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Right-of-Way Property Management

www.fhwa.dot.gov/federal-aidessentials



Properly acquiring and managing property for project right-of-way is vital to protecting the public's investment and securing Federal-aid funding

For local public agencies, or LPAs, pursuing transportation projects, acquiring property to establish the right-of-way is a critical project component.

Managing these properties appropriately, both before and after construction, is vital to protecting the public's investment and preserving Federal funding.

To understand Federal requirements for managing right-of-way properties, let's look at the fictional community of Auburn Plains.



The city plans to widen and add shoulders to this stretch of Highway 50 for safety and to accommodate growing traffic demands. The city plans to increase the right-of-way, which will result in the purchase improvements along the proposed highway.

Since the city will use Federal funds to acquire the right-of-way, the city needs to meet certain requirements before and after construction.

Keeping detailed, accurate records is important to effective property management before construction begins.

The city needs to create and maintain an inventory of all the property it plans to acquire for the project.

This inventory should include all land and improvements, such as buildings, machinery, equipment and fixtures.

Once the properties are acquired, the city will update the inventory as changes occur.



The city will have to clear the right-of-way of improvements for construction.

But first, the city notifies all owners and tenants of the affected property. Then the city ensures that all displaced people will be relocated to comparable properties that are decent, safe, and sanitary.



Auburn Plains monitors acquired properties to ensure they are safe and secure by providing pest control, preventing vandalism or theft, and ensuring that the property is not used for illegal activities, such as dumping or squatting.

Once property owners and tenants have been relocated, Auburn Plains will clear the right-of-way for construction while protecting environmentally sensitive areas.

The city can either issue a demolition contract in the right-of-way phase of the project, or include the clearing of the right-of-way as a part of the construction contract.

After construction is completed, the city must meet requirements for the long-term management of the property by fulfilling any right-of-way commitments made during the environmental review process.

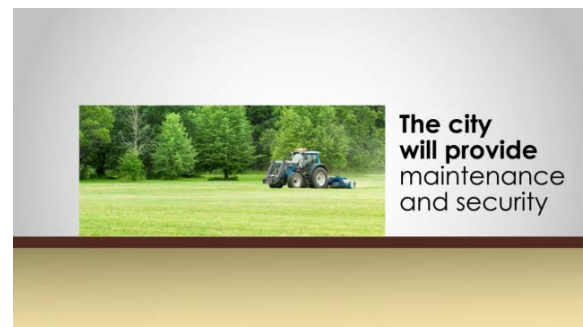
Auburn Plains continues to maintain a detailed inventory of the acquired properties, including all real property and improvements that were surplus to the needs of the finished project.

Sometimes a local public agency will finish the construction project and have a remnant of a property as surplus.

After construction, the agency then identifies and inventories any surplus property.

If the LPA decides to sell the properties, it should contact its State department of transportation (State DOT) for guidance and note any money received from the sales must be applied to a Federal-aid eligible transportation project.

Finally, Auburn Plains will continue to provide adequate maintenance and security for the properties, and ensure that the properties are fully devoted to the transportation project and no other purpose.



For Auburn Plains – and all LPAs – managing right-of-way properties appropriately is vital to protect the public's investment and to secure Federal-aid. For additional information on property management activities, and guidance regarding the management of excess property, contact your State DOT.

Additional Resources

- Information addressing property management of highway airspace <http://www.fhwa.dot.gov/realestate/pdg12.htm>

The content of this document is not a substitute for information obtained from State departments of transportation, appropriate FHWA Division Offices, and applicable laws. Scenarios have been simplified for emphasis and do not necessarily reflect the actual range of requirements applicable to the scenario or this topic. This document was created under contract number DTFH63-11-F-00026 by the Federal Highway Administration, U.S. Department of Transportation, and is offered to the public to heighten and focus awareness of Federal-aid requirements within the local public agencies community and reinforces the importance of these necessary policies, procedures, and practices.

This Companion Resource is the script content for the video production of the same name.