North Carolina Department of Transportation
Division of Highways
Right of Way

The Real Estate Acquisition Process Brochure

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Growth

North Carolina has one of the largest state-maintained highway systems in the country. Due to the rapid growth, transportation improvements are necessary to ensure safe and efficient travel. The North Carolina Department of Transportation (NCDOT) is committed to providing a safe transportation system that ensures the mobility of people, goods, enhances economic prosperity and preserves the quality of our environment and communities.

Economic Development

North Carolina's economy depends on transportation. Our stability is vitally linked to a modern transportation system. As highways are improved, tourism and recreation are enhanced, merchant trade expands, markets are open to farmers and industrial and residential developments are encouraged. The NCDOT maintains the goal of providing more efficient transportation arteries.

For Your Safety

The NCDOT is committed to safety, both on and off the highways. New or improved highways with better site distance, wider driving lanes and easier grades enhance our lives and property. Good engineering is one of the most effective ways to improve safety on our highways.

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TABLE OF CONTENTS

Introduction……...4

Why does NCDOT need my property? ……...4

Negotiation For Purchase Of Real Property ……..5

Appraisal of Real Property ……... 6

Written Offer to Purchase……..……7

Uneconomic Remnant……8

Settlement and Closing ……9

Eminent Domain Process …… 10

Retention of Improvements …….. 12

Property Vacate Date…… 12

Relocation…… 13

Conclusion …….. 13

Introduction

The North Carolina Department of Transportation (NCDOT) has prepared this brochure to describe the processes NCDOT will follow by law when purchasing your property for a transportation project. The Right of Way program is administered in compliance with 49 CFR Code of Federal Regulations as well as NC General Statutes.

Why Does the NCDOT Need My Property?

Numerous factors are considered when planning for transportation systems. As the owner of real estate needed for the construction of a transportation project, you are a major contributor to the improvement of North Carolina's transportation system. Modern transportation engineering involves long-range planning to assure new transportation arteries are designed to serve North Carolinians today and in the future. The coordinated efforts of Planners, Right of Way Agents, Design Engineers and Traffic Engineers are necessary to establish the location and design that will be of the greatest benefit and safety to the public.

The final alternative selected takes into consideration

Relocation

If you are required to move from your property a relocation agent will contact you to provide relocation advisory services and assist you throughout the process. Relocation benefits are based on eligibility and are not a factor in the negotiation process.

When applicable, you will receive payment for moving expenses. In some instances, you will receive replacement housing payments as determined by state and federal regulations.

Conclusion

We understand that a transportation project requiring acquisition of your private property may cause concern and result in many questions. We are interested in hearing your concerns and answering any questions you may have. You will be given adequate time to review your options and make informed decisions.

Retention of Improvements

If there are buildings and/or other improvements located on the land needed for right of way purposes, you will be given first option to retain these improvements. You may keep the buildings and/or improvements considered as real estate at the appraised retention value and move the buildings and/or improvements on remaining property outside of the acquisition areas, or you may choose to move the buildings and/or improvements to a site located away from the proposed transportation project.

Property Vacate Date

For residential owner-occupants or residential tenants, you will have a minimum of 90 days written notice to vacate from the date a comparable replacement dwelling has been provided for you by your Right of Way Agent, and your offer of relocation benefits has been made to you. For business owners or tenants, you will have a minimum of 90 days from the date of notice of eligibility is provided to you.

feasible engineering, safety, economics, public well-being, and the least amount of injury and inconvenience to the public.

A certain amount of private property must be acquired to provide North Carolinians with safer and more modern transportation systems. When property is selected to be acquired, all other alternatives have been considered and it has been determined that the affected site is the best location for the transportation artery. The NCDOT seeks your understanding and cooperation in this matter.

Negotiation For The Purchase of Real Property

When a transportation route is selected and approved and the transportation design is complete, all affected property owners will be notified. In some instances this is the first official contact the property owner has with a representative of the NCDOT.

Right of Way Agents are trained to explain plans and advise you how a proposed highway project will affect your property. This information includes property history, accuracy of property lines, buildings as shown on the plans

and property areas to make certain the property is properly appraised or evaluated. The Right of Way Agent will also answer any questions concerning the right of way acquisition procedure and inform you of your legal rights.

Appraisal of Real Property

You will be contacted by an appraiser or right of way agent who will appraise or perform an evaluation on the property affected by a highway project. The appraiser will prepare an independent and impartial appraisal based on an inspection of your property. The appraiser must perform an inspection of your property prior to the completion of the appraisal valuation.

You will be given the opportunity to accompany the appraiser on this inspection. We encourage you to be present during the inspection of your property to provide any information you believe affects the value of your property.

When the appraisal is complete, a Review Appraiser will perform a complete review to make certain all elements affecting property value are considered and an accurate estimate of value is established.

process in accordance with Article 9 of Chapter 136 of the General Statutes of the State of North Carolina.

The Department will establish the necessary court procedures in the county where the property is located. The Department will promptly deposit the full amount of the estimated just compensation (appraised value) with the Clerk of Court when the condemnation proceedings are filed. The title transfer will occur simultaneously.

If you wish to contest the compensation amount, you must secure the services of an attorney and file an answer to the complaints filed by the Department within one year from the date the summons is served.

You must satisfy all liens and encumbrances against the property, whether the right of way claim is concluded by agreement or by court action.

The sale of property for public purposes comes under the Internal Revenue Service (IRS) classification of "Involuntary Conversion." It is suggested that you contact the nearest IRS office to learn of the requirements with regards to your federal income taxes.

An advantage in reaching a settlement with the Department is that you receive full prompt payment. You will not pay real estate commissions, title insurance, abstract costs, legal or appraisal fees unless you hire an attorney or appraiser.

Eminent Domain Process

It is the NCDOT's sincere desire to reach an amicable agreement with each property owner and acquire property through negotiated settlements. However, if after negotiations we are unable to agree on the price to be paid for your property, the Department must consider acquisition through the court system which is referred to as a condemnation proceeding. The acquisition of the property will be controlled by the legal

Depending upon the complexity of the situation and the nature of the right of way acquisition, an evaluation may be made, instead of an appraisal, to estimate the fair market value of the property being acquired. This evaluation will involve an analysis of recent sales of similar properties in the area and will not require contact with you prior to the evaluation being made.

Written Offer to Purchase

An offer will be provided to you in writing and will represent the full amount of the approved appraisal or evaluation. The offer will be made to you by a Right of Way Agent. This breakdown is helpful for tax purposes. You will be given a written offer which includes:

1) The amount offered as just compensation. In the case of a partial acquisition, the compensation for the real property to be acquired, compensation for damages and benefits, if any to the remaining real property will be separately stated.

2) A description and location identification of the property to be acquired.

3) An identification of buildings, structures and/or other improvements (including removable building equipment and trade fixtures) which are considered to be part of the real property for which the offer of just compensation is made. Where appropriate, the statement will identify any separately held ownership interests in the property, such as a tenant-owned improvement , and indicate that such interest is not covered by the offer.

Uneconomic Remnant

Should the acquisition of your property result in an uneconomic remnant, the Department will offer to acquire it along with the property required to construct the transportation facility.

NCDOT will absorb costs associated with recording fees, transfer fees, revenue stamps, the pro-rata portion of any prepaid real property taxes and penalty costs.

Settlement and Closing

If you accept the offer by the NCDOT and can convey clear title, you may expect payment within 2 - 6 weeks from the day all necessary documents are signed. It is your responsibility, however, to satisfy any outstanding liens and encumbrances on the property. These encumbrances are normally paid during the closing process.

Typically, the Right of Way Agent handling your claim will secure a release from the lien holder prior to closing the claim when there is a partial acquisition of property.

You are eligible to be reimbursed for a portion of your current real property taxes which will be prorated at the time of closing. You will be asked to provide tax receipts to the Right of Way agent handling your parcel.