



Legislation Text

File #: 17-1143, **Version:** 1

Resolution to Approve the Purchase of Development Rights on the Seeley Farm LLC Property in Ann Arbor Township, Approve a Participation Agreement with Washtenaw County Parks and Recreation, and Appropriate Funds, Not to Exceed \$143,367.00, from the Open Space and Parkland Preservation Millage Proceeds **(8 Votes Required)**

Attached for your review and action is a Resolution To Approve the Purchase of Development Rights on the Seeley Farm LLC Property, located in Ann Arbor Township, Approve a Participation Agreement with Washtenaw County Parks and Recreation, and Appropriate Funds, Not to Exceed \$143,367.00, from the Open Space and Parkland Preservation Millage Proceeds.

Seeley Farm LLC, Ann Arbor Township

The property is approximately 30 acres, of which approximately 27.5 acres will be included in the purchase of development rights, and is located along Warren Road in Ann Arbor Township. The deed to the property is held by Seeley Farm, LLC. The property is in active agriculture, and has been certified USDA Organic since 2013 and supplies local food markets and restaurants in Ann Arbor. A branch of Traver Creek runs through the property. The property has approximately 11 tillable acres and 16 acres of woodland, and scored in the top 25% of all Greenbelt applications in the scoring system developed by the Greenbelt Advisory Commission to prioritize acquisitions. Protection of the property is a priority for the Greenbelt due to the quality of the farmland and natural areas on the property, its proximity to other protected properties, and the possibility to leverage funds from the County. The property also meets the priorities for both the Greenbelt and Washtenaw County Parks and Recreation.

Purchase Agreement:

An appraisal was completed for the development rights on the property in March 2017 and revised in July 2017. The Fair Market Value of the development rights was determined to be \$182,000. The attached resolution approves the Purchase Agreement for the Sale of Agricultural Land Development Rights on the property. 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 required by all respective governmental entities connected with the purchase of the development rights.

Participation agreement:

This resolution approves a participation agreement with Washtenaw County Parks and Recreation and an appropriation of funds for 50% of the easement price, estimated due diligence and closing

costs, and an endowment, not to exceed \$143,367.00, from the Open Space and Parkland Preservation Millage Proceeds.

Approval of the Purchase of Development Rights, the Participation Agreement with Washtenaw County, and appropriation of funds for the purchase of the property was recommended by the Greenbelt Advisory Commission at its August 3rd, 2017 meeting. The Greenbelt Advisory Commission recommended moving forward with the application due to the quality of farmland and natural areas on the property, the property's proximity to other protected land, and the opportunity to leverage the City's funds through partnership with Washtenaw County Parks. Approval of the resolution is recommended by staff.

Project Budget:

Purchase Price:

Appraised Fair Market Value: \$184,000.00
Washtenaw County Amount: \$92,000.00 (50%)
City portion of purchase price: \$92,000.00 (50%)

Other Costs:

Estimated Due Diligence: \$20,000.00
Estimated Closing Costs: \$7,500.00
Endowment: \$23,867.00
Total Estimated Other Costs: \$51,367.00

Total Final City Costs:

Purchase Price: \$92,000.00
Other Estimated Costs: \$51,367.00
Total Not To Exceed City Costs: \$143,367.00

Prepared by: Ruth Thornton, Greenbelt Program Manager, The Conservation Fund
Reviewed by: Derek Delacourt, Community Services Area Administrator
Approved by: Howard Lazarus, City Administrator

Attachments: Property Map, Location Map

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

Whereas, Washtenaw County has matching funds available for the purchase of the Seeley Farm LLC Property;

Whereas, There are sufficient funds in the Open Space and Parkland Preservation Millage Proceeds available for the expenditure; and

Whereas, The Greenbelt Advisory Commission approved a motion recommending approval of the purchase of development rights on the Seeley Farm LLC property and participation agreement with

Washtenaw County Parks and Recreation at its August 3, 2017 meeting;

RESOLVED, That City Council approve the purchase of the development rights by Farmland Development Rights Easement on the Seeley Farm LLC Property in Ann Arbor Township, subject to the approval of the appraisal by the City and satisfactory environmental site assessment;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute all documents necessary to complete the purchase of development rights after approval as to form by the City Attorney;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the Participation Agreement defining each party's interest in the acquisition of the development rights and, if required, any supplemental documents necessary to document the appropriation of funds for the purchase of development rights on the Seeley Farm LLC property, after approval as to form by the City Attorney; and

RESOLVED, That \$143,367.00 be appropriated for the purchase of the development rights on the Seeley Farm LLC property from the Open space and Parkland Preservation Millage Proceeds for the life of the project without regard to fiscal year, including closing and incidental costs.