



Legislation Text

File #: 11-0253, Version: 1

Resolution to Approve Purchase Agreement for the Purchase of Development Rights on the Nancy M. Geiger Revocable Living Trust and Rose Ann Geiger Contingent Trust in Northfield Township and Appropriate Funds in the Amount of \$583,187.00 **(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 Nancy M. Geiger Revocable Living Trust and Rose Ann Geiger Contingent Trust farm in Northfield Township.

On June 21, 2010 (R-10-217) City Council approved grant application to the Farm and Ranch Land Protection Program for the Purchase of Development Rights (PDR) on the Nancy M. Geiger Revocable Living Trust and Rose Ann Geiger Contingent Trust farm in Northfield Township. The City did not receive grant funds for the property; however, the landowners are willing to make a donation of 20% of the fair market value.

An appraisal was completed for the development rights on the property in June, 2010 and the fair market value was determined to be \$655,400.00 for approximately 115 acres. The landowners have agreed to make a donation of 20% of the fair market value, or \$131,080.00.

The attached resolution approves the Agreement for the Purchase of Agricultural Land Development Rights for the farm. The Purchase and Sale of the development rights is contingent on the following:

- A. Approval of the appraisal by 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.

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

Purchase Price:

Appraised Fair Market Value:	\$655,400
Landowner Donation:	<u>\$131,080</u>
City portion of purchase price:	\$524,320

Other Costs:

Estimated Due Diligence:	\$ 20,000
Estimated Closing Costs:	\$ 15,000
Endowment:	<u>\$ 23,867</u>
Total Other Costs:	\$ 58,867

City Costs:

Purchase Price:	\$ 524,320
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Other Costs:	\$ <u>58,867</u>
Total City Costs:	\$ 583,187

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

The farm is approximately 115 acres and is located along Northfield Church Road. The deed to the property is held by Nancy M. Geiger Revocable Living Trust and Rose Ann Geiger Contingent Trust. An application to participate in the Program was received from the deed holders in 2010.

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 properties already protected by the Greenbelt and other applications received by the Greenbelt Program.

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 Code;

RESOLVED, That City Council approve the purchase agreement to be subject to the approval of the appraisal by the City; 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 \$583,187 be appropriated for the purchase of development rights for the Nancy M. Geiger Revocable Living Trust and Rose Ann Geiger Contingent 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, include closing, incidental and endowment costs.