



Legislation Text

File #: 19-2308, **Version:** 1

Resolution to Approve the Purchase of a Conservation Easement on the John Russell Property in Lodi Township, Approve a Participation Agreement with the Washtenaw County Parks and Recreation Commission, and Appropriate \$457,617.00 **(8 Votes Required)**

This resolution approves the purchase of a conservation easement on approximately 151 acres of farmland owned by John Russell, located in Lodi Township. The resolution also approves a participation agreement with Washtenaw County Parks and Recreation and appropriates up to \$457,617.00 for the purchase from the Open Space and Parkland Preservation Fund.

On August 23, 2018 (R-18-338), City Council approved a grant application to the NRCS - Agriculture Conservation Easement Program (ACEP) for the John Russell Farm in Lodi Township. On September 16, 2019, City Council approved the acceptance of grant funds in the amount of \$264,250.00 under a cooperative agreement with NRCS to be applied toward the purchase of a conservation easement on the property (R-19-435).

John Russell Farm, Lodi Township

The farm is approximately 151 acres and is located along Textile Road in Lodi Township. The property is considered large enough to sustain agricultural production and is in a location that will encourage additional farmland and agricultural preservation activities. It is adjacent to an existing Greenbelt easement and adjacent to an active Greenbelt project, and would create a contiguous protected area of more than 305 acres. It is also approximately one-half mile from a second Greenbelt easement. The property scored in the top 74% 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, 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, Lodi Township, and ACEP Programs.

An appraisal for a conservation easement on the property was completed in November 2018 and updated in October 2019. The fair market value was appraised at \$543,000.

Proposed Project Budget:

Purchase Price:

Appraised Fair Market Value: \$543,000.00
Washtenaw County Amount: \$135,750.00 (25.0%)
Lodi Township Amount: \$ 1,000.00 (0.2%)
ACEP Grant Amount: \$264,250.00 (48.7%)

City portion of purchase price: \$142,000.00 (26.2%)

Other Costs:

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

City Funds Needed at Closing:

Purchase Price:	\$406,250.00
<u>Other Costs:</u>	<u>\$ 51,367.00</u>
	\$457,617.00

Total Final City Costs:

Funds Needed at Closing:	\$457,617.00
<u>Reimbursement from ACEP:</u>	<u>\$264,250.00</u>
Total City Costs:	\$193,367.00

The total City funds reflect the estimated up-front costs required to be paid by the City. The ACEP grant is a reimbursement paid to the City after purchase.

The Greenbelt Advisory Commission recommended this purchase at its November 7, 2019 meeting. Approval of the resolution is recommended by staff.

Prepared by: Remy Long, 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 Ann Arbor City Code establishes the Greenbelt District and authorizes the City to purchase conservation easements on property within the district with Open Space and Parkland Preservation Millage proceeds;

Whereas, Chapter 42 of 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 conservation easement 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 \$264,250.00 for the purchase of a conservation easement on the John Russell Property;

Whereas, Washtenaw County has matching funds available for the purchase of the John Russell Property;

Whereas, Lodi Township has matching funds available for the purchase of the John Russell Property;

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

Whereas, The Greenbelt Advisory Commission approved a motion recommending approval of the purchase at its November 7, 2019 meeting;

RESOLVED, That City Council approve the purchase of a conservation easement on the John

Russell Property in Lodi Township;

RESOLVED, That approval of the purchase is contingent upon the approval by City staff, ACEP, and all entities participating in the purchase of the following:

- The appraisal;
- An environmental site assessment of the property;
- A survey of the property;
- Conveyance of good and marketable title to the conservation easement; and
- Agreement to the terms and conditions of the conservation easement;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute a purchase agreement with the owner of the John Russell Property reflecting the requirements of this resolution, after approval as to form by the City Attorney and as to content by the City Administrator;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute a participation agreement with the Washtenaw County Parks and Recreation Commission for purchase of a conservation easement on the John Russell property, after approval as to form by the City Attorney and as to content by the City Administrator; and

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

RESOLVED, That \$457,617.00 be appropriated for this purchase from the Open Space and Parkland Preservation Fund for the life of the project without regard to fiscal year.