' West 115 feet; thence S 87° 24' 40" West 114.3 feet; thence S 10° 17' East 165 feet to Place of Beginning, being a part of Southwest ¼, Section 34 T1S, R5E, Webster Township, Washtenaw County, Michigan.

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 Program (FRPP) 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 \$1,307,867.00 be appropriated for the purchase of development rights for this property from the Open Space and Parkland Preservation Millage bond proceeds for the life of the project without regard to fiscal year, including closing, incidental and endowment costs with \$680,000.00 to be reimbursed to the Open Space and Parkland Preservation Bond Proceeds by the Federal Farm and Ranch Land Protection Program upon completion of the acquisition; and

RESOLVED, That the Mayor and City Clerk be 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 development rights on the Merkel/Heller/Marr Farm after approval as to form by the City Attorney.