



## Legislation Text

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### Resolution to Approve the Sale of the South Parcel of the Maisel Buy-Protect-Sell Property to Kristen Muelhauser for \$204,000.00 **(8 Votes Required)**

To address farmland ownership, succession, and inequity challenges, conservation agencies have been working to ensure that land stays in the hands of farmers through Buy-Protect-Sell (BPS) transactions that directly facilitate affordable farmland access opportunities in their communities. Please refer to staff's February 22, 2022 "Greenbelt Buy-Protect-Sell Framework" memo for detailed information on BPS transactions, as well as the May 5, 2022 "Resolution to Purchase Maisel Property" (R-21-2022) for information on the Maisel BPS Property itself. This resolution approves the fee sale of the South Parcel of the Maisel BPS Property, encumbered with a conservation easement, to Kristen Muelhauser for \$204,000.00. City proceeds from the sale would return the Open Space & Parkland Preservation millage fund balance and be earmarked for use in the Greenbelt District.

In July 2023, Greenbelt staff released a request for proposals to purchase the Maisel BPS property owned by the City. Proposals required information on applicants' farming experience and a business plan for the property; sale prices were fixed. Applicants could select their preference to purchase the entire property (54 acres), the North Parcel (20 acres), or the South Parcel (34 acres). The greatest preference among applicants was for the smaller parcels, so a land division will be required to sell the North and South parcels to different applicants. Six complete proposals were received. Through proposal review including a scoring and ranking exercise, the Greenbelt Advisory Commission determined Kristen Muelhauser's proposal best fit the objectives of this first BPS project. Kristen has accepted staff's tentative offer of the South Parcel, pending Council approval.

Kristen Muelhauser is the founder, owner, and manager of Raindance Organic Farm, which has been operating successfully and profitably for five years. The farm is currently sited on ~8 acres of leased land and the owner recently doubled the lease price. Kristen will move all of Raindance's growing operations off the leased land onto the BPS parcel. Her proposal is to plant two acres in annual flowers and crops for U-pick, then plant the remaining agricultural field into perennial flowers and crops. Sustainable practices will be used, including organic production, no-till, insect exclusion (reduced pesticides), and tarping (reduced herbicides). With the added production space, Raindance will be able to sell both wholesale and continue selling through Ann Arbor Farmer's Market, Argus Farm Stop, on-farm CSA programming.

The \$204,000.00 sale price is determined by a February 2021 conservation easement appraisal, conducted for the City's purchase of the Maisel BPS property. These appraisals provide an unencumbered fee value (the City's purchase price from the original landowner) and a hypothetical value of the property with a conservation easement on it (the City's sale price). The City will retain a conservation easement on the property after the sale and include an option to repurchase the property.

The Greenbelt Advisory Commission recommended the sale of the South Parcel of the Maisel BPS Property to Kristen Muelhauser at its November 2, 2023, meeting. Approval of the resolution is

recommended by staff.

Prepared by: Rosie Pahl Donaldson, Land Acquisition Supervisor

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, Chapter 42 of Ann Arbor City Code establishes the Greenbelt District and authorizes the City to purchase land and conservation easements on property within the district with Open Space and Parkland Preservation Millage proceeds; and

Whereas, The fair market value for the property was determined by an appraisal as required by Section 1:321 of Ann Arbor City Code;

RESOLVED, That City Council approves the fee sale of South Parcel of the Maisel Buy-Protect-Sell Property, subject to an option to repurchase and encumbered by a conservation easement, to Kristen Muelhauser for \$204,000.00;

RESOLVED, That approval of the sale is contingent upon the approval by City Administrator and all entities participating in the purchase of the terms and conditions of the sale;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute a purchase agreement for the property and other agreements and documents necessary to implement this resolution, after approval as to form by the City Attorney and as to content by the City Administrator;

RESOLVED, That the City Administrator is authorized to execute all other documents necessary to complete this sale after approval as to form by the City Attorney; and

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including necessary land division.