



Project Summary

Texas Department of Transportation

0-5379: Best Practices in Right-of-Way Valuations and Negotiations

Background

Right-of-way acquisition is an integral component of the overall planning and implementation of highway and transportation projects. This process has become more complex, expensive, time-consuming, and socially sensitive over the last few decades. The valuation of the parcels and the negotiations with the property owners are extremely important aspects of this process, benefiting the Texas Department of Transportation (TxDOT) in ways such as reflecting fair market prices, maintaining good relations with property owners, and increasing public trust in transportation planning. Because the right-of-way acquisition process immediately precedes the construction and utilization of the transportation infrastructure, there is increased pressure for TxDOT's Right of Way Division (ROW) to acquire land as soon as possible for construction. While TxDOT has been doing an admirable job with the acquisition process, it could enhance its practices in several areas. This research project was conducted to investigate guidelines and recommended practices for right-of-way valuations and negotiations.

What the Researchers Did

The specific objectives of this research were: (1) to identify current existing practices, problems and issues, legal constraints, and other factors related to right-of-way valuations and negotiations; and (2) to synthesize best practices and create guidelines for right-of-way valuations and negotiations to improve the effectiveness of these processes. These objectives were achieved by investigating property owners' experiences, conducting interviews and surveys to identify valuation and negotiation methods and practices, reviewing literature and laws, analyzing right-of-way acquisition data, and forming recommendations based on these.

With information drawn from a background review and data analysis, researchers formulated guidelines and recommended practices to promote fast project delivery time, reasonable offers, and good rapport with the public during valuations and negotiations. First, the researchers searched for the practices that were most emphasized in the literature. By interviewing TxDOT employees and by analyzing the results of both the property owners' satisfaction surveys and the right-of-way personnel surveys, the researchers were able to filter out some practices that were not applicable to TxDOT. Then, the recommended practices were categorized according to type, with the practices belonging to each category synthesized into sets of guidelines.

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What They Found

As a result of this study, guidelines for right-of way valuations and negotiations were recommended. Each guideline has a set of recommended “practices” and “practices to avoid” supporting it.

The guidelines for the valuation phase are: (1) regularly train, monitor, and evaluate the expertise of right-of-way staff, fee appraisers, and review appraisers; (2) involve and contact the property owner personally early in the acquisition process; (3) streamline the valuation process to maximize production time, cost, and efficiency benefits; (4) simplify value determinations, reporting protocols, and review procedures; and (5) inform property owners of what will take place at each step about the entire acquisition process.

The guidelines for the negotiation phase are: (1) promote frequent communications with property owners for better coordination and time minimization; (2) use simplified and efficient negotiation processes in order to reduce time/cost and enhance the quality of negotiation processes; (3) encourage agent to perform negotiations in a manner that inspires owner confidence; (4) minimize the possibility of proceeding to condemnation; and (5) emphasize the significance of providing property owners with all the information required by law. These guidelines and the specific set of related practices are included in Report 0-5379-1, Best Practices in Right-of-Way Valuations and Negotiations.

What This Means

The increasing need for upgraded and new infrastructure projects has triggered the need for rapid acquisition of necessary right-of-way, while simultaneously maintaining good relations with property owners. Valuations and negotiations play critical roles in the right-of-way acquisition process. While there have been previous studies on best practices for right-of-way acquisition at the federal level, the previous studies have not thoroughly considered the unique legal, environmental, and social characteristics of individual states, including Texas. This research identified these features and synthesized, in guideline form, the best practices for successful valuations and negotiations in Texas.

The researchers recommend the implementation of the research findings, including the dissemination of the guidelines and recommended practices. Recommendations for further research are as follows: extend the scope of best practices to processes preceding and following valuation and negotiation, such as project planning, appraisal review, and relocation; update the right-of-way information system (ROWIS) database to ensure that no data are missing for completed parcels; emphasize the significance of inputting newly obtained right-of-way acquisition data into ROWIS; update the property owner satisfaction survey questionnaire to document changes in owner complaints, compliments, and other inputs; and conduct a performance evaluation for outsourced right-of-way acquisition agents.

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