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To: DISTRICT DIRECTORS
DISTRICT DEPUTY DIRECTORS for
Design, Right of Way, Maintenance, and
Traffic Operations

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ALL HOLDERS OF THE HIGHWAY DESIGN MANUAL
ALL HOLDERS OF THE PROJECT DEVELOPMENT
PROCEDURES MANUAL

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Subject: Clarification of Value Enhancement for New Public Road Connections to Controlled Access Highways

The Division of Design, Office of Project Development Procedures is currently revising the Project Development Procedures Manual (PDPM), including Chapter 26 - Disposal of Rights of Way and Chapter 27 - New Public Road Connections. Review of the language in these chapters along with recent project issues statewide has led to a re-evaluation of the discussion of Value Enhancement Compensation charged by the Department when the preponderance of benefit for a new access point on a controlled access facility or freeway goes to one or more private property owners.

Chapter 27, Article 2 - Compensation for Value Enhancement, discusses the fact that such compensation may be required, depending upon the level of benefit. At this time no change is proposed for this discussion. However, Chapter 26, Article 2, Access Control - Disposal of Access Rights - Private Property Value Enhancement, discussing the specifics of enhancement compensation, has resulted in varying interpretations regarding the correct application. Headquarters Legal, Right of Way, and Design have jointly determined that the attached revised language will clarify existing policy in the application of value enhancement compensation. It is noted that this is not a change in policy, but a clarification to promote appropriate and consistent application of existing policy. This language will be included in the revised PDPM Chapter 26 when published.

Attachment – Revised PDPM Chapter 26, Article 2

bc: DValls
BParis
PD Coordinators
District Permit Offices
All HQ Division Chiefs

Jim Douglas/jpd / dtafoya

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ARTICLE 2 - Access Control Policy

Disposal of Access Rights

Disposal of access rights is needed to provide openings in the access control line for private or public driveways (to a library, sheriff's substation, etc.) or to a change in the access control limits to facilitate private or public development. It is also needed for a new public street through access control connecting to a cross street but not directly connecting to the freeway or expressway.

Private Property Value Enhancement

Access control changes that directly serve private property require that compensation be obtained for the value enhancement that is based on a "before and after" appraisal of the property; in other words, first without any change in the State access control, then with the new access point. ~~In the event that the private property owner or the developer is required to pay for any necessary addition, if public highway modification or mitigation measures are required to accommodate the new access, the private property owner or the developer is required to pay for such highway work in the same manner as if he/she already owned the access rights, a credit offset against the value enhancement equal to the cost of such highway work will be allowed.~~

~~In no event will compensation be less than the larger of (1) the value enhancement benefit to the private property by increased development potential due to the change in State access control rights, or (2) the cost of public highway modifications or mitigation measures that are required to accommodate the new access, plus any other costs to the State (including federal payback requirements).~~

The State may request the private property owner or developer to construct highway improvements in addition to those which are required to accommodate the new access, e.g., extension of an acceleration lane to the next intersection instead of the minimum safety standard length. In the event that the State requests additional highway improvements to be constructed by the private property owner or developer for the sole benefit of the State, a credit offset that is equal to the cost of such additional highway improvements will be made against the value enhancement.

Compensation to be paid to State by the private property owner or the developer shall be no less than the value enhancement benefit to the private property resulting from the change in State access control rights, minus the credit offset, if any, described above for highway improvements constructed at the request of, and for the sole benefit of the State, which are in addition to that work which the owner/developer is required to complete at his/her own expense to accommodate his/her new access. However, under no circumstances will a credit offset cause the compensation paid to the State to be less than the federal payback requirement, if any, under the Transportation Equity Act of the 21st Century. The private property owner/developer is also responsible for payment of any other costs incurred by the State, including, but not limited to expenses and overhead costs associated with the decertification request.