

Property Management Section of the Right of Way Manual

Table of Contents
Property Management Section of the ROW Manual

- I. Authority and Purpose.....4
 - A. General.....4
 - B. 23 CFR 710.403.....4
- II. Property Management Prior to Construction.....6
 - A. Property Management Responsibilities.....6
 - 1. General Information.....6
 - 2. Effective Property Management Procedures.....6
 - 3. Initial Action by Region/Area Property Manager.....6
 - 4. Coordination in the Region/Area Office Closing Tract.....7
 - 5. Property Manager’s Action Upon Closing of a Tract.....8
 - 6. Rodent/Pest Control.....8
 - 7. Inventorying and Determining Disposition of Structures.....9
 - 8. Certifying the Project.....9
 - B. Rental of Acquired Properties.....10
 - 1. Determination of Properties to be Rented.....10
 - 2. Insurance for Acquired Rentals.....10
 - 3. Rental Records.....11
 - 4. Advertising Rental Properties.....12
 - 5. Lease Forms and Handling.....12
 - 6. Maintenance and Management of Rental Property.....13
 - 7. Rental Credits.....13
 - 8. Delinquent Rental Payments.....13
 - 9. Terminating Leases.....14
 - 10. Miscellaneous Rentals.....14
 - 11. Sending Payments to the Central Office.....14
 - C. Protection of Improvements.....15
 - 1. Inspection by Property Manager.....15
 - 2. Protective Measures.....15
 - D. Sale and Disposition of Improvements.....16
 - 1. Preferred Methods of Disposal.....16
 - 2. Owner Retention of Structures.....16
 - 3. Sale of Structures by Sealed Bid.....16
 - 3.1 Advertisement for Bids.....17
 - 3.2 Opening Bids.....18
 - 3.3 Notifying Bidders.....19
 - 3.4 Sending Bid Deposits to the Central Office.....20
 - 3.5 Clean-up of Site.....21
 - 4. Negotiated Sale.....22
 - 5. Demolition Contract.....22
 - 6. Removal by Highway Contractor.....23

- III. Post Construction Phase - Property Management..... 23
 - A. General Information.....23
 - B. Access Rights.....24
 - C. Right of Way.....24
 - D. Excess Properties.....25
 - 1. Types of Excess Property.....25
 - 2. Inventories of Excess Properties.....25
 - E. Lease of Right of Way and Excess Properties.....26
 - F. Disposals.....27
 - 1. Disposal of Excess Property.....27
 - 2. Disposal of Right of Way and Access Rights.....27
 - 3. Relinquishments and Transfers.....28
 - G. Making a Request for a Disposal or Lease.....29
 - H. Review Procedures of Requests for Disposals and Leases.....30
 - I. Processing of Reviewed Requests for Disposals and Leases.....32
 - J. Public Sales.....34
 - 1. The Advertisement.....34
 - 2. Notifying Bidders.....36
 - 3. 10% Bid Deposits.....36
 - 4. Closing the Sale.....37
 - K. Disposal Value.....37
 - L. Credits for Disposals.....38
 - M. Closing Property Management Release Files.....38
 - N. Other Properties and Property Interest.....38
 - 1. Wetland Mitigation.....38
 - 2. Right of Way Acquired for Future Construction.....39
 - 3. Oil and Gas Leases.....39
 - 4. Non-Right of Way Properties.....39
- Appendix.....40
 - Entering Structures into CPMS.....40

I. Authority and Purpose

A. General

1. The FHWA and ALDOT Stewardship/Oversight Agreement allows ALDOT approvals on FHWA's behalf, however this does not include decision authority to allow any ROW use agreement, any changes to access, or any disposal within the approved ROW limits of the Interstate.

Property Management is an important segment of the Right of Way Program, and as such, must have sufficient authority and personnel to effectively deal with its many responsibilities.

The following authorities control the Property Management function within Alabama:
Federal:

- 23 U.S.C. 156: Proceeds from the sale or lease of real property;
 - 23 CFR, Parts 620 Subpart B: Relinquishment of Highway
 - 23 CFR 710.203(b)(4): Title 23 funding and reimbursement
 - 23 CFR 710.401: General
 - 23 CFR 710.403: Management
 - 23 CFR 710.405: ROW use agreements
 - 23 CFR 710.409: Disposal of excess real property
 - 49 CFR 18.31: Real Property
2. All properties owned by the State of Alabama are subject to Section 99 of the Constitution of Alabama, which requires that the sale of State-owned properties be at fair market value. Alabama Department of Transportation (ALDOT) Guidelines for Operations, 1-18 prescribes the review process for the lease, sale or transfer of any excess right of way or other property of the Alabama Department of Transportation. Exceptions are Code of Alabama 1975, as amended, §18-1B-2 (b) provides that certain property condemned for highway purposes be sold at the price for which it was acquired if the property is never put to the use it was condemned for or some other public use.
 3. Property Management is the control and administration of lands and improvements, acquired for right of way purposes, beginning when title vests in the State. This involves the maintenance and protection of the acquired right of way, including improvements; the responsibility for occupancy and rental of improved lands and unimproved lands, disposition of improvements by sale or demolition, and the inventory and sale of excess parcels and uneconomic remnants.

Failure to promote and develop sound property management procedures can result in an unwarranted waste of public funds and unnecessary delays in highway construction.

B. 23 CFR 710.403 Management:

1. The current FHWA & ALDOT Stewardship/Oversight Agreements established approvals ALDOT will make on behalf of FHWA, FHWA maintains the decision to allow

ALDOT Right-of-Way Property Management

any ROW use agreement or any disposal on or within the approved ROW limits of the Interstate, including any change in access control.

2. ALDOT must ensure that all real property interests within the approved ROW limits or other project limits of a facility funded under title 23 are devoted exclusively to the purpose of that facility and the facility is preserved free of all other public or private alternative uses, unless such non-highway alternative uses are permitted by Federal law (including regulations) or the FHWA.
3. ALDOT shall specify procedures for determining when a real property interest is excess real property and may be disposed of in accordance with this part or is a real property interest that may be made available for an alternate use under a ROW use agreement.
4. Disposal actions and ROW use agreements, including leasing actions, are subject to 23 CFR part 771.
5. Current fair market value must be charged for the use or disposal of all real property interests if those real property interests were obtained with title 23 funds.

The following (a. through f.) exceptions for charging fair market value, must be submitted to FHWA in writing and may be approved by FHWA on a situational basis.

 - a. the overall public interest based on social, environmental, or economic benefits, or is for a nonproprietary governmental use.
 - b. Use by public utilities in accordance with 23 CFR part 645.
 - c. Use by railroads in accordance with 23 CFR part 646
 - d. Use for bikeways and pedestrian walkways in accordance with 23 CFR part 652.
 - e. Uses under 23 U.S.C. § 142(f), Public Transportation. Lands and ROWs of a highway constructed using Federal-aid highway funds may be made available without charge to a publicly owned mass transit authority for public transit purposes whenever the public interest will be served, and where this can be accomplished without impairing automotive safety or future highway improvements.
 - f. Use for other transportation projects eligible for assistance under title 23 of the United States Code, provided that a concession agreement, as defined in § 710.703, shall not constitute a transportation project exempt from fair market value requirements.
6. ALDOT has adopted the above mandates for disposals and uses of properties acquired on State funded projects as well as federally funded projects, with the following exception for State funded projects:

Code of Alabama 1975, as amended, §18-1B-2 (b) provides that property condemned by an entity described in subsection (a), if not ever used for the purpose or purposes for which it was condemned or for some other public use, that is subsequently determined to be sold shall be first offered for sale to the person or persons from whom the property was condemned, or his or her known or ascertainable heirs or assigns, at the price which was paid for the property, less such amount, if any, as their person or persons from whom the property was condemned shall show by good and sufficient documentation to be the amount of income and transaction taxes, if any, actually paid in connection therewith, and if the offer shall not be accepted within 90 days from the date it is made, the property may be sold to any other person, but only at public sale after legal notice is given.
7. The Federal share or net income from the sale or lease of excess real property shall be used for transportation activities eligible for funding under title 23, U.S.C.

II. Property Management Prior to Construction

It is the policy of the Department to provide effective management by taking such precautions as necessary to prevent the unauthorized use of and/or the encroachment on rights of way that may have been acquired for future highway projects that are not under construction.

A. Property Management Responsibilities

1. General Information

The State's overall planning and scheduling of highway projects must allow enough time to acquire and clear the necessary rights of way for construction projects in an orderly and efficient manner.

Property management during acquisition includes the timely removal of structures prior to letting the construction contract when the structure removal is not a part of the construction contract.

The duties of the Region/Area Property Manager are to keep informed of authorized or planned right of way projects and to anticipate the acquisition of improved properties by constant liaison and coordination with other right of way personnel involved in the acquisition process.

The Property Manager shall ensure all structures are entered in CPMS and the status of all structures is kept current throughout the process through the removal of the structures.

Proper records for each project must be maintained on all improvements acquired as part of the right of way negotiations; including rentals, sales and demolition of structures. CPMS will be utilized to tract acquisition of structures, security to protect the structures, rodent/pest control, and the disposition of structures.

2. Effective Property Management Procedures

- a. Centralized administration.
- b. Coordination between all concerned with or affected by right of way clearance.
- c. Detailed procedures for the inventory, rental, sale and demolition.
- d. Proper fiscal and internal controls.
- e. A system for the review and inspection by responsible administrative personnel to assure established procedures are followed shall be provided by the Alabama Department of Public Examiners and ALDOT Internal Audit.

3. Initial Action by Region/Area Property Manager

When a project is authorized, the Property Manager shall use the Right of Way Map to identify structures being acquired and shall enter the station and offset and map ID (if any) in CPMS under Project Tract Status Update, Tract Structures. The appraisal may be required to get more detailed information of the description and salvage value.

The report generated from the list of structures will be the PM-7A – ROW Structure Inventory. Structures are entered into CPMS under Project Mgt/Right of Way/Edit

Tables/ROW Tract Status Update/Tract Structures. See additional CPMS entry notes in the Appendix. **Note: No signs are to be entered under Tract Structures.**

4. Region/Area Office Tract Closing Coordination

Prompt notification is needed when a tract of right of way has been closed and title vested in ALDOT. This takes coordination between the project attorney and ALDOT personnel.

The Right of Way Acquisition Manager shall advise each project attorney to immediately notify them when a tract is closed and then update CPMS to show the acquisition date.

At a minimum, the Region/Area Relocation Officer, Property Manager, and the person responsible for entering the date in CPMS should be notified. This will facilitate the timely issuance of 30-day notices, scheduling of structure inspections, securing structures, preparing leases for those who wish to extend their occupancy while waiting to relocate, removal of structures, clearing of the project for letting, and follow-up on recorded deeds.

- a. A copy of [Form E](#) Closing Statement, other type of closing statement used by the attorney, or a copy of the executed deed shall be emailed or faxed to the Right of Way Manager and a designated alternate, on the date of closing if possible, but no later than five working days after closing the tract.
- b. The date received shall be stamped on the document if not otherwise noted.
- c. A copy of the document received showing the closing date shall immediately be delivered to the Region/Area's Chief Relocation Officer, Property Manager and the person responsible for entering closing date in CPMS. Emails shall be referenced as "Tract Closing." Documents shall be kept by project for future reference and review/audit.
- d. The Right of Way Manager is responsible for having the closing date entered in CPMS upon receipt of documents. The fields to be updated are both under Project Management/ Right of Way /Edit Tables/ROW Tract Status Update. The date of closing shall be entered in the "Acquisition Date" field under the Tract Acquisition tab and "Acquisition Deed" or "PC Decree" selected under the Deed Info tab.

(Final Orders signed by the judge shall be handled the same as the closing statement and the distribution of notification shall be the same. The **Acquisition Date** in CPMS shall be the date the Final Order is signed. The date of the 30-day notice shall be 30 days from the date the notice is delivered, preferably when the money is paid into court.)

When the data is entered in CPMS, the date entered should be documented on the hard copy, initialed, and returned to the Right of Way Manager.

ALDOT Right-of-Way Property Management

It is the Right of Way Manager's responsibility to ensure the data is entered. (Note: Both fields as stated in 4. d. must be updated.)

(Once the data has been entered in CPMS, a report by project can then be viewed under "Project Management/Right of Way/Reports/ROW Tract Acquisition by Project." The closing date will also appear on the Form PM- 7A –ROW Structure Inventory Report and the Outdoor Advertising Sign Status Report).

5. Property Manager's Action Upon Closing of Tract

When the Property Manager receives notice that a tract has been acquired he/she must:

- a. Check CPMS to see if a structure is on the tract. If no structure is on the tract, no action is required.
- b. If a structure is on the tract, move the cursor over relocatee field to select the name of the relocatee in the structure. If there is a relocatee, the 30 and 90-day notice expiration date on the PM-7A-ROW Structure Report will be populated by CPMS from the RA-9. On multiple structures, care should be taken to select the correct relocatee for the structure. The Relocation Officer should always be consulted regarding any relocation, as well as, the negotiator to determine if a structure is to be retained or if there are any special terms in the Agreement.
- c. If there is no relocatee, no owner retention or special terms in the Agreement, schedule the structure inspection.
- d. If there is relocation on the tract, determine the occupant's plans for vacating property and arrange for a final inspection to verify the relocatee has not taken anything they were compensated for.

As stated above, this should be done in conjunction with the Relocation Officer if an occupied residence or business is being relocated and the tract negotiator to determine if the owner is to retain any structure and the agreed dates of removal. If approved for a lease until relocated, the [PM-5](#) lease and related [PM-1](#) should be prepared and executed.

The status and the expected vacate date shall be entered in the structure record in CPMS and revised by the Relocation Officer or Property Manager as appropriate as the relocation progresses. (See B. Rental of Acquired Properties, Page 10.)

- e. After the property is vacated, schedule the inspection of the property and provide for protection of improvements. (See Inspection by Property Manager and Protective Measures, Page 15.)

6. Rodent/Pest Control

Upon acquiring title to an improvement, it shall be the responsibility of the Property Manager to make an initial inspection and determine if rodent control measures are necessary on the project; State, City or County Health Departments shall be contacted if required or needed.

Rodent control is usually not needed on rural properties unless the property contains a substantial number of buildings, garbage dumps or landfills, etc.

The cost for providing rodent control is eligible for reimbursement on all federally funded projects.

Form [RC-1](#) shall be prepared and submitted to the Central Office for any structure requiring rodent control. Treatment should be initiated as soon as possible and must be complete prior to the rental, sale or demolition of the structure.

Tract Structures (in CPMS under Project Tract Status Update) shall be updated to reflect the need for Rodent Control and when treatment is completed. A contract with the provider of the service is required.

- a. The Region/Area Office shall maintain records for each improvement documenting the inspection and if pest control services are necessary.
- b. If the services are needed, quotes should be obtained to determine the company most cost effective. A Form [ROW-10C](#) Contract must then be prepared and presented to the company for execution.

7. Inventorying and Determining Disposition of Structures

- a. The Region/Area Property Manager shall review the PM-7A Structure Report frequently to determine if other structures have been acquired so that the appropriate measures when structures are acquired, are taken and to follow-up on the progress of actions that were scheduled.
- b. Print PM-7A Structure Report under Reports in CPMS and submit to the Region Engineer for review, quarterly or semi-annually. Take the review results to enter the disposition type, in CPMS, as determined in review.
- c. Take action for each structure as directed (i.e. structure is to be included in a demolition contract, to be placed on the plans to be razed and disposed of, advertising a property for lease, conducting a public sale, or other actions.) All actions must be posted to Tract Structure in CPMS in a timely manner with projected dates. Projected dates should be updated in CPMS as information is available. Structures will appear on the PM-7A ROW Structure Report until they have been removed.

8. Certifying Project Clear

When the last structure has been removed from the project or each remaining structure has been placed on the plans to be removed by the contractor, the Property Manager shall verify the information in Tract Structure, in CPMS is correct and notify the Central Office the project is ready for letting, noting any remaining structures.

B. Rental of Acquired Properties

1. Determination of Properties to be Rented

- a. Pre-construction leases are only entered into upon a request from a prior owner to continue to occupy an acquired property until they can be relocated.
- b. The use of a lease for below or above ground tanks is highly discouraged due to the environmental issues involved. If a lease with tanks is allowed, the [PM-5 Tract Specific](#) Lease must be used. Region/Area personnel shall determine if leasing is an option and make their recommendation to the Central Office.

If leasing is permitted, consideration should be given to continuing to lease the property if it appears that there will be a considerable period of time between the date of the acquisition and the date the area is needed for construction.

In no case will consideration be given to the rental of properties if such action will interfere with the orderly clearance of the right of way in ample time for scheduled construction.

- c. Upon request to lease a property or the decision is made to solicit tenants, the property shall be inspected to see that it is in safe rentable condition. Those structures that are not suitable for rental shall be recommended to the Region/Area Operations Engineer for a demolition contract.

If a structure is suitable to rent, the Property Manager will complete a "Rental Rate Data Form", [PM-1](#), along with other pertinent information concerning the structure to be rented. This information shall include the recommended rental rate for the property based on the actual rent being paid or the economic rent.

The rental rate approved is generally 10 to 15 per-cent below the economic rent because the State normally rents on an "as is" basis and does not provide maintenance. (See B.4. Advertising Rental Properties, Page 12.)

- d. The completed [PM-1](#) Form is submitted to the Central Office Right of Way Bureau for review and approval. A copy of the approved PM-1 shall be provided to the Region/Area Office.
- e. Once the rental rate is approved, a lease may be initiated.
- f. If a business is being leased, the lessee must provide ALDOT a Certificate of Liability Insurance as required by the lease. A current certificate must remain on file throughout the duration of the lease.
- g. When leasing to a prior owner until they are relocated, the effective date of the lease may not begin until expiration of the 90 and 30-Day Notices to Vacate, that may run concurrently.
- h. In no case should State employees be allowed to rent an acquired property unless they were the occupants at the time of acquisition.

2. Insurance for Acquired Rentals

- a. Acquired properties that are rented or used for project offices will not be insured since they must ultimately be removed from the right of way. The acquisition of a residence for rental to a displacee would be an exception since it would be outside the acquired right of way and could possibly be sold at some point. Exceptions to

insure properties may be made upon review and approval by Region/Area and Central Office staff.

After a determination has been made to insure a property, the Property Manager shall complete Property Insurance Request Form and submit it to the Central Office Property Manager.

The Central Office Property Manager will send a letter requesting to have the property insured for the value stated on the submitted form through the Alabama Department of Finance, Division of Risk Management.

- b. Insurance covers damage to the structure due to fire, flood and other natural disasters but does not cover vandalism or theft. The Department is billed on an annual basis for this coverage.

The Department is also credited for the remaining portion of the year when insurance is cancelled; therefore, it is essential that the Property Manager notify the Central Office Property Manager when a structure is vacated.

- c. The [SIF-1](#) Form must be filled out completely to avoid errors in determining the insurance coverage that should be allowed. The approved value of the structure should be the value of the structure exclusive of any land value or minor appurtenances and is normally the value approved for negotiations. The address of the building is also important, as this is the main criteria used by Risk Management in identifying the structure. The Region/Area Property Manager should use the appraisal to obtain most of the information required on the SIF-1.
- d. Each tenant shall be advised in writing that the State does not carry personal property coverage and that it is their responsibility to do so if insurance is desired.
- e. The contents of acquired properties used for project offices should be insured through the Maintenance Bureau.

3. Rental Records

- a. Centralized records of all leases may be found in CPMS under Project Mgt/Right of Way/ Edit Tables/Lease Update, so they are readily available for review to determine the status of payments for each property. These records may be sorted in various ways and the following data is included for each property:
 - 1) Project Number
 - 2) Tract Number
 - 3) County
 - 4) Tenant Name
 - 5) Rental Rate
 - 6) Date Lease Begins and Ends
 - 7) Date Rent is Due
 - 8) Certificate of Insurance Expiration Date
 - 9) Click the Green Money Bag on the Toolbar to see Payments
- b. Individual lease files grouped by project shall be maintained with a hardcopy of the lease, copies of rental receipts, [PM-1](#), certificates of insurance, correspondence, rental rate reviews, insurance request forms if a structure was insured, and other documents related to the lease. If the lease is on an open project, a copy of the

lease should be placed in the tract file and when the lease is cancelled all documents related to the lease should be transferred to the tract file.

The Property Manager shall promptly notify the Central Office Property Manager when a lease is cancelled. If the structure was insured, the insurance shall be cancelled. Rent will be prorated to the date vacated and a refund made to the lessee if applicable. If the lease has a balance due, the Property Manager shall collect the amount due.

If the full balance due cannot be collected, it shall be turned over to the Legal Bureau for collection. (See also B.8. Delinquent Rental Payments, Page 14.)

- c. The Property Manager shall promptly update Tract Structure under Project Tract Status Update to reflect changes in the status of a structure when leased or vacated, the date of the action, and other pertinent information.
- d. The Property Manager shall maintain and monitor the Areawide inventory of leases in CPMS, see that all payments are received, posted to the Cash Receipts Journal in CPMS, and sent to the Central Office for crediting to the appropriate lease. It is also the responsibility of the Property Manager to have the appraisal section review leases for rental rate updates in accordance with the terms of the lease.

4. Advertising Rental Properties

Generally, this is not done on regular right of way acquisition projects; however, if so directed where the letting schedule allows and properties are available for rent, proper steps should be taken to advertise or otherwise solicit tenants. Structures acquired as early acquisitions usually allow enough time, before the right of way is authorized, to rent the structure. If no potential tenants are known, advertising for potential tenants would be prudent.

5. Lease Forms and Handling

- a. The standard lease form used by ALDOT in the Pre-Construction Property Management Program is Form [PM-5](#). After the Central Office has approved a rental rate, the lease is prepared by the Property Manager, reviewed by Central Office, then provided to the lessee for review and signature. The Region Engineer then signs it recommending it for approval, and it is then forwarded to the Central Office for execution.

The PM-5 Lease is then signed by the Right of Way Bureau Chief recommending it for approval, signed by the Chief Legal Counsel approving it as to form and content, and then by the Transportation Director. The Central Office retains the original PM-5 Lease and a copy is returned to the Region/Area Office who provides a copy to the lessee upon collecting the lease payment and retains a copy for their file.

The Property Manager shall update Current Status under Tract Structures (in CPMS under Project Tract Status Update) to reflect the structure is leased and the anticipated vacate date and update the vacate date as the relocation progresses. The Central Office Property Manager will enter the lease into CPMS and set up a lease file upon receipt of the lease payment.

- b. It should be noted in the [PM-5](#) Lease, there is a provision for terminating the lease upon giving 30 days' notice to the lessee. This notice is necessary since the construction schedule is subject to revision. It may appear at the time of the original lease, that occupancy may be expected over a period of months, however later developments may dictate the need to dispose of the improvements at an earlier date than expected.
 - c. In those cases where construction has been delayed for a prolonged period, owners and tenants have been relocated, and properties are leased to other parties, the post construction lease form is used. It is essentially the same as the PM-5 but requires the signature of the Governor and Secretary of State.
6. Maintenance and Management of Rental Property
- a. The only case where consideration should be given to an expenditure of State funds in the maintenance of a rental property is that in which it appears the construction schedule will permit rental of the property for several months and in that the cost of repairs can reasonably be expected to be recovered by the anticipated rental income.
 - b. The Region/Area Property Manager shall supervise rental collections and make any inspections that they feel are necessary to insure compliance with the provisions of the Lease. During such inspections, it may be necessary to call to the tenant's attention any deficiencies in sanitary measures or yard care, or any abuse to which he/she may be subjecting the property. The lessee should be advised in writing of the condition that should be corrected, given a time frame for correcting it, and advised of the consequences if not corrected. If such conditions are not corrected, the lease should be cancelled, and the premises vacated. The tenants should be served with a notice to vacate in accordance with the terms of the lease.
7. Rental Credits
- All payments for rent are to be collected in advance by the Property Manager and a receipt given to the lessee. Rental payments are acceptable only in the form of a certified or cashier's check, bank or postal money order and never in the form of a personal check or cash. Payments should be kept in a secure location in the Property Manager's Office until entered in CPMS in the ROW Cash Receipt Log and promptly forwarded to the Central Office Property Management Section for crediting to the tract and project. (See B.11. Sending Payments to the Central Office, page 14.)
- The Central Office Property Manager shall update the ROW Cash Receipts Log in CPMS, update the due date and other applicable data in the lease record, post the payment to the appropriate spreadsheet, prepare a Credit Memorandum and promptly forward it with the check to Finance. For auditing purposes, a copy of the transmittal letter showing the date the check was received in the Central Office and a copy of the check shall be attached to the file copy of the Credit Memorandum.
8. Delinquent Rental Payments
- CPMS will display the record in red if payment is delinquent. In the event of a delinquency, the Region/Area Office should attempt to collect the rent immediately or

in the event of a problem tenant, begin eviction proceedings without delay through the Department of Transportation's Legal Bureau.

9. Terminating Leases

- a. If a Lease is cancelled, the tenant is to be given, at a minimum, the 30-day notice stated in the Lease.
- b. Upon vacation of the property, the Property Manager shall update the Tract Structure in CPMS to "Vacant" and promptly notify the Central Office as to the disposition of the improvements. Payments received shall be forwarded promptly to the Central Office Property Manager for crediting to the project.

10. Miscellaneous Rentals

- a. When replacement rental properties for displaced tenants are scarce, the State may rent housing as it becomes available on the market to use in replacement housing payment computations or for displaced tenants to lease if they so choose. The lease form for these rentals is Form [PM-5A](#). (See downloads)
- b. In rare instances, when there are no replacement rentals available, it may be necessary to purchase a residence and rent it to a displacee. Lease Form [PM-5](#) (see downloads) is the appropriate lease to be used. A property acquired for lease to a displacee should be reviewed to determine if it should be insured as noted in B. 2 Insurance for Acquired Rentals, page 10.
- c. In the above cases, maintenance normally would be the responsibility of the lessor; however, periodic inspections should be made by the Project or Property Manager to protect the State's interest.
- d. The State may also rent, from owners, structures within the acquired right of way that are vacant or become vacant prior to acquisition in order to prevent the owner from renting to others and to avoid the possibility of additional relocation costs. The Lease Form [PM-5B](#) should be used for these rentals.

11. Sending Payments to the Central Office

Payments are accepted in the form of a certified or cashier's check, bank or postal money order. Follow the below procedure when sending payments to the Central Office:

- a. enter the check in the CPMS ROW Cash Receipts Log with identifying information through the date sent to the Central Office;
- b. attach the check to a cover letter to the Central Office with identifying information and a brief explanation;
- c. the cover letter should be written the day the check is received and walked through for signature to assure it is placed in the mail the day it is written or no later than 48 hours after receiving the check.

Note: State warrants being returned for cancellation should not be entered in the Cash Receipts Journal.

C. Protection of Improvements

1. Inspection by Region/Area Property Manager
 - a. On highway projects where construction is imminent, it is desirable to dispose of improvements at the earliest possible date. The longer an improvement remains vacant, the greater the chance it will be vandalized.

The Property Manager should provide protection against vandalism and fire for vacated properties and make the following observations on initial inspection:

- 1) Utilities are disconnected
 - 2) No fire hazards
 - 3) Determine if rodent/pest control is needed
 - 4) Taking protective measures
 - 5) Looking for any hazardous material
 - 6) Observe the overall condition
 - 7) Determine if rental is an option
- b. In areas where the State has an advance acquisition program and is renting improvements, it is desirable to immediately dispose of those structures that are in an unsafe and unrentable condition.
 - c. The Property Manager shall update Tract Structures (in CPMS under Project Tract Status Update) to show any observations made or actions taken. It is imperative this information be kept updated to ensure accuracy of the reports.

2. Protective Measures
 - a. The posting of no-trespassing signs on vacant improvements should be a routine matter. Generally, on all improvements that are awaiting sale and on those that are vacant but rentable, openings should be boarded, and windows and doors locked to make entry by thieves more difficult. In some situations, posting of no-trespassing signs and boarding up the structure will not be necessary and such actions will be left to the discretion of the Property Manager.
 - b. In the event other means of protective control are necessary, night watchmen may be employed. This means of protection is economically feasible only where large numbers of structures are vacant in a compact area.
 - c. It is always desirable to acquaint local police or other law enforcement agencies with the status and location of vacant dwellings and to solicit their aid in helping to protect public property.
 - d. The Federal Highway Administration will participate in reasonable safety or protective measures in cases where improvements are acquired with no rights reserved to the prior owner.

Note: Although listed as a protective measure, experience suggests that outside notices and boarding-up may alert the public the house is empty and may be an open invitation to vandalism. Use those methods that have proven successful in your location. Look for innovative methods to deter vandals and share your ideas.

D. Sale and Disposition of Improvements

Acquired structures shall be monitored by ALDOT's Region Engineers semi-annually to determine when and the method by which structures shall be disposed. This shall be determined based on project letting dates and the number of vacated structures. Any reported problems or other special concerns related to any structures will also be taken into consideration.

A semi-annual inventory report of vacated structures on each project shall be provided by the Property Managers to the Region Engineers and to the Central Office Property Manager for coordination with the Right of Way Bureau Chief.

Any problems or concerns should be noted on the inventory. It shall be ALDOT's objective to dispose of structures in the most expeditious and cost-effective manner without creating a menace to the public.

1. Preferred Methods of Disposal

Of the following methods available for the sale and disposal of improvements located on State right of way, owner retention and sale by sealed bids are the preferred methods of disposal.

2. Owner Retention of Structures

- a. If the owner desires to retain the dwelling or other appurtenances it shall be necessary for the retention to be negotiated and specifically stated in the Agreement along with stating the contractor will demolish any remaining structures upon his arrival.
- b. Under owner retention, the sum paid the owner will be the difference between the value of the structure and its retention value plus the value of the land, giving consideration to damages or enhancement.
- c. In the case of tenant-occupied dwellings, the owner may also elect to retain the structure. In this instance a Conditional Rental Replacement Housing Payment has been computed for the tenant, however if the tenant reoccupies the dwelling, he/she may or may not be eligible for a rental replacement housing payment.

3. Sale of Structures by Sealed Bids

- a. Experience indicates greater benefits are generally received in the sale of structures when:
 - 1) There is adequate advertising of the sale.
 - 2) The sale includes a sufficient number of structures to attract buyer interest but not so many as to glut the market.
 - 3) The buyers are afforded an opportunity to bid on individual buildings or an entire group of buildings with ALDOT retaining the right to accept bids in the manner that will yield the maximum return.
- b. No steps shall be taken to dispose of any structure until proper title is vested in the State. Since sale for removal or salvage will generally reflect the greatest return or savings to the project, every effort should be made to utilize this method of clearance.

If no sale results, it is expected that the State will dispose of the improvements in the manner that will result in the greatest net credits to the project, consistent with public interest, and as directed by the Region Engineers. Proceeds derived from the sale of structures are credited to the tract and project.

- c. Structures to be sold at sealed bid will be identified by the Region Engineers in their Semi-annual meetings. When advised to do so, those structures identified to be sold by sealed bid will be summarized by each Property Manager by project number, tract number, location, and description of improvements.

The PM-7A will provide this information by selecting "Sealed Bid" under removal method. It is imperative that Tract Structures (in CPMS under Project Tract Status Update) be kept updated with the latest information to ensure the accuracy of the reports.

- d. The advertisement for bids must be published three consecutive weeks in a newspaper or other publication of general circulation in the area. In addition to the advertisement, "For Sale" signs may be posted in a prominent position on the property and the structure at the discretion of the Region/Area Property Manager. Also, notification of the sale should be mailed to each party on the list of prospective bidders maintained by the Region/Area Office.
- e. Employees of the Alabama Department of Transportation and family members are not eligible to bid.
- f. Under no circumstances should Region/Area personnel sign as a witness to any bids submitted.
- g. Structures known to have hazardous materials should be placed on a demolition contract or set up on the plans to be razed and disposed of by the roadway contractor as determined by the Engineers.

3.1 Advertisement for Bids

The advertisement for bids should include the following:

- a. Project number, location, and description of improvements offered for sale by tract number and the required clean-up deposit for each structure or tract. (This may be abbreviated in the advertisement with a notation that complete descriptions will be in the bid packet.)
- b. Location where bid forms may be obtained and the name and telephone number of the person in the Region/Area Office to contact for the forms and other information.
- c. Deadline for receipt of sealed bids.
- d. Name and address of location where bids will be received.
- e. Date, time and location where bids will be publicly opened.
- f. "All structures are sold AS IS WHERE IS."
- g. "ALDOT and its agents assume no liability related to the removal of structures, as more fully explained in the Bid Proposal."
- h. "Negative bids will not be accepted."
- i. Minimum bid, if applicable.
- j. Deadline for removing structure(s) and clearing site.
- k. ALDOT employees and family members are not eligible to bid.
- l. The Alabama Department of Transportation reserves the right to reject any and all bids. Bids for each structure shall be submitted separately on an official bid form.

- m. The Alabama Department of Transportation does not have knowledge of the presence of hazardous materials, such as asbestos or lead paint in the advertised structures. It is the responsibility of the successful bidder to make his/her own investigation and to abide by all State and Federal regulations applicable to the handling and removal of any hazardous materials that may be present in the structures whether the presence of such material is detected prior to, during or after the structure is demolished or removed from the right of way.
- n. All bids must be sealed and the envelope plainly marked on the lower right-hand corner: " Sealed Bid, Not To Be Opened Until _____ (date and time of bid opening)" and all bids must be accompanied by a separate cashier's or certified check, bank or postal money order payable to the Alabama Department of Transportation, for each improvement in the amount equal to at least ten percent (10%) of the bid amount.
- o. Checks of successful bidders will be retained and applied against the purchase price of the improvement and checks of unsuccessful bidders will promptly be returned. All bidders will be notified of the status of their bid by certified mail.

The balance of the bid amount must be paid within 10 days of the date the successful bidder is notified. Authorization to begin removal of the structure will not be given until the entire amount of the bid and clean-up deposit are received.

A deposit of a separate cashier's or certified check, bank or postal money order payable to the Alabama Department of Transportation in an amount specified in the advertisement will be required of the successful bidder as a clean-up deposit.

The clean-up deposit is due at the time the bid balance is paid. The clean-up deposit will be returned to the successful bidder upon satisfactory removal of the improvement and debris by the deadline. The clean-up deposit will be forfeited if clean-up is not completed as prescribed. Failure to remove a structure will result in forfeiture of the bid amount and clean-up deposit. All applicable Federal, State, County and City laws, regulations and permitting requirements shall be complied with in the removal and clean-up process.

Note: (The amount of clean up deposit required for each structure must be stated in the advertisement. The amount specified should be determined to be uneconomical to forfeit to assure the removal of improvements and clean-up of the site. The minimum clean-up deposit is \$1,000.00.)

3.2 Opening Bids

Sealed bids will be publicly opened at the time and place specified in the advertisement. Any bids not adhering to the announced bid procedures should be rejected, however minor technical flaws may be waived if the State feels it is in the best interest of the public to do so. A receipt shall be provided to each bidder for the bid deposit.

A single, secure location shall be established in the Region/Area Property Manager's Office where checks covering the ten-percent bid deposits may be kept until the successful bidders can be determined. All checks must be recorded on a check

register including check number, date received, amount, structure bid on, and when the check is returned to unsuccessful bidders or forwarded to the Central Office. Checks must not be kept in tract files or in desk drawers.

All bids will be tabulated and forwarded, with recommendations, to the Central Office for approval of the Right of Way Bureau Chief. The request to the Central Office for approval should be handled by email or a letter sent in such a manner as to arrive in the Central Office no later than 48 hours following the opening of the bids to assure approval for timely crediting of bid deposits and notifications to bidders. The email request will be given high priority in the Central Office and a response will be made by email. The email should be kept as your record of approval, although a letter will normally follow.

Immediately upon receiving approval from the central office of the successful bidders, all bidders should be notified, bid deposits of successful bidders sent to the central office for crediting, and the bid deposits for unsuccessful bidders returned to them. The check register shall be updated to show the handling of each check that was received.

It should be noted that the term "successful bidder" may not, in all cases, be the "high bidder" since the high bid may be rejected by the State if it is in the best interest of the public to do so.

3.3 Notifying Bidders

All bidders shall be notified of the status of their bid(s) after all bids have been reviewed by the Central Office and approval has been received. Notification to all bidders shall be by letter from the Region Engineer and shall be by certified or registered mail. It shall be the goal of the Region/Area Office to place the letters of notification in the mail no later than 48 hours after receiving approval from the central office.

- a. The letter to the successful bidder(s) shall include a W-9 Form and shall advise:
 - 1) he/she is the successful bidder;
 - 2) the balance of the bid amount is due within 10 days of the date of the notification letter, the amount due, and it must be in the form of a cashier's or certified check, bank or postal money order;
 - 3) a separate payment in the form of a cashier's or certified check, bank or postal money order for the clean-up deposit stated in the advertisement is due at the same time as the balance of the bid;
 - 4) the deadline for removing improvements and that he/she may not begin removing the improvements until the balance of his/her bid amount and the clean-up deposit have been received;
 - 5) both the clean-up deposit and bid deposits are subject to forfeiture if the site is not cleared to the satisfaction of the Region/Area Operations Engineer within the specified time limit;
 - 6) upon clearing the site in the specified time limit to the satisfaction of the Operations Engineer, the cleanup deposit will be refunded;
 - 7) the W-9 Form must be completed and returned with the clean-up deposit and balance of bid, so the cleanup deposit may be processed.

- b. The letter to the unsuccessful bidder(s) shall state:
 - 1) he/she was not the successful bidder;
 - 2) that the document (give name of document-Certified or Registered Check or Money Order with all identifying information) submitted as the bid deposit for (identify for what the bid was submitted) is enclosed and is being returned;
 - 3) ALDOT thanks him/her for participating in the sale and invites future participation.

- c. Hand delivery of the bid deposit to bidder. If, after approval of the successful bidders has been received from the Central Office, a bidder comes into the office to pick up his/her bid deposit before it has been mailed, document the return as follows:
 - 1) make a copy of the bid payment document and write or type a statement that the (name of the document) submitted as a bid deposit for (identify for what the bid was submitted) is being returned to the bidder;
 - 2) Write "Received" and ask the bidder to sign and date the document. In lieu of a copy of the document, the information from the document may be written or typed on a paper with the statement above and signed and dated by the bidder.

3.4 Sending Bid Deposits to the Central Office

Note: all bid deposits (upon approval) and payments (upon receipt) will be in the mail to the Central Office no later than 48 hours after approval/receipt.

- a. Immediately upon receiving approval from the Central Office of the successful bidders, the checks for the 10% bid deposits of each successful bidder shall be sent to the Central Office for crediting to the project. The following procedure should be followed:
 - 1) it shall be noted on the check register by each deposit of a successful bidder that the deposit is being sent to the Central Office and the date;
 - 2) each bid deposit check shall be entered into the CPMS ROW Cash Receipts Log with identifying information through the date sent to the Central Office;
 - 3) checks for bid deposits shall be attached to a cover letter to the Central Office that identifies each deposit by project, tract number, and structure number, if applicable;
 - 4) the cover letter should be written the day approval is received from the Central Office and walked through for signature to assure it is placed in the mail the day it is written or no later than 48 hours after receiving approval from the Central Office.

- b. Balance of Bids and Clean-up Deposits
Checks for bid balances and clean-up deposits shall be sent to the Central Office as they are received following the procedure in 3.4 a. 1) – 4) above. Clean-up deposits must be accompanied by [PM-10](#) "Right of Way Performance Remittance/Satisfaction Form" and completed W-9 Form.

- c. Preparing PM-10, for submitting with cleanup deposits.
 - 1) The date must be filled in;

ALDOT Right-of-Way Property Management

- 2) Fill in the project and tract number; county; CPMS number; purpose of check; name, address and FEIN of applicant; check number and amount;
 - 3) It is not necessary for the form to be signed;
 - 4) Retain a copy of the PM-10 until the site has been cleared or the deposit is forfeited;
 - 5) Attach the W-9 to the original PM-10 and send it with the check to the Central Office with the cover letter.
- d. Preparing [PM-10](#) request Refund/Forfeiture of cleanup deposit. The following procedure should be followed:
- 1) Take the copy of the PM-10 and check the appropriate action to be taken – Refund Deposit or Credit to the Project;
 - 2) Have the Right of Way Manager sign and date it;
 - 3) Make a copy of the signed PM-10;
 - 4) Send the PM-10 with the original signature to the Central Office;
 - 5) If a refund was requested, retain the copy in the Property Manager's office until the refund is received from the Central Office. Otherwise, file the copy with sale records and place a copy in the tract file. A note should be placed on the register that the deposit was forfeited;
 - 6) Upon receipt of the warrant, the warrant number and date received should be recorded on the retained copy of the PM-10 and the register;
 - 7) The warrant should be sent with a cover letter of explanation to the bidder from whom it was received by certified or registered mail;
 - 8) A copy of the cover letter of explanation should be attached to the copy of the PM-10 and placed with the sale records and a copy placed in the tract file;
 - 9) A copy of the cover letter sending the warrant to the bidder should be sent to the Central Office.

3.5 Clean-up of Site:

- a. The Property Manager will actively inspect, and track sold improvements to insure removal. If the successful bidder is unduly slow in removing the structure, the Right of Way Manager and Operations Engineer should be notified, and the Right of Way Manager shall contact the bidder to make sure the conditions of the sale and the consequences of failure to remove the structure within the specified time limit are understood. Extensions to the allotted removal time may be made at the discretion of the Right of Way Manager, Operations Engineer, and the Right of Way Bureau Chief.
- b. If the successful bidder fails to adequately clear the site within the specified time limit, or in any way fails to comply with the terms of the sale, the Right of Way Manager will immediately notify the bidder that his/her deposit(s) are forfeit, stating the reasons in the letter of notification and advising that he/she is not to enter the site. The Area Right of Way Manager shall sign the copy of the PM-10, on which the clean-up deposit was submitted and send it to the Central Office requesting the clean-up deposit be credited to the highway project. (See Preparing PM-10 to request Refund/Forfeiture, 3.4, d. above.)
- c. Once a structure has been offered at public sale but not removed, it may then be sold by negotiated sale or re-advertised. (See Negotiated Sale, 4. Page 22.) If the

structure is not removed by sale, it will be cleared as determined by Region Engineers.

- d. If the site is satisfactorily cleared within the specified time limit, the Right of Way Manager shall sign the PM-10 and send it to the Central Office for processing a warrant to reimburse the successful bidder the clean-up deposit.
- e. The Property Manager shall update Tract Structures (in CPMS under Project Tract Status Update) to show the structures that have been removed.

4. Negotiated Sale

If no bids are received or the structure was not removed by the successful bidder, the structure may be re-advertised for sale. If this is not feasible, efforts should be made to sell the structure by negotiated sale. Deposits stated in the advertisement must be obtained from the purchaser to ensure the complete removal of the structure and clearance of the site to the department's satisfaction and the same procedures must be followed. Only when a structure fails to sell at a public sale, bids are rejected, or the successful bidder does not remove the structure, should a negotiated sale for the property be considered. The reasons for the negotiated sale should be well documented and the sale approved by the Right of Way Bureau Chief. Upon completion of the negotiated sale, the Property Manager shall follow up to see that all conditions of the sales contract are met. Form PM-10 should be completed and sent to the Central Office for processing. Tract Structure in CPMS must be updated to reflect the status of the structure.

5. Demolition Contract

- a. Following each semi-annual Engineer's Meeting, the Area Property Manager shall update Tract Structures in CPMS and give a list of those structures identified to be removed by demolition contract to the Area Pre-Construction Engineer who will coordinate all phases of the demolition contract. The listing shall be by project and tract number and can be provided from the PM-7A. The Property Manager shall provide assistance as requested through the letting, stay abreast of the progress, and keep Tract Structures in CPMS updated.
- b. The Pre-Construction Engineer will determine if the demolition contract will be handled at the local level or submitted to Office Engineer Bureau for letting. If handled by Office Engineer Bureau, bids will be evaluated, and the contract awarded on the basis of estimated demolition cost submitted by the Region/Area personnel and standard evaluation procedures. The Pre-Construction Engineer will then be notified of the successful bidder and will prepare a contract for execution.
- c. Such contracts should be of sufficient size to develop the maximum competition in bidding or use cost effective contracting procedures for a low volume of structures. Care should be taken that the contract is with an experienced demolition contractor in an effort to reduce overall removal costs and to increase salvage values.
- d. Bid proposals should include a provision for either a minus bid, based on the contractor's estimate of demolition or removal cost in excess of salvage, or a plus bid based on bidder's estimate of salvage in excess of demolition or removal cost for each structure included in the demolition contract. This way, the State can be reasonably certain it is receiving credit for any salvage values. Except in unusual

circumstances, there should be no restrictions placed on the method used by the contractor other than local ordinances and statutory requirements.

- e. The Property Manager shall update Tract Structures in CPMS to show the date the contract was awarded. After completion, the Property Manager shall verify structure removals and update Tract Structures in CPMS to reflect "Removed."
6. Removal by Highway Contractor
 - a. Those structures identified to be included in the highway construction contract shall be submitted to the Bureau of Right of Way for inclusion in the construction bid proposal. The listing shall be by project and tract number and can be provided from the PM-7A.
 - b. Even though the removal of structures may be included in another item such as clearing and grubbing, a plus or minus bid must be shown for each structure in the construction contract. Again, this is the only assurance the State will have that it is receiving credit for salvage value and this will also assist in the analysis of bids prior to awarding the contract. If it is necessary to add structure demolition to an existing construction contract, the State should strive for maximum credit for salvage.
 - c. The disposal of non-sellable improvements such as landscaping, drives, walks, septic tanks, foundations, cisterns, curbs and gutters, etc. shall be included in the construction contract. This is generally the most economical and acceptable method since it assures the maximum return by competitive bidding and eliminates the possibility of claims of misappropriation of State property.
 - d. No removal by State forces on Federal Aid projects will be allowed except under emergency situations and approval of the Right of Way Bureau Chief.

NOTE: *If structures containing asbestos or other hazardous materials are to be removed by the highway contractor or a demolition contractor, it is imperative that appropriate notes be placed on the plans, by the Region/Area Property Manager, to the effect that removal is to be accomplished under the proper hazardous waste guidelines set forth by the Alabama Department of Environmental Management.*

III. Post Construction Phase Property Management

A. General Information

1. 23 CFR 710.401, describes the Department's responsibilities to control the use of real property acquired in projects where Federal funds participated in any phase of the project.

Also, to acquire sufficient right of way for the construction, operation and maintenance of a highway facility in which Federal funds participated. It is the State's responsibility to ensure that the right of way on all transportation facilities is protected against any use that could compromise safety, operation and maintenance of the facility.

After the transportation facility is completed and accepted by the State and FHWA, post construction property management becomes a primary function of the Department.

Any uses not consistent with the operation and maintenance of the facility must be approved by procedures that are prescribed in 23CFR Part 710 Subpart D. These procedures concern maintaining records of excess properties acquired, approvals for disposal of excess properties, changes in access control, non-highway ROW Use agreements and leasing of properties acquired for highway purposes.

2. The Department has adopted the same procedures for disposal and leasing of properties on transportation facilities where there were no Federal participation.
3. An account entitled "ROW Title 23 Collector Account" has been set up for crediting proceeds from the sale or lease of properties on closed projects. Funds are periodically moved from the account to transportation projects and activities eligible for Title 23 Funding. Proceeds from the sale or lease of properties on open projects must be credited to the project in accordance with 49 CFR Parts 18.25 and 18.31.

B. Access Rights

Access rights mean the right of ingress to and egress from a property to a public way. Only under extreme circumstances should access rights be altered. FHWA must approve any changes in access rights on any National Highway System (NHS) facility.

C. Right of Way

1. Maintenance and prevention of encroachments within the right of way limits is the responsibility of the ALDOT Maintenance Bureau and Region/Area Maintenance personnel; however, it is also the responsibility of right of way personnel to notify appropriate officials of any encroachments on right of way.
2. Right of way maps for all projects are maintained in the Region/Area and in the Central Office. As a matter of record, they are also sent to the Probate Office in the project's county. These maps are permanent records of property acquired for a transportation facility and should be updated whenever any changes are caused by a disposal or other change in the approved right of way or an uneconomic remnant is released. It is the responsibility of the Central Office Property Manager to notify the Central Office Engineering Section of map revisions that need to be made. Map revisions for disposal of excess rights of way or uneconomic remnants (as a whole or partial) shall include: the released area being cross-hatched on the map, noted in the revision box, and a notation placed on the map as to whom the property was released, date the deed was executed, and recording data, if available. If all rights of way on the project are relinquished or transferred, it is not necessary to cross-hatch. The relinquishment or transfer shall be noted in the revision box and a prominent note placed on the map that all rights of way have been relinquished or transferred along with the other data stated above.

The original map should be updated, a copy of the revised map sent to the Region/Area Office and, if the project is closed, sent to records retention electronically for placing in archives. The transmittal of the map to records retention shall include a request that all previous copies of the map be deleted from archives.

If the original map is not in the Central Office, the Engineering Section shall contact the appropriate location, request the update, and monitor the request to ensure that a copy is received in the Central Office and archived. If the update is on an open project, the update shall be made in the same manner but shall not be sent to records retention for archiving until the project is closed.

D. Excess Properties

1. Types of Excess Properties

- a. Uneconomic Remnant: A remaining part of a property where the owner is left with an interest that has little or no utility or value to the owner.
- b. Excess Taking:
 - 1) Uneconomic remnants (URs) that were acquired in prior years without Federal participation.
 - 2) Excess property acquired, as URs, as part of a counteroffer or settlement with a property owner.
- c. Excess Right of Way:

Property acquired as right of way, but due to plan changes or revisions made in the right of way limits after completion of construction is no longer needed in the right of way limits of the transportation facility.

2. Inventories of Excess Properties

- a. Negotiators shall ensure that invoices for tracts including uneconomic remnants (URs) are coded correctly as object 0503 and that the project attorney receives the deed that includes the UR. They should also notify the Property Manager when UR's are acquired, who shall keep a record of all excess parcels acquired as URs on a project basis along with a copy of the deed for each tract with an excess parcel. These records should be kept separate from the tract files and maintained until such time as all parcels have been released by donation or sale.
- b. Project coordinators in the Central Office shall update the remainder on the ROW Tract Status Update in CPMS to UR when processing invoices submitted by the Region/Area Office for payment of the acquisition of right of way with an excess parcel/uneconomic remnant (UR).

These invoices have an object code 0503 to distinguish the excess parcels and it is very important that the invoices contain the proper object code. The coordinator gives the Central Office Property Manager a copy of the invoice when it is processed to ascertain that the parcels are included in the excess property inventory listing. This listing is generated in CPMS from the UR indicator on the ROW Tract Status Update. This listing is maintained by the Central Office Property Manager and can be printed by the Region/Area Property Managers. The listing should be verified by the Region/Area Office at least twice annually.

The Central Office Property Manager is responsible for updating excess parcel records to include deed acquisition recording data, the amount paid for the UR, if required, and for updating the records when parcels are sold, donated or otherwise released.

- c. The Central Office Property Manager shall maintain files by county and projects for all excess takings and URs. The records should contain a copy of the deed and other adequate location data such as maps and descriptions. It shall also be the responsibility of the Central Office Property Manager to ascertain that right of way maps on affected projects are updated to reflect disposals of excess properties, rights of way, and changes in access control.

E. Lease of Right of Way and Excess Properties

Properties may be leased on a temporary basis or long term. At times, it may be advantageous to lease or permit the use of right of way for non-highway purposes if the right of way is not required for the construction, safe operation and maintenance of the highway facility. In most cases, the utilization of the highway right of way is for public purposes; however increased market value of some inner city right of way makes it economically feasible to market to the private sector.

As stated in the Prior to Construction Section under Rental Records, the ROW Bureau Property Manager maintains a database of all lease agreements as well as hardcopy files for each.

All non-highway uses of right of way shall be covered by a properly executed legal agreement that conforms to the provisions in FHWA's Guidelines.

The following are requirements that must be addressed in the lease:

1. Lease rate
2. Provisions for adjusting the Lease Rate to Market Value
3. Appraisal
4. Term of Lease
5. Renewal
6. Legal description and plat
7. Purpose for which the leased area will be used
8. Assignment
9. Non-discrimination clause
10. Hazardous materials and clean up
11. Insurance requirements
12. Safety requirements
13. Hold harmless clauses
14. Cancellation
15. Abandonment
16. Access provisions for inspections, maintenance and reconstruction
17. Advertising restrictions
18. Design requirements
19. Lighting and ventilation requirements
20. Alignment changes
21. Parking considerations

Lease rates are reviewed in accordance with the terms of the lease by Property Managers in conjunction with the ROW Bureau Property Manager. A review of the rental rate by the appraisal section or an appraisal to establish current market value is sometimes required. The ROW Bureau Property Manager monitors CPMS monthly to assure payments are up-to-date. The database may be viewed in CPMS by going to Project Mgt/Right of Way/Edit Tables/Lease Update. To see payments, click on the green money bag.

E. Disposals

A "disposal" is defined as the conveyance of real property interest determined to be excess to transportation needs. It is the intent of ALDOT to dispose of all properties not required for present or future transportation needs in the most efficient and cost-effective method to the taxpayer. This entails returning property in a manner to ensure the greatest ease in returning it to the tax rolls when appropriate. As such, all disposals will be transferred by use of a Quit claim deed to the purchasing or receiving party.

The following items layout the standard procedures for receiving approval for property or property rights disposals:

1. Disposal of Excess Property
 - a. Excess parcels should be disposed of at the earliest opportunity after the construction project has been accepted by the State and FHWA. All parcels should be disposed of within two years after completion of the construction project unless there is a valid reason for their retention. In a few isolated cases, particularly in interchange areas, excess property may have a much greater value if held as speculative property for future marketing.
 - b. Sales of excess properties may be made to an adjacent owner at the appraised fair market value or advertised for public sale.
 - c. Procedures for disposals of excess property are as addressed in 23 CFR Part 710, Subpart D and later in this section.

2. Disposal of Right of Way and Access Rights
 - a. Right of way is purchased for the construction and maintenance of a transportation facility and only under the most favorable of circumstances should consideration be given to its disposal. Release of access rights is considered to be a disposal and procedures for release are the same as for any other real property interest.
 - b. Disposal of right of way may not be executed prior to a determination that the property is no longer needed for right of way purposes and that the property to be released has no present or potential use for parks, conservation, recreational or related purposes. Federal, State and Local conservation, recreation, parks or other appropriate agencies shall be afforded the opportunity to acquire by purchase or donation, in accordance with State law, parcels of right of way being considered for disposal when there is an indication that such parcels have a present or potential use for parks, recreation, conservation or related purposes.
 - c. The Department of Transportation shall notify the appropriate agencies of its intention to dispose of unneeded portions of right of way that have potential use for the aforementioned purposes. There shall also be a determination that the lands or

interest therein are not needed to restore, preserve or improve the scenic beauty and environmental quality adjacent to the highway.

- d. Disposals may be made with an adjacent owner at the appraised fair market value or advertised for public sale. Some situations that often generate requests for release of right of way are encroachments, relocation of intersecting facilities, or where side slope requirements have been altered by filling or excavation of adjacent parcel.
- e. Disposals may be made to other Government Agencies at no charge if the property requested is to be used for public and non-proprietary purposes; however, in the conveyance document, there shall be a reversionary clause that states that if the property ceases to be used for public and non-proprietary purposes, title reverts to ALDOT.

If a public agency pays fair market value for the property, the reversion clause is not required. Exceptions to the requirements for charging fair market value are addressed in 23 CFR 710.403. A list of all donated properties is maintained by the Central Office Property Manager.

3. Relinquishments and Transfers

- a. Relinquishments and transfers are the conveyance of a transportation facility or a portion thereof to another governmental agency for continued highway use. Highway facilities having Federal participation in right of way or construction costs may be relinquished or transferred to another governmental agency for continued highway use in accordance with provisions as set forth in 23 CFR 620, subpart B.
- b. Relinquishments or transfers require the receiving government agency to execute an Agreement and Resolution and submit it to ALDOT prior to the execution of the deed relinquishing or transferring the roadway.
- c. Usually there are no charges for the relinquishment or transfer of a highway facility to another governmental agency for continued highway purposes; however, should there be a charge, credit should be made to the right of way project if it is open or to the Title 23 Collector Account.
- d. Determinations to Be Made Prior to Any Transfer
 - 1) The subject property will not be needed for State or Federal-aid highway purposes in the foreseeable future.
 - 2) That the right of way being retained is adequate under present day standards for the facility involved.
 - 3) The release will not adversely affect the State or Federal-aid highway facility or the traffic thereon.
 - 4) That the property to be relinquished/transferred is not suitable for retention to restore, preserve or improve the scenic beauty adjacent to the highway.
 - 5) If a proposed relinquishment/transfer is on a National Highway System route, prior approval must be obtained from the Federal Highway Administration. The approval process for all relinquishments/transfers of roadways is under H. Review Procedures for Disposals and Leases on Page 30.

- e. Circumstances When Relinquishments/Transfer May Be Made:
 - 1) Where sections of a Federal aid highway are superseded by construction of a new route that has been approved by FHWA, the superseded section may be relinquished for continued highway purposes.
 - 2) Frontage roads that are constructed outside the access lanes to provide access to private properties may be relinquished to a local public authority.
 - 3) Sections of local facilities that are outside the access lanes and have been reconstructed or have had grade or alignment adjustments due to the construction of the controlled access facility.

- f. Facilities That May Be Relinquished/Transferred Only with Approval of FHWA
 - 1) Ramps that provide connections from a Federal-aid project to local Streets or roads.
 - 2) Frontage roads that are located outside the access lanes and are connections to ramps that provide access to or from the Federal- aid facility and local streets or roads.
 - 3) Any facility or right of way inside the access control lines of a Federal- aid project.

- g. Restoration and Abandonment of Relinquished Transferred Facilities
 - 1) If it is found that a relinquished/transferred facility is required for the safe and proper operation of a highway, the Department of Transportation will take action to restore the facility to the jurisdiction of the State without cost to Federal-aid funds. There cannot be Federal-aid participation in future construction or reconstruction of a relinquished facility unless the reason for the work is caused by future improvements to the associated Federal-aid highway.
 - 2) If a State, Federal or local public agency abandons a facility that was relinquished/transferred to it, the facility then reverts to the State. If it is determined that the facility is no longer needed as a public road, it may be disposed of with credits being made to transportation activities eligible for Title 23 funding. Disposal procedures shall be the same as for other excess properties.
 - 3) If a relinquished/transferred facility is abandoned by a grantee and the State cannot justify that the facility is no longer needed as a public road, FHWA may cause to be withheld from the State's federal aid funds an amount equal to the Federal-aid participation in the abandoned facility.

G. Making a Request for a Disposal or Lease

- 1. All requests for disposals including uneconomic remnants, other excess property, excess right of way (in fee or easement interests), access rights, relinquishments/transfers, and leases must be made to the Operations Engineer and include the following:
 - a. A written request from the proposed purchaser/lessee stating the intended use of the property, agreement to pay fair market value, execute a Special Work Authorization (SWA) and submit the required amount for administrative cost that includes the cost of the appraisal, document showing proof of ownership of

- adjacent property, and notarized statements from other adjacent owners stating they have no objection to the requested action;
OR
- b. A written request from another governmental agency for property to be used for public and non-proprietary purposes stating the intended use of the property, or a request for the relinquishment/transfer of a roadway;
OR
 - c. A request from a Region Engineer requesting approval for a public sale of excess parcels within his/her region.
2. The request should be reviewed by Region/Area Engineers in Pre-Construction, Maintenance, and Utilities and written comments provided.
 3. A portion of the right of way map with the requested area hatched on the map should be prepared for submittal along with any plats, drawings, or maps, and a plan view of existing improvements in relation to the release or lease area if available.
 4. A letter should be sent from the Region Engineer to the Right of Way Bureau Chief recommending the action to be taken. The letter should include the project and tract number and other identifying information, a statement to the effect that the property has no present or potential use for parks, conservation, beautification, recreational or related purposes and that it is not needed in order to restore, preserve or improve the scenic beauty and environmental quality adjacent the highway; all the information received from the requesting party; the comments from Region/Area staff; and maps and drawings should be attached to the letter.

H. Review Procedures of Requests for Disposals and Use Rights

Relinquishments/Transfers of Public Roadways that were approved in the ROW or Construction Agreement, only require Region/area approvals and a letter from the local agency requesting the Relinquishment/Transfer.

Otherwise, all requests in G. above require the same comments/approvals including a review by Central Office Design, Environmental and Maintenance Bureaus, FHWA if applicable, and the Chief Engineer. Comments/approvals must be received from all reviewing parties prior to moving forward with the release or ROW Use Agreement.

When a request for a disposal or lease is received and reviewed by the Right of Way Bureau Chief, it is evaluated to determine the estate ALDOT holds in the property and if any of the property is subject to §18-1B-2 (b) of the Code of Alabama.

Property subject to §18-1B-2 (b) requires special handling to meet the requirements of the law before proceeding with the request.

1. When the interest ALDOT has in the property has been determined, all related documents accompany a written memorandum from the Right of Way Bureau Chief to the Design Bureau and the Maintenance Bureau, requesting a review of the proposed

ALDOT Right-of-Way Property Management

release or lease under the following parameters and either their approval or objections from the following:

- a. Design - A design review indicating there is no anticipated future use of the property for transportation purposes and that the release/lease will not compromise the transportation facility in the areas of safety, traffic operations, access management and design. A review by the Environmental Technical Section and a statement as to its findings are also performed.
 - b. Maintenance - A maintenance review indicating that the release/lease will not materially obstruct any maintenance operations.
2. Upon receipt of comments from Design (including Environmental) and Maintenance, a letter is sent to FHWA if applicable. In accordance to the 2015 Joint Stewardship and Oversight agreement, FHWA approval is required for disposal of properties or access rights that are located on the National Highway System (NHS).

FHWA approval is required on all Disposals at less than fair market value on federal aid projects. No FHWA approval is required for disposal of properties or access rights at market value that are not located on the NHS. FHWA approval is required for leases on the Interstate System.

The submission must include:

A letter signed by the Right of Way Bureau Chief stating the request to release/lease and the following statements:

- a. The property has no potential use for parks, conservation and recreational purposes.
 - b. The property is located on the NHS or other reasons for the submission.
 - c. It has been reviewed and concurred with by the Design, Environmental and Maintenance Bureaus.
 - d. The rationale/reason for request for the disposal.
 - e. If the release/lease is for proprietary use, the property will be appraised and sold/leased for fair market value and the proceeds credited to project if it is open or to the Title 23 Account for activities eligible for Title 23 funding if closed.
 - f. A copy of the letter from the Region Engineer recommending the release/lease and region and area staff approvals.
 - g. A copy of the review statements from the Design, Environmental Technical Section, and Maintenance Bureaus
 - h. A copy of the plat of the property, right of way map, vicinity map and other related documents.
3. Upon receipt of comments/approvals from Design, Maintenance, and FHWA, if applicable, a memorandum is sent from the Right of Way Bureau Chief to the Chief Engineer.

The memorandum must include:

- a. The intended use of the property.
- b. The property will be appraised and sold/leased for fair market value or the appropriate action that will be taken for the request.
- c. The request has been reviewed by the Design/Environmental and Maintenance Bureaus, and FHWA has no objection, if applicable.

- d. A copy of the letter from the Region Engineer recommending the release/lease and region and area staff approvals.
- e. A copy of the review statements received from Design/Environmental and Maintenance Bureaus and FHWA, if applicable.
- f. A copy of the property plat, right of way map and other related documents.

I. Processing Reviewed Requests for Disposals and Leases

1. Sale at FMV, lease, or release upon review by all required parties, the following actions are taken, by the Region:
 - a. A letter is sent from the Right of Way Bureau Chief advising of the results of the review. If the request was rejected, the requestor shall be so advised. If the sale/lease was approved, the proposed purchaser shall execute a [SJ-128](#) Special Work Authorization (SWA) and W-9 Form and submit them with a postal money order, certified or cashier's check, payable to the Alabama Department of Transportation for the administrative cost that includes the appraisal fee and review cost. The SJ-128 and W-9 must be filled out (typed) by Region/Area Staff prior to sending it out.

Note: Appraisal staff shall contact the Chief Appraiser in the Right of Way Bureau to determine; what rights are to be valued, the appraiser to use, and the scope of the appraisal.

The appraiser is then contacted for a fee proposal for the appraisal that is to be approved by the Chief Appraiser. The appraisal fee and estimated administrative and review fees are submitted on an SWA.

An additional payment may be required or funds remaining in the account will be refunded. A Work Authorization Order for the appraiser and the cost of the appraisal are sent to the Central Office Appraisal Section.

- b. The SWA, W-9 Form and check are submitted to the ROW Bureau where they are sent to Finance to set up the SWA Account for the charge number. A copy of the SWA with charge number is returned to the ROW Bureau. A copy with the charge number is then sent to the Region/Area Office.
- c. Upon completion of the appraisal, it is submitted to the Region/Area Office for review and then forwarded with recommendations to the ROW Bureau property manager who will have it reviewed by the appraisal section.
- d. The Region/Area Office is advised by letter of the recommendations and a copy of the reviewing appraiser's memorandum is attached.
- e. The proposed purchaser/lessee is advised of the purchase price or lease rate, and the offer is good for 90 days.
- f. The ROW Bureau is notified if the offer is accepted or rejected.
 - 1) Upon acceptance of the offer to purchase, a Quitclaim Deed is prepared by the ROW Bureau Engineering Section, executed by ALDOT and other State Officials, and sent to the Region. Upon receipt of the consideration, the deed is provided to the Grantee and a copy of the recorded deed is requested. As soon as all transactions are posted to the SWA Account, Finance is notified to close

the account and refund the balance. If a balance is due, Finance will send a bill requesting payment.

- 2) Upon acceptance of the lease rate, a lease is prepared by the Region/Area Office, reviewed by the ROW Bureau, and once approved, it is sent to the lessee for execution. The executed lease is returned, it is signed by the Region Engineer, and forwarded to the ROW Bureau for execution by ALDOT and other State Officials.
 - a) Upon execution of the lease by all parties, a copy of the lease is returned to the Region/Area Office for collection of the first lease payment, the Certificate of Insurance, and delivery of the lease.
 - b) Upon receipt of the lease payment, area personnel enter it in CPMS in the Cash Receipts Journal and forward it with the Certificate of Insurance to the ROW Bureau for processing the payment and setting up the lease.
 - c) As soon as all transactions are posted to the SWA Account, Finance is notified to close the account and refund the balance. If a balance is due, Finance will send a bill requesting payment.
 - d) If the lease is to an LPA for less than market rent, the LPA is notified and asked how the name needs to be stated on the lease. The Region/Area office will prepare the lease at \$1 annual rent and, after review by the ROW Bureau, will send it to the LPA for execution and its return will include a copy of the resolution passed by the local government allowing them to enter into the lease. The Region Engineer will then sign and forward it and the resolution to the ROW Bureau for execution by ALDOT and other State Officials. Upon execution, it will be returned to the Region for delivery of a copy to local officials.
- 3) If the approval is a release, the ROW Bureau is to be informed on how the name should appear in the deed and a Quitclaim Deed is prepared by the ROW Bureau Engineering Section. The deed shall contain a reversionary clause if used for other than public and non-proprietary purposes. The Deed shall be executed by ALDOT and other State Officials and sent to the Region for delivery to the Grantee. A copy of the recorded deed is to be obtained.

2. Public Sale

Upon review by all required parties, the ROW Bureau Chief approves (or denies) proceeding with the public sale. In the event of a sale, the ROW Bureau Engineering Section will prepare the quit claim deed(s) that will be executed by ALDOT and other State officials and sent to the Region/Area office to deliver to the buyer when consideration is paid; a recorded copy of the deed is requested to be provided.

3. Transfer of a Roadway to an LPA

Upon review by all required parties:

- a. The Region is advised of the results of the review by letter. If the transfer was approved, an Agreement and a Quitclaim Deed will be prepared.

The Agreement states the description for the property being transferred, acquisition data, agreement between the parties for maintenance and ownership, and has a standard indemnification clause. Plats of the roadway being transferred, and the Quitclaim Deed are exhibits to the Agreement.

The deed transfers the roadway at no cost to the local public agency, requires it be maintained as a public roadway, and has a special reversionary clause if used for other than public and non-proprietary purposes. All documents are reviewed by the Region/Area and the Right of Way Bureau for accuracy and revised as necessary. A Resolution is also prepared for execution by the local agency. These are sent to the Region for delivery to appropriate local officials for execution. (These are usually prepared while waiting on approval to make the transfer and two or more original Agreements are sometimes executed.)

- b. Upon receipt of the executed documents from the local agency, the Agreement is executed by the Region Engineer. The Agreement and Resolution are then sent to the Central Office for execution by ALDOT and other State Officials, along with the Quitclaim Deed, that is a duplicate of the one attached to the Agreement.
- c. Upon execution of the Agreement and Deed, the originals of both are sent to the Region for delivery to the appropriate local government officials and a copy is retained in the ROW Bureau. The Area Office keeps the original Agreement and the local agency receives a copy unless multiple originals were executed. A recorded copy of the deed is to be obtained for ALDOT records.

Note: Either office may initiate the documents depending on time.

J. Public Sales

When the Department decides to sell excess parcels by public sale, consideration should be given to combining adjacent parcels and advertising all remainders on one project or remainders on several projects at the same time to create more public interest and to save advertising costs.

When the Region receives approval for the public sale of excess parcels, a staff appraiser shall appraise/value any parcels of significant size or value and determine if a minimum bid should be stated in the advertisement. If the Region thinks it is warranted, the Chief Appraiser should be consulted about using a fee appraiser (see Note under Number 1 a. on page 32). The Region/Area Property Manager prepares the advertisement of the sale and it is reviewed by the ROW Bureau Property Manager.

1. The Advertisement- The below information should be included in the advertisement:
 - a. Project number, highway number, county, tract numbers and description of property offered for sale. (This should include size of property and any improvements.
 - b. Location where bid forms may be obtained and the name of the person and contact number in the Region/Area Office for obtaining forms and other information.
 - c. Deadline for receipt of sealed bids.
 - d. Name and address of location where bids will be received.
 - e. Date and location where bids will be publicly opened.
 - f. When and how successful bidders will be notified.
 - g. All properties are sold 'AS IS WHERE IS.'
 - h. Minimum bid, if applicable.

ALDOT Right-of-Way Property Management

- i. Employees of the Department of Transportation and family members are not eligible to bid.
- j. The property will be conveyed by Quitclaim Deed.
- k. Prospective buyers may wish to do a title search.
- l. The Alabama Department of Transportation reserves the right to reject any or all bids.
- m. The Alabama Department of Transportation does not have knowledge of the presence of hazardous materials on the property. It will be the responsibility of the successful bidder to make his/her own investigation and to abide by all hazardous waste guidelines set forth by the Alabama Department of Environmental Management applicable to the handling and removal of any hazardous materials that may be present on the property. (Any properties with hazardous materials of which we have knowledge must be identified.)
- n. All bids must be sealed and the envelope plainly marked on the lower right-hand corner: " Sealed Bid, Not To Be Opened Until _____ (date and time of bid opening." and all bids must be accompanied by a separate cashier's or certified check, bank or postal money order payable to the Alabama Department of Transportation in the amount equal to at least ten percent (10%. of the amount bid. Checks of successful bidders will be retained and applied against the purchase price of the property and checks of unsuccessful bidders will promptly be returned.
- o. The balance of the bid amount is due within 30 days of the date notification is given that we are ready to close the transaction. Failure to provide the balance will result in forfeiture of the 10% deposit.

The advertisement for bids must be published three consecutive weeks in a newspaper or other publication of general circulation in the area. The bid opening should not be less than 7 days following the last date the advertisement was published. A box or container should be established where bidders can place their bids. It should be kept in a secure location until the designated time to open the bids. Under no circumstances should ALDOT personnel sign as a witness to any bids submitted. Sealed bids will be publicly opened at the time and place specified in the advertisement. Any bids not adhering to the announced bid procedures should be rejected, however minor technical flaws may be waived if the State feels it is in the best interest of the public to do so. A receipt shall be provided to each bidder for the bid deposit.

All bids will be tabulated, and the tabulation emailed (to expedite the process), with recommendations, to the ROW Bureau for approval. The review and approval will be given top priority. Notification of approved bids shall be made by email (recommended to be printed and retained) and followed by a letter through regular channels to be retained for record keeping purposes

Note: The high bid may not always be approved as the "successful bidder" if there is good reason to reject the high bid by ALDOT in the public's best interest.

A single, secure location should be established in the Region/Area Property Manager's office where checks covering the ten-percent bid deposits may be kept until the successful bidders can be determined. All checks must be recorded on

the tabulation/register including check number, dates received, amount, parcel bid on, and when the check is returned to unsuccessful bidders or forwarded to the ROW Bureau. Checks should not be kept in tract files or in desk drawers.

After all bids have been reviewed and approval of the successful bidder(s) received from the ROW Bureau, all bidders will be notified by letter of the status of their bid(s). Checks of all unsuccessful bidders for each property shall be returned promptly and noted on the register. The bid deposits of successful bidders shall be forwarded to the ROW Bureau for proper crediting to the project following the procedure under 10% Bid Deposits under Number 3 on Page 37.

2. Notifying Bidders

All bidders shall be notified of the status of their bid(s) after all bids have been reviewed by the ROW Bureau and approval has been received. Notification to all bidders shall be by letter from the Region Engineer and shall be by certified or registered mail. It shall be the goal of the Area Office to place the letters of notification in the mail no later than 48 hours after receiving approval from the ROW Bureau.

a. The letter to the successful bidders should include the following:

- 1) congratulate them on being the successful bidder;
- 2) identify the property they successfully bid on;
- 3) state the balance due at closing;
- 4) advise the required form of payment;
- 5) inform them that the required payment will be due within 30 days of the date notification is given that we are ready to close the transaction;
- 6) failure to provide the balance will result in forfeiture of the 10% deposit;
- 7) request that they advise how the name should appear in the deed;
- 8) give a Region/Area Office contact name and telephone number.

b. The letter to the unsuccessful bidder(s) shall state:

- 1) he/she was not the successful bidder;
- 2) the document (Certified or Registered Check or Money Order give all identifying information of the document) submitted as the bid deposit for (identify for what the bid was submitted) is enclosed and is being returned;
- 3) ALDOT's thanks to him/her for participating in the sale and invites future participation.
- 4) If, after the approval of the successful bidders has been received from the Central Office, a bidder comes into the office to pick up his/her bid deposit before it has been mailed, make a copy of the bid payment document and write or type a statement that the document (name of the document) submitted as a bid deposit for (identify for what the bid was submitted) is being returned to the bidder, and ask the bidder to sign and date the retained copy.

3. 10% Bid Deposits

- a. Immediately upon receiving approval from the ROW Bureau of the successful bidders, the 10% bid deposits of each successful bidder shall be sent to the ROW Bureau for crediting to the project. It shall be the goal to place the bid payments in the mail to the ROW Bureau the day approval is received but no later than 48

hours after receiving approval from the ROW Bureau. The following procedure should be followed:

- 1) the bid deposit of each successful bidder shall be noted on the register that the deposit is being sent to the ROW Bureau;
- 2) each bid deposit shall be entered in the CPMS ROW Cash Receipts Log with identifying information through the date sent to the ROW Bureau;
- 3) bid deposits should be attached to a cover letter to the ROW Bureau that identifies each deposit by bidder, project, tract number, description and how the name should appear in deed;
- 4) the cover letter should be walked through for signature to assure the letter is placed in the mail the day it is written.

4. Closing the Sale

Upon receiving the executed Quitclaim Deeds in the Region/Area Office, the successful bidders (buyers) will be notified and arrangements made with each to close the transaction. The closing is generally just an exchange of the deed for the consideration stated in the deed (less the 10% deposit). It can be handled by mail if the buyer wishes to mail the payment for the consideration. No matter how the transaction is closed, it should be documented with a cover letter stating that the deed has been delivered and the consideration received. The letter should also request that the buyer record the deed and provide a recorded copy to the department.

The check or money order received from the sale should be posted to the Cash Receipts Journal in CPMS and sent to the ROW Bureau for crediting to the appropriate account. (Follow the same procedure as for, 3. 10% Bid Deposits)

K. Disposal Value

All disposals, except those to governmental agencies for continued non-proprietary public use, shall be by public sale or negotiated sale at the appraised fair market value (FMV). The determination of FMV will be based on the property rights held by ALDOT, how acquired, and the reasoning for the release. The determination of FMV may be by an "across the fence value" or as a "stand alone value," whichever results in the greatest return for the property. Any release at less than FMV must be approved by the Right of Way Bureau Chief.

Disposals to other governmental agencies at less than fair market value shall contain a reversionary clause that states that in the event the property ceases to be used for public and non-proprietary purposes, title reverts to ALDOT and a Quitclaim Deed to ALDOT will be executed by appropriate public officials upon request. The public use by a government agency must be for a specific use and a time frame for implementing the use will be imposed. Exception: Conveyances to the United States Government will not contain a reversionary clause. Conveyances of properties originally acquired by the receiving governmental agency they were not compensated for by ALDOT will not require a reversionary clause.

L. Credits for Disposals

Income from the sale or lease of right of way shall be credited to the project if it is open in accordance with 49 CFR Parts 18.25 and 18.31 or to the Title 23 Collector Account for transportation projects and activities eligible for Title 23 funding if the project is closed.

M. Closing Property Management Release Files

The ROW Bureau Property Manager handles the closing of all release files involving the sale, release, relinquishment, transfer of real property and the extinguishment of easements. All are referred to in this section as release documents.

1. A copy of the recorded release document is sent to the Secretary of State with a cover letter.
2. If the release document is a Relinquishment or Transfer, a copy of the recorded document is sent to the Data Collection and Data Management Administrator in the Maintenance Bureau.
3. A memorandum is sent to the ROW Bureau Engineering Section with a copy of the recorded release document attached requesting that the project right of way map or maps be updated to reflect the release, the map be distributed as appropriate, the updated map scanned to records management for placing in archives, and records management be advised to delete older copies of the map.
4. The release document is labeled to reflect the type of release and emailed to records management for scanning into archives.
5. Verification is made that the release document has been entered in the Document Management System and an internal search can be performed. The release document is stamped "Scanned" on the back and the Document Management Number assigned to the release document is written on the document.
6. The release document is placed in the Property Manager's Release File with all the documents related to the release. A review of the file is made using a Checklist of all required actions that must be taken.
7. The last day of the fiscal year the release document was executed in is written on the file. The file is then placed in the closed release files and held for 10 years from the date written on the file.
8. The files are reviewed annually and files that have been held for 10 years are removed. The release document is placed in the Permanent Records File of the County where the property is, and all other records destroyed in accordance with ALDOT's records retention plan.

N. Other Properties and Property Interest

1. Wetland Mitigation

In addition to excess properties managed by the Department of Transportation, it also has the responsibility for the acquisition of wetlands to mitigate wetlands lost to our right of way projects. All deeds for the acquisition of wetlands must contain a Restrictive Covenant that meets the requirements of the Corp of Engineers. The Wetland Mitigation Bank Program is managed by the Environmental Technical Section within ALDOT's Design Bureau.

2. Right of Way Acquired for Future Construction

In many areas of the State right of way has been acquired for future construction. The maintenance of these properties is handled by the ALDOT Maintenance Bureau and is included in the Maintenance Manual.

3. Oil and Gas Leases

The State Department of Conservation and Natural Resources has the responsibility for advertising and leasing mineral rights on all State-owned properties. When a request is received by the Conservation Department for drilling rights on right of way, the Region/Area Office right of way personnel will be contacted to ascertain the State's title. If fee simple title is owned by the State and the land is in fact leased, royalties received by the Department of Transportation on closed projects are to be credited to transportation projects and activities eligible for Title 23 funding. Royalties received by the department on open projects are to be credited to the project in accordance with 49 CFR Parts 18.25 and 18.31.

4. Non-Right of Way Properties

The Right of Way Bureau has the responsibility of maintaining records of all real properties, excluding right of way, owned by the Department of Transportation. The sale and or lease of these properties are subject to provisions set forth by the Alabama Department of Conservation and Natural Resources in compliance with Title 9, Chapter 15, of the Code of Alabama 1975. The Area Offices are responsible for notifying the Right of Way Bureau Chief if non-right of way property is acquired.

Appendix:

Entering Structures into CPMS (under Project Tract Status Update)

Structure Description (green field) An entry must be made in this field. The record cannot be saved, or another record added, without an entry here. It should be a brief description such as single-story brick residence, block garage, wood storage building, or anything descriptive.

Multiple structures can be entered on a tract by tabbing to the end of the record – or by inserting a new record from the Menu.

Use the Eraser on the Menu to erase a record.

Map ID – If the map has a structure number it can be entered here. It is an optional field.

Relocatee – Very Important Field – If there is relocation for a structure, this field can be populated once the relocatee is entered into the RA-9. You will be able to select the name of the relocatee from a dropdown box. A three-digit code will then appear on the record and when you click on the code the name will appear. This is important because the report picks up the expiration date of the 30 and 90-day notices from the relocatee's RA-9.

Structure Station ID and Offset - this must be determined from the ROW map and should be entered when the structure description is entered along with any other available information.

Current Status - is selected from a Drop-Down Box.

Projected Vacate Date - is entered manually. This is simply a best guess and should be changed as needed.

Removal Method - may change several times. A structure may first be designated for a structure sale and if not sold change to Negotiated Sale or some other method.

Projected Removal - this is a projected date the structure is to be removed and it is entered manually. It should be changed as needed.

Action Date - is the date for the removal method they selected. It is entered manually and should change each time the method of removal changes.

Structure (Str.) Removed - is a key field. There is a drop-down box for making your selection. Change this to "Yes" when the structure has been removed. The report has an option to eliminate structures removed from the report.

Salvage – this is the salvage value of the structure. It is desirable to have this for +/- bids.

Inspected - this is the date the Region/Area Property Manager inspects the structure.

Haz Mat- drop down box - Yes or No

ALDOT Right-of-Way Property Management

Change to Yes if the structure has any hazardous materials. Asbestos shingles, siding, and floor tiles are the most common. We do not place structures with known hazardous material in structure sales. They are to be removed by demolition contract or by the roadway contractor.

Pest Control - drop down box - Yes or No. If pest control is needed, when treatment is complete – select Complete.

Call the Central Office Right of Way Bureau if you have any questions or encounter any problems.

