



Real estate slump may speed pace of land deals for Ann Arbor's greenbelt program

Posted by Judy McGovern | The Ann Arbor News March 09, 2009 08:10AM

It might seem like a good time to be in the open-space preservation business.

Development pressure in areas outside Ann Arbor and other communities has fallen from intense to nonexistent. And any developers or development companies that had been sitting on potentially buildable land might well be ready to dump it.

But it's not a simple matter of scooping up prized properties.

For at least a year, members of Ann Arbor's Greenbelt Advisory Commission and their counterparts in Washtenaw County's Natural Areas Preservation Program have worried about over-buying when it's unclear where prices will bottom out.

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With market conditions changing rapidly and few transactions, property appraisals are viewed with some skepticism. Developers under financial pressure have wanted to move faster than the city's greenbelt program could hope to respond.

"They say they need to make a deal right now or the property goes to the bank," said Laura Rubin, chairwoman of the city's greenbelt commission.

To deal with those conditions and to try to take advantage of potential deals, the greenbelt program is launching a special initiative: Between now and May 4, property owners in the greenbelt target area interested in selling land or development rights are being invited to set their price.

Although the city program has no obligation to accept any of the proposals, it is promising an expedited process for any acquisitions greenbelt officials decide to pursue.

That's different than the normal process, where purchases are tightly tied to appraisals and a policy of pursuing federal grants means transactions can take a year or more to complete.

"We've struggled with what to pay," said Rubin. While those involved in the program want to be fair, they also have a responsibility to make the tax dollars that created the program go as far as possible.

"This may be our opportunity to capture property at a lower price," she said. The speeded-up process could be attractive to potential sellers.

The assumption is that greenbelt officials would forego potential federal funds to provide a faster transaction and, in exchange, get prices that are still advantageous.

The greenbelt program is prepared to spend as much as \$5 million in the special initiative.

In another potential departure from past practice, the greenbelt program is also entertaining the possibility of buying land outright.

Until now, any outright purchases have been made with partners - such as Washtenaw County - which have assumed responsibility for maintaining the property. Most of the transactions have involved the purchase of development rights.

"It's true that the city doesn't want to hold land," said Carsten Hohnke, an Ann Arbor City Council member who serves on the greenbelt commission. "But we're open to it and would then try to sell the land while keeping the development rights."

Created with a voter-approved tax in 2003, the greenbelt program has used about \$10 million to purchase land or development rights on some 1,321 acres in an area extending into eight townships surrounding the city.

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