



**AIRPORTS DIVISION
2700 Port Lansing Road
Lansing, Michigan 48906**

**GUIDELINES FOR LAND ACQUISITIONS
AT PUBLIC AIRPORTS**

Last updated: May 15, 2012

INTRODUCTION

Airport sponsors accept obligations to follow certain state and federal land acquisition procedures at their airports each time they accept a grant using federal or state funds. Unless otherwise instructed, an airport sponsor and their consultants must follow the land acquisition procedures as developed by the Federal Aviation Administration and outlined below. **Sponsor contracts (grants) will be issued after funding has been approved by the Michigan Aeronautics Commission. Approval will require the airport sponsor to provide final costs to MDOT which must include negotiated purchase agreements or condemnation EJC (estimated just compensation) requests.**

FAA – Land Project Checklist

While each land acquisition project will be unique, the process of acquiring property generally adheres to the following steps. Detailed procedural guidance is provided in [Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects](#) (AC 150/5100-17) and [FAA order 5100.37b](#):

1. Develop Exhibit A Property Map that clearly delineates the land owned by the airport and develop Property Plan to delineate property to be acquired.
2. Consult with the MDOT Project Manager to verify that proposed parcels are identified on an approved Airport Layout Plan (ALP).
3. Verify environmental requirements of the National Environmental Policy Act (NEPA) are met.
4. Prepare surveys and plats for proposed property acquisitions.
5. Order preliminary title search to confirm ownership and encumbrances on property title.
6. Select and negotiate contract for qualified appraiser and review appraiser. List of approved consultants as well as guidelines for selecting consultants are available online at <http://www.michigan.gov/aero>.
7. Select and negotiate contract for Environmental Site Assessment (ESA) consultant (if not completed in project planning phase).
8. Select and negotiate contract for qualified land acquisition consultant (and relocation consultant, if required). Lists of consultants as well as guidelines for selecting consultants are available online at <http://www.michigan.gov/aero>. Evidence of proper licensure is required prior to contract execution.
9. Conduct Environmental Site Assessment of property suspected of being contaminated.
10. Prepare relocation plan if there are any persons to be displaced.
11. Perform appraisals and appraisal review, and approve appraised fair market value. The property owner shall be given the opportunity to accompany the appraiser on the inspection of the property. ****Environmental Audit of Suspected Contaminated Property****
Prior to the appraisal of any land that is to be acquired, including donated land, the sponsor should secure an environmental audit of suspected contaminated property and provide the results to the appraiser for inclusion in the appraisal report. Appraisers should be aware of and report to the sponsor, before completion of the appraisal, actual property conditions that exist at a site that may warrant further environmental investigation. The appraiser may not assume the property is free of contamination when conducting an appraisal.
12. Submit appraisal and review appraisal reports to MDOT as required by project manager.
13. Make written offer of just compensation. At initiation of negotiations, provide general notice of the property owner's rights and entitlements on the acquisition of their property and an explanation of

the relocation assistance and payment entitlements. Provide notice of relocation eligibility to displaced persons.

14. Negotiate purchase agreement. All negotiated prices over and above the reviewed appraisal value (administrative settlements) require a separate settlement form and must receive AERO approval to be considered an eligible project cost (see administrative settlement requirements). If reasonable attempts to negotiate an agreement or acceptable settlement are unsuccessful, the acquisition may be referred to the sponsor's attorney for condemnation under the airport's eminent domain authority. Notify MDOT if condemnation occurs.
15. Closing/court award, title conveyance, and schedule possession of acquired property (Sponsor's attorney / title company / escrow agent). Sponsor or their consultant shall be responsible for verifying and approving all legal documents prior to closing and recordation including all documents of conveyance prepared by a title company or attorney. Legal descriptions must be checked for accuracy.
16. Complete relocation assistance for displaced persons. Assure a comparable replacement dwelling has been made available for all persons displaced from their residence, (as applicable).
17. Clear property for project use.
18. Furnish project application with Exhibit "A" Property Map and land acquisition cost breakdown sheet, Certification of Environmental Site Assessment, Certificate of Title, and Sponsor Certification for Real Property.
19. Execute grant agreement (sponsor contract). The sponsor contract can be requested by the airport sponsor and approved by both the airport sponsor and MDOT prior to project completion. Execution of contract may require approval and transfer of funds from the Michigan Aeronautics Commission.
20. Submit final [Outlay Report and Request for Reimbursement for Construction Programs](#) (Form SF-271) and make final drawdown. Land summary sheet can be used and submitted to MDOT (see attached land summary sheet).

PLEASE NOTE: EFFECTIVE 12/23/06, CHANGES TO MICHIGAN EMINENT DOMAIN LAWS REQUIRE THE GOOD FAITH OFFER TO INCLUDE ADDITIONAL COMPENSATION IF A PRINCIPAL RESIDENCE IS ACQUIRED (*actual structure must be acquired or remaining property does not meet minimum lot size zoning requirements – PA 367*). IF THE PRINCIPAL RESIDENCE IS ACQUIRED, THE ADDITIONAL COMPENSATION CONSISTS OF 125% OF FAIR MARKET VALUE (APPRAISAL) AND PROPERTY TAX REIMBURSEMENT. PROPERTY TAX REIMBURSEMENT SHALL BE CALCULATED ON: **(Taxable Value – SEV) x Millage Rate x #years (maximum of 5 years)**. RELOCATION BENEFITS MAY ALSO BE AFFECTED IF THEY DO NOT CONFLICT WITH FEDERAL LAW. THE NEW LAWS ARE AS FOLLOWS: **New Eminent Domain Laws - Amendments to Article 10, Sec 2 (effective 12/23/06)**

- [HB 5060 \(2006 PA 367\)](#)
- [HB 5817 \(2006 PA 369\)](#)
- [HB 5818 \(2006 PA 370\)](#)
- [HB 5819 \(2006 PA 371\)](#)
- [HB 5820 \(2006 PA 438\)](#)
- [HB 5821 \(2006 PA 439\)](#)

See the following web site for further details regarding Eminent Domain Laws:
http://michigan.gov/aero/0,1607,7-145-6772_30342-143179--,00.html

The above outline is meant as a guide for airport sponsors and their consultants who may be unfamiliar with the airport land acquisition process. Any questions regarding any of the above items and/or their

application to a project should be directed to the Airports Division – (517) 335-9755. If an airport sponsor or their consultant has any questions regarding their land project, they should contact the Airports Division at the number above to ensure compliance with state and federal guidelines.

****ALL COSTS MUST BE SUMMITTED TO AERO FOR APPROVAL BEFORE THEY CAN BE CONSIDERED ELIGIBLE PROJECT COSTS.** An airport sponsor should not agree to any contract terms until approval of scope and fees has been received from AERO. All purchase prices above and beyond the appraised value requires AERO approval prior to closing (see administrative settlement requirements).

Forms, guidelines, or lists required to perform any of the above tasks are available online from the AERONAUTICS home page at <http://www.michigan.gov/aero> (land information found under the AERONAUTICS SERVICES section of this web page). This information can also be obtained by contacting:

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