



Washtenaw County Parks and Recreation Commission

MEMORANDUM

TO: Washtenaw County Parks and Recreation Commission

THROUGH: Robert L. Tetens, Director

FROM: Susan Lackey, Legacy Land Conservancy

DATE: September 11, 2012

RE: Program Update - Agricultural Lands Preservation Advisory Committee

I believe that in October we will be coming back to you with a request to finalize conservation easements on the high priority properties you authorized staff to pursue at your February 2012 meeting. Much activity has taken place in the past six months, and this memorandum will serve to update you on that activity.

- With your approval, an application was submitted to the US Department of Agriculture, Farm and Ranchland Protection Program (FRPP) in support of the Bailo properties (approximately 215 acres). We recommended application for these properties because the NAPP program had completed an appraisal previously, and we believed it would be a high scoring property. We were correct, and the County was awarded \$203,840 for this property. The appraised value was \$416,000, resulting in a leverage of nearly 1:1. We believe Salem Township will also make a minimal contribution to this project, and the landowners have indicated they may wish to donate some value in order to maximize their tax advantage. These properties appraised at \$2,028/acre **for the development rights only**. Contracts have been awarded for required surveys and Phase 1 environmental reviews
- Additionally, your partners also submitted priority properties for funding under FRPP.
 - Legacy Land Conservancy submitted and received funding (\$339,593) for 161.25 acres owned by Kendall Rogers in York Township. This includes 34 acres of donated conservation easement. Funding was received for this project. Mr. Rogers' has asked that Legacy hold the conservation easement on this property, as it already holds an easement of 40+ acres of Rogers' family farmland completed in 2006. Contracts have been awarded for required appraisals, surveys and Phase 1 environmental reviews
 - Webster Township submitted applications for two properties: Alexander and Koch. Alexander (40 acres) received funding of \$56,350. With an appraised value of \$115,000 (\$2,875/acre **for development rights only**), the leverage on this property is currently 1:1. However, the leverage is likely to improve, as staff of the Ann Arbor Greenbelt and Webster Township has requested their respective

participation. Webster Township will hold the easement initially, as they are the FRPP applicant. However, your staff will recommend that the Ann Arbor Greenbelt take responsibility for the easement long term, as they have several conservation easements in the same block of land, and will be able to more cost effectively monitor the conservation easement for compliance. Contracts for required surveys and Phase 1 environmental reviews have been awarded. Funding was not received for the Koch property at this time. However, staff believes that, with the completion of due diligence items such as appraisal, survey and Phase 1 environmental review, the property will score highly in the 2013 FRPP round, and result in a high leverage. These items are pending.

- The following properties will not be recommended for current year funding, although they remain high priority for ALPAC:
 - Robert and Else Heller (Lima Township) 190 acres
 - Robert Graichen (Superior Township) 72 acres

Appraisals have been completed on these parcels, and we will request that we be allowed to pursue additional FRPP funding in 2013 to further expand WCPARC funds. The Superior Conservancy and the Ann Arbor Greenbelt are potential partners for the Graichen easement.

- Additionally, James Poulter (209 acres; Dexter Township) withdrew from consideration upon receipt of his appraisal, which he deemed too low at this time.

Staff anticipates coming to the WCPARC at its October meeting with a recommendation to acquire and/or participate in funding, conservation easements on the Bailo, Rogers and Alexander properties.

In conclusion, this program is benefitting from better than anticipated finances. We did not anticipate the ability of our partners to apply for additional funding under FRPP, or that properties submitted without complete due diligence would be so successful in a competitive, state-wide program. This partnership is similar to those you have enjoyed with the Preserve portion of this program, and results in more land protection, with a cost benefit to the county taxpayers.

The program is also benefitting from a reduction in the value of the development rights you are purchasing. The development rights are calculated as follows: ***total value of unprotected land - value of land restricted to farming = value of development right***. As land values in general have continued to decline, but the value of farmland has increased, the value of the development rights have shrunk accordingly. However, we continue to see farmers who are aging and concerned about their ability to realize the value of their land while passing it onto a new generation of farmers, making them willing to accept these reduced values in many instances. Your timing in advancing this program has been excellent, and will benefit the residents of Washtenaw County for generations to come.

cc: Agricultural Lands Preservation Advisory Committee (ALPAC)