



## Legislation Text

File #: 11-0755, Version: 1

Resolution to Approve Agreement for the Purchase of Development Rights on the Lindemann and Weidmayer Property in Lodi Township and Appropriate Funds (\$699,992.00) **(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 William W. Lindemann and Karen A. Weidmayer farm in Lodi Township.

On February 7, 2011 (R-11-035), the City Council approved a grant application to the Farm and Ranch Land Protection Program for the Purchase of Development Rights (PDR) on a property owned by William Lindemann and Karen Weidmayer. Subsequently, on June 6, 2011 (R-11-231), the City Council approved a resolution accepting grant funds in the amount of \$312,620.00 from USDA for the purchase of development rights on the property.

### **Purchase Agreement:**

An appraisal was completed for the development rights on the property in January, 2011.

The attached resolution approves the Purchase Agreement for the Sale of Agricultural Land Development Rights on the farm. The Purchase and Sale of 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:	\$638,000
FRPP Amount:	<u>\$312,620</u>
City portion of purchase price:	<u>\$325,380</u>

#### Other Costs:

Estimated Due Diligence:	\$ 20,000
Estimated Closing Costs:	\$ 18,125
Endowment:	<u>\$ 23,867</u>
Total Other Costs:	<u>\$ 61,992</u>

#### City Costs:

Purchase Price:	\$ 325,380
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Other Costs:	\$ 61,992
Total City Costs:	\$ 387,372

The total project budget of \$699,992 includes the total cost for the City as well as the FRPP grant, which will be reimbursed after the completion of the project.

### **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 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.

### **William W. Lindemann and Karen A. Weidmayer, Lodi Township**

The farm is approximately 110 acres and is located along Pleasant Lake Road. The deed to the property is held by William W. Lindemann and Karen A. Weidmayer. An application to participate in the Greenbelt 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 approximately one-half mile from the former Girbach farm, protected by the City's Greenbelt program in 2009.

The Greenbelt Advisory Commission recommended the purchase of development rights on this property and appropriation of funds at its February 9, 2011 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 February 9, 2011 meeting; and

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

RESOLVED, That City Council approve the purchase agreement 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 \$699,992.00 be appropriated for the purchase of development rights for the William W. Lindemann and Karen A. Weidmayer property in Lodi 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.