

NOTICE OF PROPOSED GUIDANCE DOCUMENT

DTIMBOA8

Pursuant to Wis. Stat. s. 227.112, the Wisconsin Department of Transportation is hereby seeking comment on DTIMBOA8, a proposed guidance document.

PUBLIC COMMENTS AND DEADLINE FOR SUBMISSION

Comments may be submitted to the Wisconsin Department of Transportation for 21 days by:

1. Department's website: <https://appengine.egov.com/apps/wi/dot/guidance-docs?guidDocId=DTIMBOA8>

2. Mailing written comments to:

Division of Transportation Investment Management
Wisconsin Department of Transportation
4822 Madison Yards Way
PO Box 7913
Madison, WI 53707-7913

WEBSITE LOCATION OF FINAL GUIDANCE DOCUMENT

The final version of this guidance document will be posted at wisconsin.dot.gov to allow for ongoing comment.

AGENCY CONTACT

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Appraisal Guidelines for Property Owners' Appraisers

You have been contacted by a property owner to provide an appraisal of property that is needed for an airport improvement project. Airports may acquire property under Wisconsin statutes Chapter 32 (eminent domain) and Chapter 114 (aeronautics). The Wisconsin Department of Transportation, Bureau of Aeronautics is acting as the agent for the airport owner on this land acquisition project.

Wisconsin law provides the property owner the right to obtain their own appraisal of the proposed airport acquisition. The following information is provided to assist you in understanding the provisions of this law as you prepare an appraisal for a property owner.

Wisconsin statute, Section 32.05(2)(b), states in part: *The owner may obtain an appraisal by a qualified appraiser of all property proposed to be acquired, and may submit the reasonable costs of the appraisal to the condemnor for payment. The owner shall submit a full narrative appraisal to the condemnor within 60 days after the owner receives the condemnor's appraisal.*

Qualified Appraiser

We require that appraisers for airport land acquisitions be licensed by the state of Wisconsin as a Certified General Appraiser. You will need to prepare an appraisal that is in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and the requirements of the Federal Aviation Administration Order 5100.37B (Chapter 2 Real Property Appraisal for AIP Projects).

Reasonable Costs

The Bureau will only reimburse fees for appraisals that are determined to be reasonable in cost. Fees will be considered reimbursable if:

- The appraisal meets all Bureau appraisal requirements;
- The analysis and presentation of the appraisal data are documented with logical and reasonable conclusions of value;
- The billed fees are comparable to fees charged for similar work performed by other qualified appraisers within the same market area, as determined by the Bureau; and
- The reasonableness of the fee will also be judged by the complexity of the appraisal problem and the independent analysis and data provided by the appraiser.

In order for the Bureau to determine the reasonableness of the appraisal fee, the appraiser must submit a detailed breakdown of the time involved. The appraiser must indicate the dates and hours spent inspecting the subject property, inspecting and verifying comparable sales, drafting the report, etc. and indicate the hourly rate charged. It is the owner's responsibility to ensure the appraisal invoice contains these items. The appraisal report and bill must be submitted to the Bureau (via the negotiating agent) within the 60-day limit as specified in the original written offer.

Fees that will not be reimbursed:

- Consultation with the owner or owner's representative or attorney unless it occurs during the actual property inspection or while gathering additional property data.
- Time spent reviewing the Bureau's appraisal.
- The entire payment can be denied if the appraisal does not meet the requirements under these guidelines.

Appraisal Information & Requirements

All appraisers doing work for airports should be familiar with Wisconsin statutes Chapter 32 and 114, Federal Aviation Administration Order 5100.37B (Chapter 2 Real Property Appraisal for AIP Projects), and Bureau appraisal guidelines prior to beginning the appraisal process. The Bureau's appraisal requirements are found in *Appraisal and Appraisal Review Guidelines for Airport Land Acquisition & Release* on the Bureau's Consultants Forms and Documents webpage:

www.dot.wisconsin.gov/business/engrserv/airports/forms-documents.htm#land

The Bureau requires a "full narrative appraisal". A full narrative appraisal is a detailed and comprehensive appraisal report that describes the property to be acquired and provides a documented conclusion of its fair market value and, if applicable, any damages to the remaining property. The appraisal report must contain the appraiser's rationale for determining the damage estimate that must be based on market data contained within the appraisal. The report will typically be similar in scope and format to the appraisal report provided you by the Bureau.

To assist you in preparing the appraisal report, the Bureau, upon request, can provide you with the same information that was made available to the Bureau's appraiser, such as title reports or environmental studies.

60-day Time Limit

Wisconsin statutes require that your appraisal must be delivered to the Bureau or be postmarked **within 60 days** after the owner receives the Bureau's appraisal. The 60 days run consecutively without interruption. Failure to return an appraisal within 60 days does not mean an appraisal cannot be submitted for consideration, only that it will not be paid for by the Bureau.

THE BUREAU OF AERONAUTICS CANNOT PAY FOR THE COST OF AN APPRAISAL
RECEIVED OR POSTMARKED AFTER 60 DAYS
--- NO EXCEPTIONS ---

The information contained in these guidelines is offered to help prevent any potential misunderstanding between you, the property owner, and the Bureau regarding the reimbursement of appraisal fees.