



Legislation Text

File #: 11-1140, Version: 1

Resolution to Approve Purchase Agreement for the Purchase of Development Rights on the Duane J. Thomas Trust and Judith A. Lobato Trust Property in Scio Township and Appropriate Funds in the Amount of \$140,367.00 **(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 Duane Thomas and Judith Lobato farm property in Scio Township.

Purchase Agreement:

An appraisal was completed for the development rights on the property in January 2011 and the fair market value of the development rights was determined to be \$189,000.00 for approximately 30 acres. The landowners have agreed to make a donation of 50% of the fair market value, or \$94,500.00.00.

The resolution approves the Purchase 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.

Project Budget:

Purchase Price:

Appraised Fair Market Value:	\$189,000.00
Landowner Donation:	<u>\$ 94,500.00</u>
City portion of purchase price:	\$ 94,500.00

Other Costs:

Estimated Due Diligence:	\$15,000.00
Estimated Closing Costs:	\$ 7,000.00
Endowment:	<u>\$ 23,867.00</u>
Total Other Costs:	\$ 45,867.00

City Costs:

Purchase Price:	\$ 94,500.00
Other Costs:	<u>\$ 45,867.00</u>
Total City Costs:	\$ 140,367.00

Conservation Easement:

The conservation easement is 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. 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.

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

Duane J. Thomas Trust and Judith A. Lobato Trust farm, Scio Township

The farm is approximately 30 acres and is located along Wagner and Scio Church Roads. The deed to the property is held by Duane J. Thomas Trust, dated June 17, 2011 and Judith A. Lobato Trust, dated June 17, 2011. 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. The property is in close proximity to Scio Woods Preserve, owned and managed by Washtenaw County Parks and other properties already protected.

The Greenbelt Advisory Commission recommended the purchase of development rights on this property and appropriation of funds at its August 10, 2011 meeting.

Prepared by: Ginny Trocchio, The Conservation Fund

Reviewed by: Sumedh Bahl, Community Services Area Administrator

Attachment: Thomas Protected Map

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 August 10, 2011 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 \$140,367.00 be appropriated for the purchase of development rights for the Duane J. Thomas Trust and Judith A. Lobato Trust in Scio 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.