

LANDOWNER RELATIONS - MICHIGAN

When American Transmission Co. constructs an electric transmission line that involves the use of a landowner's property in Michigan, there are certain requirements and assurances that we must meet when we seek to acquire an easement for the new right-of-way.

WHAT IS AN EASEMENT?

An easement is an interest in real property that conveys the right to use the property for a specific purpose and to restrict certain uses that interfere with the specific purpose of the easement. Ownership and title to the property remain with the landowner. The proposed ATC easement will be to construct, operate and maintain a line for electric transmission. Maintenance will include cutting, trimming and/or removing trees, brush and/or undergrowth under the line or in danger of falling on the line. It also will include the right to enter your property to conduct maintenance.

EASEMENT NEGOTIATION

When ATC constructs a new transmission line or upgrades a line that requires the use of a landowner's property, certain requirements need to be followed in acquiring an easement. The easement negotiations typically begin after approval of the location of the line and when there is enough information available for ATC to assemble the documents necessary for easement negotiation. ATC will mail or deliver the landowner a letter advising that the company desires to acquire easement rights. The letter also will explain the easement acquisition process and schedule. An ATC or contract real estate representative will contact the landowner to set a meeting to present these materials, and to discuss and address landowner concerns and questions regarding the easement. It is important for landowners to make ATC aware of all issues that are pertinent to the landowner's property and to discuss how the proposed easement and transmission line influence the property. During the negotiations, ATC will follow all required processes, provide information and answer questions about easement terms and conditions, procedures, and considerations offered. Any special issues that may need to be reviewed and addressed by other areas of the company such as engineering, environmental and construction will be coordinated and addressed during this time. Negotiations are very important to resolving landowner questions and concerns specific to the individual property.

The calculation of the amount of compensation for the easement incorporates the fair-market value of the landowner's property in conjunction with various aspects of the easement (width, location, where it crosses the property, etc). The easement consideration or compensation is based on an opinion of value from a real estate appraiser. The real estate appraiser is an expert who is licensed to do appraisal work in the state of Michigan. This compensation may be derived from a market/sales study or an appraisal. An appraisal is a written report that describes the easement rights being acquired and the appraisal sets forth a documented conclusion as to the value of the property. ATC hires an independent, certified professional real estate appraiser to prepare a market sales study of land values in the project area and also may order appraisals.

If requested, the landowner will have an opportunity to meet with ATC's appraiser and is asked to bring any concerns to ATC's attention.

The presence of a transmission line limits certain land use within the easement area. Landowners are compensated for any loss of use of the land in the form of a one-time payment for the easement area; restrictions are placed on buildings and trees.

PROPERTY VALUE

Many landowners ask whether the presence of a transmission line will impact the value of their property. The decision to purchase property is based on a wide variety of factors that are unique to individual buyers. Primary factors influencing real estate purchasing decisions may include commuting time, proximity to schools, household amenities, lot size, condition and size of the home, condition of property improvements, price, quality of land (including soils, rocks, waterways and drainage) and neighborhood. Market conditions (buyer's market vs. seller's market) also influence property values and the number of days a property is listed for sale on the market. Although the presence of transmission lines may negatively influence some buyers, other features may have a greater influence on the value of the property than the presence of transmission lines.



Reliable research on the impact of transmission lines on property values is complex, since it must adjust for numerous factors that influence buying decisions before the true effect of the transmission line on the property value can be isolated. Research that does not correct for these numerous other factors should be viewed with some degree of skepticism.

Major research has found little negative impact on residential property values, except where the transmission line is within 200 feet of a residence. In those circumstances, the studies find an average effect between 1 and 10 percent of the property value, depending on the specifics of the property. (See "Pitts and Jackson, Power Lines and Property Values Revisited," The Appraisal Journal, Fall 2007 and "Summaries of Studies Using Regression Analysis Techniques, and Preliminary Report" by Thomas O. Jackson.) Research suggests minimal impact on property values in commercial, agricultural, recreational or other non-residential properties.

ATC has approximately 50,000 easement agreements in its service area. These easements are for land that is used for agricultural, commercial, industrial and residential purposes, including many residential neighborhoods that have been developed around transmission line corridors. Our experience shows little (sometimes no) decrease in property values due to the location and operation of transmission lines.

CONSTRUCTION

In addition to compensating the landowner for the easement, ATC pays separately for any crop damages and/or physical damages to property that result from transmission line construction and maintenance. Payment for crop damages is based on current market prices and the expected yields in the area.

Prior to the start of construction, the landowner is given a reasonable amount of time to harvest or transplant any trees located within the easement area that will need to be removed. If the landowner chooses not to harvest the trees, the landowner will retain ownership of all trees removed by ATC. The disposal of the trees and brush will be a part of the negotiations.

ONGOING MAINTENANCE

To ensure the safe and reliable operation of our transmission facilities, ATC will control weeds and brush around the transmission line structures, and periodically trim and clear trees. Herbicides are often used following clearing and mowing to control re-growth of unwanted woody and invasive vegetation. Landowners may request that herbicidal chemicals not be used on their property. Other than removing dangerous trees, which is done on a selective basis, we do not use any lands beyond the boundaries of the easement for any purpose, including entry to or exit from the right-of-way, without consent of the landowner.

The landowner is not responsible for any injury to people or property caused by ATC in the design, construction or upkeep of the transmission lines or structures. We use all reasonable measures to ensure that the transmission lines do not adversely affect the landowner's television and radio reception.

PUBLIC INFORMATION

Landowners who are potentially affected by a proposed project are invited to public open houses to receive information about the project and ask questions. Construction of new transmission lines or upgrades to existing facilities is done after the easement rights are in place. The landowner will be informed of the need for, time frame and duration of work. We also will work with the landowner following completion of construction to inspect the right-of-way and ensure proper restoration.

For more information about easements or right-of-way maintenance, please visit the "Learn About" section of our website at www.atcinc.com.