



Legislation Text

File #: 19-0342, **Version:** 1

Resolution to Approve a Permanent Electric Transmission Line Easement Agreement through City Property at 291 W. Ellsworth Road with International Transmission Company (ITC) **(8 Votes Required)**

International Transmission Company (ITC) has requested that the City grant them an easement through City property for their State-Pioneer Transmission Line Project. ITC has offered the City compensation of \$191,160.00 for the easement. Details of the project and offer are contained in the attached Letter from ITC.

ITC is an independent electrical transmission company (formerly affiliated with DTE) that provides electricity through high voltage power lines. ITC's State-Pioneer transmission line project consists of acquiring easements and constructing towers and transmission lines to connect the State and Pioneer substations in Ann Arbor and Pittsfield Township respectively. The project roughly parallels South State Street for a distance of approximately 3 miles. ITC's stated purpose of the project is to replace aging infrastructure to improve reliability and create additional capacity for electrical services in the region. For more information, see:

<https://www.itc-holdings.com/projects-and-initiatives/project-detail/2017/10/12/state-pioneer-transmission-line-project>

This easement is across the easternmost portion of parcels that are part of the City airport. ITC's project has received a "Tall Structure Permit" from the MDOT Office of Aeronautics and a "Determination of No Hazard to Air Navigation" from the FAA for the structures to be built. These permits are to ensure that the structures do not interfere with the airport airspace.

The easement remains in review by MDOT and FAA for whether it will be deemed a "concurrent use," which means the property may remain in the airport layout plan, or whether it should be a "land release," which means the property must be removed from the airport layout plan. A "land release" involves additional steps and costs.

Due to construction scheduling, ITC has requested that the City grant the easement now, and has offered to include provisions ensuring that ITC will take all action necessary and bear any additional costs if MDOT/FAA determine the easement must be a land release or if MDOT/FAA require any additional action.

In consideration of the construction schedule, ITC has offered additional compensation above what they believe to be market value, which is described in the attached Letter from ITC. The City Administrator has reviewed the offer of compensation with the City Assessor and under City Code 1:321(4) recommends that there be no appraisal because the offer is substantially above the value per square foot of comparable sales in the area, an appraisal would be unlikely to be higher than the offer, and the City would incur the time and cost of obtaining the appraisal (likely several thousand dollars in staff time and appraiser fees).

The easement has been reviewed and approved by appropriate City service areas. Staff recommends approval of the easement agreement.

Prepared by: Christopher Frost, Senior Assistant City Attorney

Approved by: Howard S. Lazarus, City Administrator

Whereas, the City of Ann Arbor is the owner of property commonly known as 291 W. Ellsworth Road;

Whereas, ITC has requested an easement for the construction and maintenance of electrical utility service through 291 W. Ellsworth Road, for which ITC has offered \$191,160.00 in compensation;

Whereas, The appropriate City service areas and the City Administrator have reviewed the request and recommend approval of the grant of easement; and

Whereas, The City Administrator has reviewed the proposed compensation and, under City Code 1:321(4), recommends that there be no appraisal because the offer is substantially above the value per square foot of comparable sales in the area, an appraisal would be unlikely to be higher than the offer, and the City would incur the time and cost of obtaining the appraisal;

RESOLVED, That an appraisal of the proposed easement is unnecessary because the offer is substantially above the value per square foot of comparable sales in the area reviewed by the City Assessor;

RESOLVED, That the City of Ann Arbor hereby approves the attached Permanent Electric Transmission Line Easement Agreement; and

RESOLVED, That, upon receipt of the offered compensation of \$191,160.00 by the City, the Mayor and City Clerk are authorized to execute the Permanent Electric Transmission Line Easement Agreement after approval as to form by the City Attorney and as to substance by the City Administrator.