

Landowners Along Lakeshore Trail Receive \$750,000 in Settlement Over Property Rights

Property owners whose land adjoins the Lakeshore Rail Trail have reached a settlement with the United States.

MUSKEGON, MI, UNITED STATES, July 6, 2026 /EINPresswire.com/ -- Twenty-five property owners whose land adjoins the Lakeshore Rail Trail in Muskegon County have reached a settlement with the United States, receiving a combined \$750,000 in compensation for the taking of their property rights under the federal Rails-to-Trails program.

The Lakeshore Rail Trail forms part of the larger [Muskegon Lakeshore Trail](#) system, which provides public access

along the shoreline of Muskegon Lake and connects with regional trail networks serving western Michigan. Today, the trail links neighborhoods, parks, waterfront attractions, and other recreational amenities throughout the area. While the trail remains open for public use, the settlement compensates landowners for the property interests affected by the federal government's railbanking action.

“

This settlement represents an important recognition of the constitutional rights of these property owners.”

Michael J. Smith

The settlement resolves claims brought under the Fifth Amendment to the United States Constitution, which requires the federal government to provide just compensation when private property is taken for public use. In *1950 Lakeshore Drive, LLC, et al. v. United States*, filed in the United States Court of Federal Claims, Case

Nos. 1:22-cv-902 and 1:23-cv-2086, plaintiffs alleged that the federal government's invocation of the Nation Trails System Act resulted in a taking of their property rights requiring payment of just compensation. The claims arose after the conversion of the former railroad corridor into the Lakeshore Rail Trail through the federal railbanking process administered by the [Surface](#)

The logo for Stewart Wald & Smith LLC, featuring the words "stewart", "wald &", and "smith" in a serif font, with "LLC" in a smaller font to the right. The ampersand is a light green color.

Rails to Trails Law Firm - Stewart, Wald & Smith

[Transportation Board.](#)

When a railroad corridor is railbanked for future potential rail service and converted into a public recreational trail, adjoining landowners may be entitled to compensation if they own the underlying property and the railroad held only an easement that was limited to railroad purposes.

"This settlement represents an important recognition of the constitutional rights of these property owners," said Michael J. Smith, Attorney at [Stewart, Wald & Smith](#). "The Rails-to-Trails Act has created thousands of miles of recreational trails across the country, but the Constitution requires that landowners receive just compensation when their private property rights are taken to create those trails."

Federal rails-to-trails claims are brought against the United States in the United States Court of Federal Claims. These cases are not lawsuits against local governments or trail organizations, but rather seek compensation from the federal government for the taking of private property rights.

Stewart, Wald & Smith represents landowners nationwide in federal rails-to-trails litigation and has helped property owners recover millions of dollars in just compensation for property rights taken through the federal railbanking process.

Property owners whose land borders former or existing railroad corridors may have similar claims depending on the railroad's property interest, state property law, and whether a railbanking order was issued by the Surface Transportation Board.

For more information about federal Rails-to-Trails claims or to determine whether your property may qualify, contact Stewart, Wald & Smith for a free consultation.

Stewart, Wald & Smith, LLC
3636 S. Geyer Rd., Suite 200
Saint Louis, MO 63127
314-720-0220
www.swslegal.com

Jackie Tebbe
Stewart Wald and Smith, LLC
+1 314-720-0220

[email us here](#)

Visit us on social media:

[LinkedIn](#)

[Instagram](#)

Facebook

YouTube

X

This press release can be viewed online at: <https://www.einpresswire.com/article/924747870>

EIN Presswire's priority is source transparency. We do not allow opaque clients, and our editors try to be careful about weeding out false and misleading content. As a user, if you see something we have missed, please do bring it to our attention. Your help is welcome. EIN Presswire, Everyone's Internet News Presswire™, tries to define some of the boundaries that are reasonable in today's world. Please see our Editorial Guidelines for more information.

© 1995-2026 Newsmatics Inc. All Right Reserved.