



Legislation Text

File #: 21-1024, Version: 1

Resolution to Amend the Source of Funding for Purchase of Land at 2570 Dexter Road (8 Votes Required)

On February 1st, 2021 City Council approved Resolution R-21-035 to purchase a 0.6-acre property at 2570 Dexter Road from St. Joseph Mercy Health System for \$184,000 from Open Space and Parkland Preservation Millage proceeds. The Ann Arbor Housing Commission has committed up to \$75,000 for park amenities on this property because it is adjacent to their West Arbor affordable housing development. Pursuant to this resolution, the City signed a purchase agreement with St. Joe's to purchase the property and began conducting due diligence.

Upon review of the survey of the property and consultation with the Housing Commission, staff now recommends that only two-thirds of the property (Lots 250 and 251 on the attached map) be purchased for park and the other third (Lot 252) be purchased with general funds. Parks staff have determined that Lot 252 is not necessary for the planned park amenities and both the Housing Commission and a neighboring parcel owner have expressed interest in potentially acquiring all or part of this lot. This budget amendment allows staff the necessary flexibility to negotiate the sale of all or parts of Lot 252, which would defray some of the City's cost of purchase without affecting park plans. If any of Lot 252 remains under City ownership going forward, it could be combined with the park parcel at a later time.

If all or part of Lot 252 is sold, the proceeds would go back to the General Fund. If all or part of Lot 252 is subsequently added to the park, the General Fund would be reimbursed proportionally from Open Space and Parkland Preservation funds.

Budget/Fiscal Impact:

Total Acquisition Costs	\$184,000.00	
City of Ann Arbor Open Space & Parkland Preservation Millage	\$110,400.00	60.0%
City of Ann Arbor General Fund	\$ 73,600.00	40.0%

Other Anticipated Costs

Estimated Due Diligence	\$20,000.00
Estimated Closing Costs (Lots 250 and 251 proportional)	\$ 7,500.00
Estimated Closing Costs (Lot 252 proportional)	\$ 5,000.00
Site Improvements (Housing Commission)	\$75,000.00

Attachment: Location Map
Prepared by: Remy Long, Greenbelt Program Manager, The Conservation Fund
Reviewed by: Derek Delacourt, Community Services Area Administrator
Approved by: Tom Crawford, City Administrator

Whereas, On February 1st, 2021 City Council approved Resolution R-21-035 authorizing the purchase of property at 2570 Dexter Road (tax parcels 09-08-24-421-033, 09-08-24-421-031, 09-08-

24-421-032) for \$184,000.00 using Open Space and Park Preservation Millage proceeds; and

Whereas, Upon review of due diligence by City staff, Parks staff and the Park Advisory Commission recommend that only two of the three parcels be purchased for park land at this time;

RESOLVED, That City Council approves changing the source and amount of funding for the purchase of 2570 Dexter Road as follows:

- \$137,900.00 is appropriated for purchase of tax parcels 09-08-24-421-031 (Lot 250) and 09-08-24-421-032 (Lot 251) from the Open Space and Parkland Preservation Millage proceeds for the life of the project without regard to fiscal year; and
- \$78,600.00 is appropriated for purchase of tax parcel 09-08-24-421-033 (Lot 252) from the General Fund for the life of the project without regard to fiscal year;

RESOLVED, That tax parcels 09-08-24-421-031 (Lot 250) and 09-08-24-421-032 (Lot 251) be used for park land and tax parcel 09-08-24-421-033 (Lot 252) be held as general City land until further action of City Council;

RESOLVED, That the City Attorney and City Administrator are authorized to negotiate with the Ann Arbor Housing Commission and the neighboring property owners for a potential sale of all or a part of Lot 252; and

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including the determination of satisfactory due diligence and execution of all appropriate documents.