



Legislation Text

File #: 18-0246, **Version:** 1

Resolution to Approve the Purchase of Development Rights on the DeVine-Koselka Farm Property in Scio Township, Approve a Participation Agreement with Washtenaw County Parks and Recreation, and Appropriate Funds, Not to Exceed \$575,367.00, 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 DeVine-Koselka Property in Scio Township, Approve a Participation Agreement with Washtenaw County Parks and Recreation, and Appropriate Funds, Not to Exceed \$575,367.00, from the Open Space and Parkland Preservation Millage Proceeds

On November 10, 2016 (R-16-430), City Council approved a grant application to the NRCS - Agriculture Conservation Easement Program (ACEP) for the Purchase of Development Rights (PDR) on the DeVine-Koselka Farm in Scio Township. Subsequently, on September 18, 2017, City Council approved the acceptance of grant funds in the amount of \$320,950.00 towards the purchase of the development rights on the tract (R-17-344). These funds will be reimbursed to the City by NRCS-ACEP after the project closes. Washtenaw County Parks and Recreation approved the contribution of funds in the amount of \$131,000.00, or 20% of the Fair Market Value, towards the purchase of the development rights on the tract, which decreases the City of Ann Arbor's share of the purchase price to \$203,050.00, or 31% of the Fair Market Value.

Suzanne DeVine - John Koselka Farm, Scio Township

The property is approximately 100 acres and consists of approximately 55 acres of active farmland, 40 acres of forestland, and wetlands. The property is considered large enough to sustain agricultural production. It is adjacent to the County's DeVine Preserve and within one mile of another property already protected by the Greenbelt Program. It is located in the Huron River watershed. The property received the highest score of all Greenbelt applications in the scoring system developed and approved by the Greenbelt Advisory Commission. The protection of this property is a priority for the Greenbelt Program due to the size and quality of the farmland, the presence of the wetlands and natural resources found on the tract, its 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 Program, Washtenaw County Parks and Recreation, and ACEP Program.

Participation Agreement:

An appraisal was completed for the development rights on the property in January 2017, and updated in October 2017, which determined the Fair Market Value of the development rights to be \$655,000. This resolution approves a participation agreement with Washtenaw County Parks and Recreation and an appropriation of funds not to exceed \$575,367.00 from the Open Space and Parkland Preservation Millage Proceeds.

The Greenbelt Advisory Commission recommended the purchase of the development rights on this tract and participation agreement with Washtenaw County Parks and Recreation at its December 7, 2017 meeting. The Greenbelt Advisory Commission recommended to move forward with the

Purchase and the Agreement due to the quality of agricultural 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 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:	\$655,000.00
Washtenaw County Amount:	\$131,000.00 (20%)
ACEP Grant Amount:	<u>\$320,950.00 (49%)</u> (to be reimbursed to the City after closing)
City portion of purchase price:	\$203,050.00 (31%)

Other Costs:

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

Appropriation of Funds Needed at Closing:

Purchase Price:	\$203,050.00
Other Costs:	\$ 51,367.00
ACEP Grant Amount:	<u>\$320,950.00</u>
Total Funds Needed at Closing:	\$575,367.00

Total Final City Costs:

Funds Needed at Closing:	\$ 575,367.00
Reimbursement from ACEP:	<u>\$ 320,950.00</u>
Total City Costs:	\$ 254,417.00

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

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. 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 \$320,950.00 for the purchase of the development rights on the DeVine-Koselka Farm Property, which will be reimbursed to the City after closing;

Whereas, Washtenaw County has matching funds available for the purchase of the DeVine-Koselka Farm Property;

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

Whereas, The Greenbelt Advisory Commission approved a motion recommending approval of the purchase of development rights on the DeVine-Koselka Farm Property and participation agreement with Washtenaw County Parks and Recreation at its December 7, 2017 meeting;

RESOLVED, That City Council approve the purchase of the development rights by Farmland Development Rights Easement on the DeVine-Koselka Farm Property in Scio Township, subject to the approval of the appraisal by the City and satisfactory environmental site assessment;

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

RESOLVED, That City Council approve participation with Washtenaw County Parks and Recreation in the purchase of development rights on the DeVine-Koselka Farm Property located in Scio 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 DeVine-Koselka Farm Property, after approval as to form by the City Attorney; and

RESOLVED, That \$575,367.00 be appropriated for the purchase of the development rights on the DeVine-Koselka Farm Property from the Open Space and Parkland Preservation Millage Proceeds for the life of the project without regard to fiscal year.