



Legislation Text

File #: 22-0686, Version: 1

Resolution to Approve Purchase of Greenbelt District Land, Approve a Participation Agreement with Washtenaw County Parks and Recreation Commission, and Appropriate \$692,867.00 for Purchase of Fee Title to the EN Maisel Associates, LLC Property **(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. This resolution approves the purchase of a 54.3-acre parcel as the Greenbelt's first-ever BPS project.

This resolution approves the purchase of fee title to approximately 54.3 acres of land owned by EN Maisel Associates, LLC, located in Northfield Township. This property is adjacent to 220-acres owned by EN Maisel Associates, LLC that has been approved for purchase by Washtenaw County Parks and Recreation Commission and to which City Council authorized Greenbelt financial support (R-21-440). This resolution also approves a participation agreement with Washtenaw County Parks and Recreation Commission for financial partnership in this purchase, with the County's share applied to the future encumbrance of the site with a conservation easement. Additional details and contingencies detailed below. The resolution also appropriates \$692,867.00 from the Open Space and Parkland Preservation Millage proceeds for the purchase.

EN Maisel Associates, LLC Property, Northfield Township

The property is approximately 54.3 acres with access from Nollar Road. This acquisition would provide an additional buffer to the previously-approved 220-acre acquisition to the east (R-21-440), which will establish one of largest publicly accessible sites in the Ann Arbor area. City staff have vetted this 54.3-acre site with local farmers to ensure the site is suitable for continued and diversified agricultural production. The parcel also contains substantial road frontage that allows the City to consider subdividing the property to create multiple affordable farmland access opportunities in a single BPS transaction.

The City of Ann Arbor Greenbelt program commissioned an appraisal which was completed February 24, 2021. That appraisal contained separate valuations for two different scenarios:

Scenario #1: The 54.3-acre parcel is sold as a whole, subject to a conservation easement.

Scenario #2: The 54.3-acre parcel is split into a 30-acre parcel and 24.3-acre parcel, and both are sold subject to conservation easements.

The fair market value of each scenario was determined to be:

Acres	Fair Market	Fair Market	Fair Market
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		Value of Property	Value of Property after Conservation Easement	Value of Conservation Easement
Scenario #1	54.30	\$624,000.00	\$326,000.00	\$298,000.00
Scenario #2	30.00	\$414,000.00	\$204,000.00	\$210,000.00
	24.30	\$292,000.00	\$122,000.00	\$170,000.00
		City Contribution to Conservation Easement	WCPARC Contribution to Conservation Easement	
Scenario #1		\$149,000.00	\$149,000.00	
Scenario #2		\$190,000.00	\$190,000.00	

The County has committed to covering 50% of the value of the conservation easement under either of these two scenarios (\$149,000.00 under Scenario 1, and \$190,000.00 under Scenario 2). The County will contribute \$190,000.00 up front, presuming that Scenario 2 will occur. If Scenario 1 occurs, and value of the easement on all resulting parcels is less, the City will reimburse the County the proportionate share necessary to bring the County’s total contribution to equal 50% of the easement value (\$149,000). If neither scenario occurs, e.g. the City chooses to divide the property in a different manner, then a new appraisal may be needed and the County will reevaluate its contribution.

This resolution covers the City’s purchase price under either of the scenarios described above, or the entire purchase if the City chooses neither Scenario 1 or Scenario 2 and the County chooses not to contribute. Staff expects that one of these two scenarios will occur absent a change in circumstances with the property, and that the County will contribute at least 50% of the conservation easement value. The City’s contributions toward the purchase and conservation of the property will be funded by the City’s Open Space and Parkland Preservation Millage proceeds.

Approval of this first-ever Buy-Protect-Sell purchase was recommended by the Greenbelt Advisory Commission at their March 3, 2022 meeting. The Greenbelt Advisory Commission recommended the purchase due to the site suitability for continued agricultural production and diversification, adjacency to approved conservation acquisitions, soil quality, the opportunity to bring conservation innovations to the Ann Arbor Greenbelt, and the opportunity to leverage City funds through partnership with Washtenaw County Parks and Recreation Commission.

Estimated Project Budget

Scenario #1 Purchase Price (minimum County contribution)

Washtenaw County	\$149,000.00 (28.9%)
<u>City</u>	<u>\$475,000.00 (76.1%)</u>
Purchase Price	\$624,000.00

Scenario #2 Purchase Price (maximum County contribution)

Washtenaw County	\$190,000.00 (30.4%)
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City \$434,000.00 (69.6%)
Purchase Price \$624,000.00

Other Costs:

Estimated Due Diligence: \$30,000.00
Estimated Closing Costs: \$15,000.00
Endowment: \$23,867.00
Total Other Costs: \$68,867.00

Maximum City Costs \$692,867.00 (purchase price plus other costs)

Prepared by: Remy Long, Parks & Recreation Services Deputy Manager, Natural Area
Preservation and Land Acquisition

Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Milton Dohoney Jr., Interim 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;

Whereas, Chapter 42 of Ann Arbor City Code authorizes City Council to enter into agreements for joint acquisition of land and easements in the Greenbelt District with other government agencies;

Whereas, EN Maisel Associates, LLC is the owner of approximately 54.3 acres of property located in Northfield Township, as depicted on the attached map, (tax parcel B -02-28-200-001) and has agreed in principle to sell the property to the City;

Whereas, The property has been appraised as required by Section 1:321 of Ann Arbor City Code; and

Whereas, There are sufficient funds in the Open Space and Parkland Preservation Millage Proceeds to cover the purchase price and estimated due diligence and closing costs;

RESOLVED, That City Council approves the purchase of the property (tax parcel B -02-28-200-001) contingent upon the City's completion of appropriate due diligence on the property, including review of title work, an environmental assessment, and survey;

RESOLVED, That \$692,867.00 is appropriated for purchase of the property from the Open Space and Parkland Preservation Millage proceeds for the life of the project without regard to fiscal year;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute a purchase agreement for the property after approval as to substance by the City Administrator and as to form by the City Attorney;

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

RESOLVED, That after purchase, the City Administrator is authorized to take all appropriate action to

prepare the property for sale, including division of the property if appropriate and implementing an RFP process for selecting a purchaser;

RESOLVED, That the City Administrator is authorized to reimburse all or part of the County's contributed share if necessary to comply with the County conditions on contributing;

RESOLVED, That the City Administrator is authorized to take all appropriate action to implement this resolution, including the determination of satisfactory due diligence and execution of all appropriate documents.