



Legislation Text

File #: 12-1232, **Version:** 1

Resolution to Approve the Purchase of Development Rights on the Donald Drake Farm in Lodi Township; Appropriate funds, Not to exceed \$483,450.00 from the Open Space and Parkland Preservation Millage Proceeds and Approve Participation Agreement with Washtenaw County Parks and Recreation **(8 Votes Required)**

Attached for your review and action is a resolution to approve the purchase of development rights on the farm owned by Donald Drake in Lodi Township. The total city contribution will not exceed \$483,450 from the Open Space and Parkland Preservation Millage Proceeds.

The Resolution also approves a Participation Agreement with Washtenaw County Parks and Recreation, contributing \$109,895.00 toward purchase. Lodi Township is also contributing \$1,000.00 toward the purchase.

Drake Farm, Lodi Township

The farm is approximately 124 acres and is located along Waters Road in the northwestern portion of Lodi Township. A portion of the property is currently in agricultural production. A large portion of the property contains a high quality woodlot with a diversity of trees. The property also contains a button bush swamp and other wetland areas. The deed to the property is held by Donald Drake. An application to participate in the Program was received from the deed holder in 2011. The property is in close proximity to other properties already protected by the Greenbelt and other applications received by the Greenbelt Program and other local land preservation programs.

The City of Ann Arbor applied for USDA Farm and Ranchland Protection Program (FRPP) grant funds in March 2012, but did not receive funds for the Drake farm. The Greenbelt Advisory Commission is recommending to complete the purchase of development rights on the southern portion of the farm in 2012 and re-apply for FRPP funds in 2013 for the northern portion of the farm.

Purchase Agreement:

An appraisal was completed for the development rights on the property in February 2012, and the fair market value was determined to be \$549,478.00 for approximately 124 acres.

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 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.

Project Budget:

Appraised Value = \$549,478.00

Purchase Price:

Purchase Price = \$549,478.00

Lodi Township = \$ 1,000.00

Washtenaw County = \$109,895.00

City = \$438,583.00

City Costs:

City portion of Purchase Price = \$438,583.00

Due Diligence = \$ 10,000.00

Closing Costs = \$ 11,000.00

Endowment = \$ 23,867.00

Total City costs = \$483,450.00

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 and natural features on the property, including the protection of prime, unique or important soils, by preventing any use that would significantly impair or interfere with the agricultural value.

The Conservation Easement will include provision to allow pre-scheduled interpretive and educational public hikes to be scheduled at the property, in collaboration with Washtenaw County Parks and Recreation programs.

Participation Agreement:

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 \$109,895.00 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 participating with Washtenaw County Parks and Recreation, and the appropriation of funds at it's July 5, 2012 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 Park Land 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, There are sufficient funds in the Open Space and Parkland Preservation Millage Proceeds available for the expenditure; and

Whereas, The Greenbelt Advisory Commission supports approval of the purchase of development rights on the Drake farm and expenditure of funds at its July 5, 2012 meeting;

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 and 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 City Council approve a Participation Agreement with Washtenaw County Parks and Recreation defining each party's interest in the acquisition;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Participation Agreement and if required, any supplemental documents necessary to document the appropriation of funds for the purchase of the Drake farm, after approval as to form by the City Attorney; and

RESOLVED, That \$483,450.00 be appropriated for the purchase of development rights for the Drake farm 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.