



Legislation Text

File #: 17-1101, **Version:** 1

Resolution to Approve Participation Agreement with Washtenaw County Parks and Recreation for the Purchase of the Development Rights on the Donald H. Drake Trust Property in Lodi Township, and Appropriate Funds, Not to Exceed \$174,997.00, from the Open Space and Parkland Preservation Millage Proceeds **(8 Votes Required)**

Attached for your review and action is a Resolution to approve a Participation Agreement with Washtenaw County Parks and Recreation for the Purchase of the Development rights on the approximately 72-acre Property owned by the Donald H. Drake Trust, located in Lodi Township, and to appropriate Funds, not to exceed \$174,997.00, from the Open Space and Parkland Preservation Millage Proceeds.

On January 4, 2016 (R-16-005), City Council approved a grant application to the NRCS - Agriculture Conservation Easement Program (ACEP) for the Purchase of Development Rights (PDR) on the Donald H. Drake Trust Farm in Lodi Township. Subsequently, on September 6, 2016, City Council approved the acceptance of grant funds in the amount of \$141,120.00 towards the purchase of the development rights on the tract (R-16-346).

On May 1, 2017 City Council approved the purchase of the development rights on the Donald H. Drake Trust property (R-17-148) and Appropriate Funds, Not to Exceed \$263,247.00, from the Open Space and Parkland Preservation Millage Proceeds. Subsequently, Washtenaw County Parks and Recreation approved the contribution of funds in the amount of \$88,250.00, or 25% of the Fair Market Value, towards the purchase of the development rights on the tract.

Drake Farm, Lodi Township

The farm is approximately 78 acres and is located along the north side of Waters Road in Lodi Township. The property is in active agriculture and is considered large enough to sustain agricultural production. It is in a location that will encourage additional farmland preservation and agricultural preservation activities. A portion of the farm, south of Waters Road, was protected by the City of Ann Arbor's Greenbelt Program in January 2013. The protection of this property is a priority for the Greenbelt due to the size and quality of the farmland, proximity to other protected properties, and possibility to leverage funds from federal and other local sources of funding. The property also meets the priorities for the Greenbelt, Washtenaw County Parks and Recreation, and ACEP Programs.

Participation Agreement:

An appraisal was completed for the development rights on the property in January 2017, which determined the Fair Market Value of the development rights to be \$353,000. This resolution approves a participation agreement with Washtenaw County Parks and Recreation and an appropriation of funds not to exceed \$174,997.00, which is approximately 35% of the purchase price, from the Open Space and Parkland Preservation Millage Proceeds.

The Greenbelt Advisory Commission recommended the purchase of the development rights on this tract at its April 6th, 2017 meeting, and recommended the participation agreement with Washtenaw

County Parks and Recreation at its August 3rd, 2017 meeting. The Greenbelt Advisory Commission recommended to move forward with the Agreement due to the quality of agricultural areas on the property, the property's proximity to other protected land, and the opportunity to leverage the City's funds through partnership with the federal NRCS ACEP Program and Washtenaw County Parks and Recreation. Approval of the resolution is recommended by staff.

Project Budget:

Purchase Price:

Appraised Fair Market Value \$353,000.00

Washtenaw County Amount: \$ 88,250.00

ACEP Amount \$141,120.00

City portion of purchase price \$123,630.00

Other Costs:

Estimated Due Diligence: \$ 20,000.00

Estimated Closing Costs \$ 7,500.00

Endowment \$ 23,867.00

Total Other Costs \$ 51,367.00

City Costs:

Purchase Price \$ 123,630.00

Other Costs \$ 51,367.00

Total City Costs \$ 174,997.00

Prepared by: Ruth Thornton, Greenbelt Program Manager, The Conservation Fund

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard Lazarus, City Administrator

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, The City has secured a NRCS ACEP grant in the amount of \$141,120.00 for the purchase of the development rights on the Donald H. Drake Trust Property;

Whereas, Washtenaw County has matching funds available for the purchase of the Donald H. Drake Trust Property;

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

Whereas, The Greenbelt Advisory Commission recommended approval of the purchase of development rights at its April 6, 2017 meeting;

Whereas, City Council passed a resolution at its May 1, 2017 meeting approving purchase of the development rights on the Donald H. Drake Trust property; and

Whereas, The Greenbelt Advisory Commission recommended approval of the participation agreement with Washtenaw County Parks and Recreation at its August 3, 2017 meeting;

RESOLVED, That City Council approve participation with Washtenaw County Parks and Recreation in the purchase of development rights on the Donald H. Drake Trust property located in Lodi Township for the reasons stated above;

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

RESOLVED, That \$174,997.00 be appropriated for the purchase of the development rights on the Donald H. Drake Trust property from the Open Space and Parkland Preservation Millage Proceeds for the life of the project without regard to fiscal year.