

Utilities, Inverse Condemnation, and More

Point/Counterpoint on Key
Eminent Domain Issues

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BACK TO THE FUTURE

- (1) How Have *Mel Acres* and *Justiss* been implemented by the Courts, if at all?
- (2) Could nuisance related themes find their way into inverse condemnation actions?
- (3) Advocacy and admissibility in utility cases.
- (4) Legislative Update.



Legislative Update



Mel Acres and Justiss—Then and Now



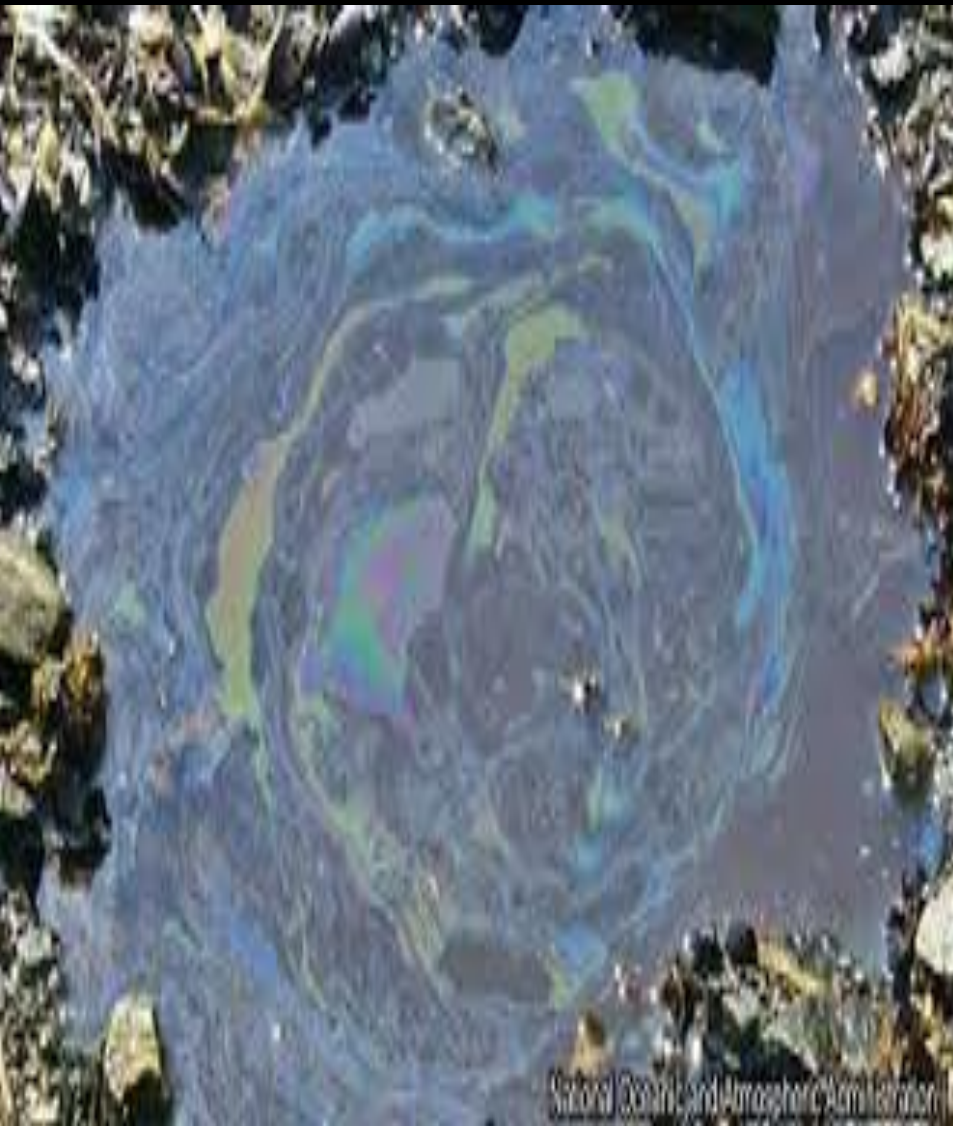
Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).



Houston Unlimited, Inc. v. Mel Acres Ranch

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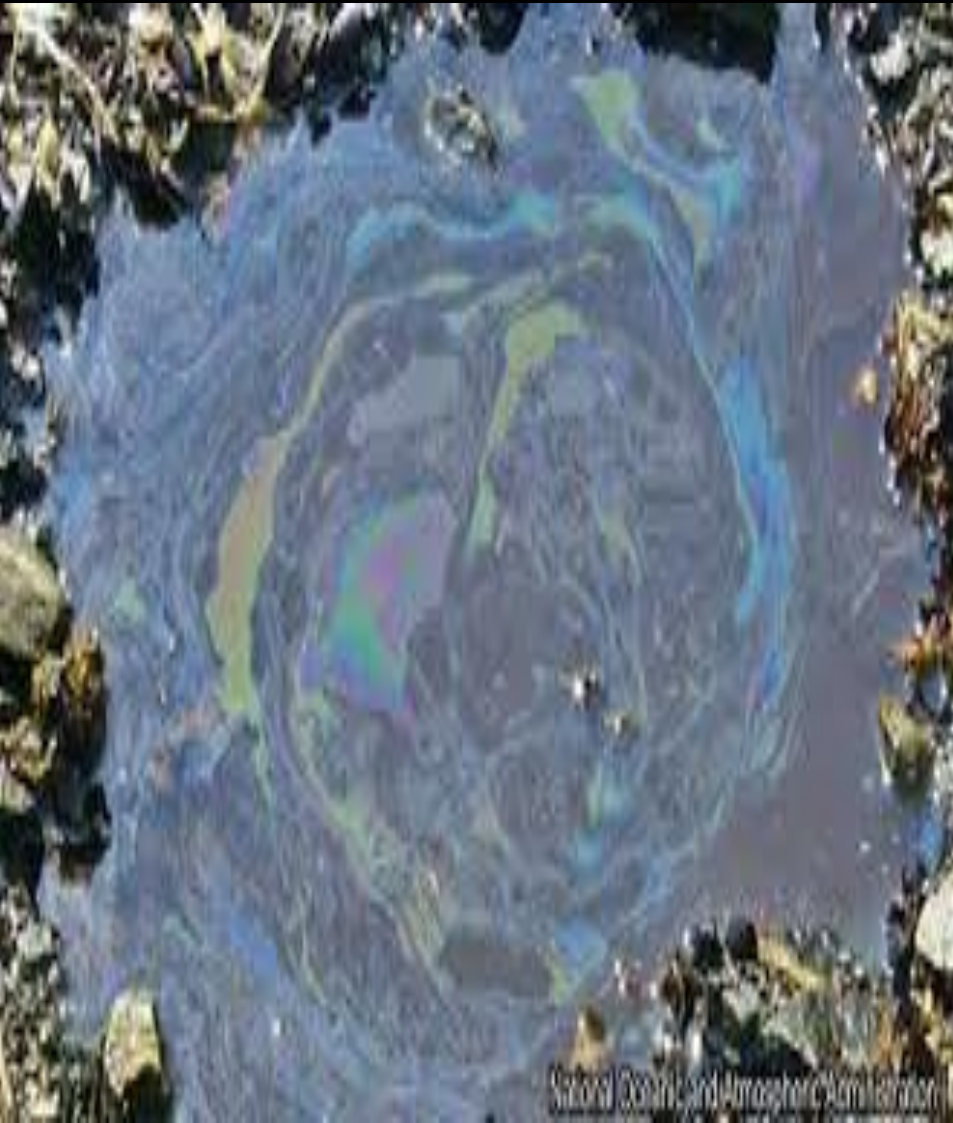


Background

- Contamination/Stigma Damages case based on water flow from metal processing facility into neighboring pond.
- Was there legally sufficient evidence to support a finding of reduced market value as a result of stigma?

Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).



Fatal Flaws in Paired Sales Analysis

- Data did not support opinion.
- Opinion was cause dependent, i.e. assumed any diminution was caused by stigma.
- Failed to account for differences between subject and paired sales properties, and differences in the paired sales properties themselves.

Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).

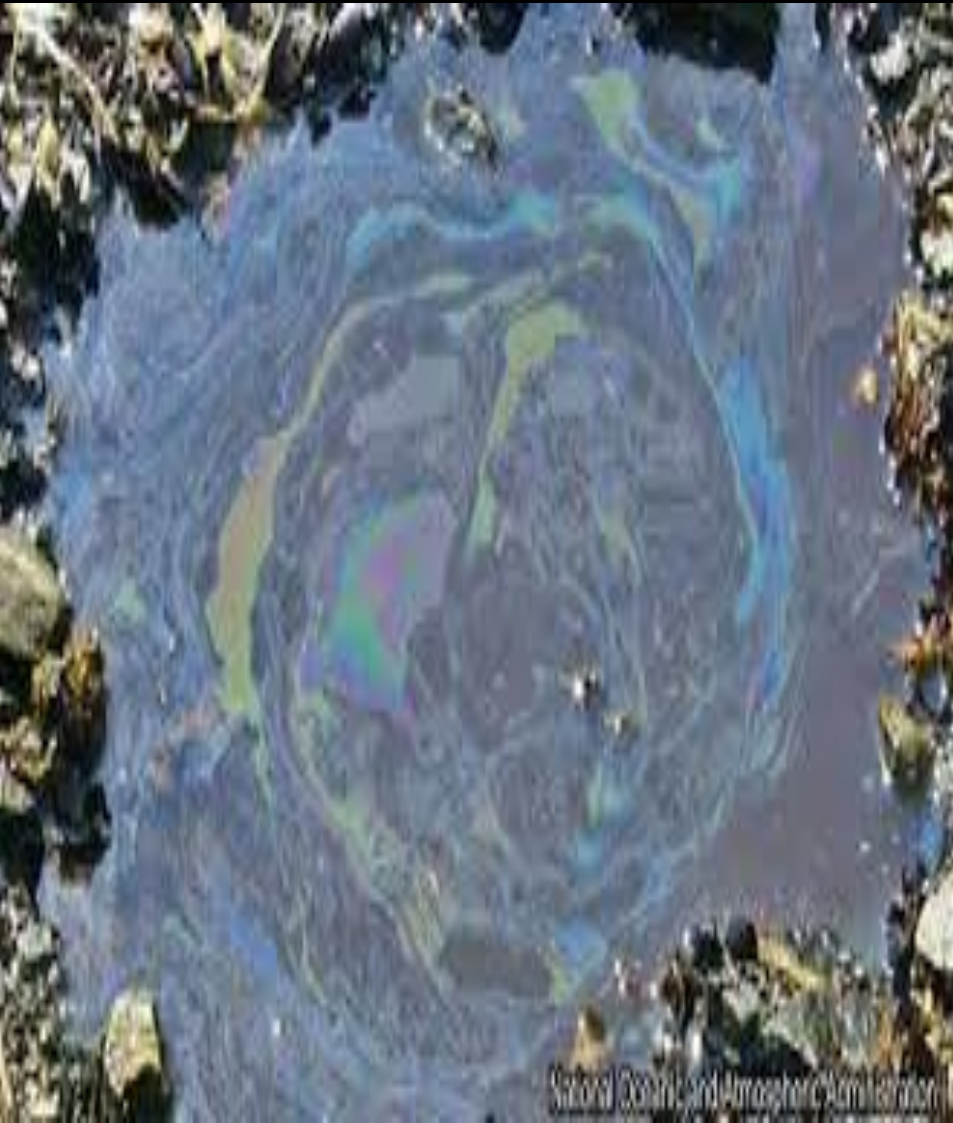


Sidebar

- This case was on appeal from the Houston [14th] Court of Appeals.
- Majority Opinion, written by Charles Seymore, said sales “issues” went to their weight not their admissibility.”
- Dissent, written by William Boyce, thought the methodology was fatally flawed.

Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).



The Goods

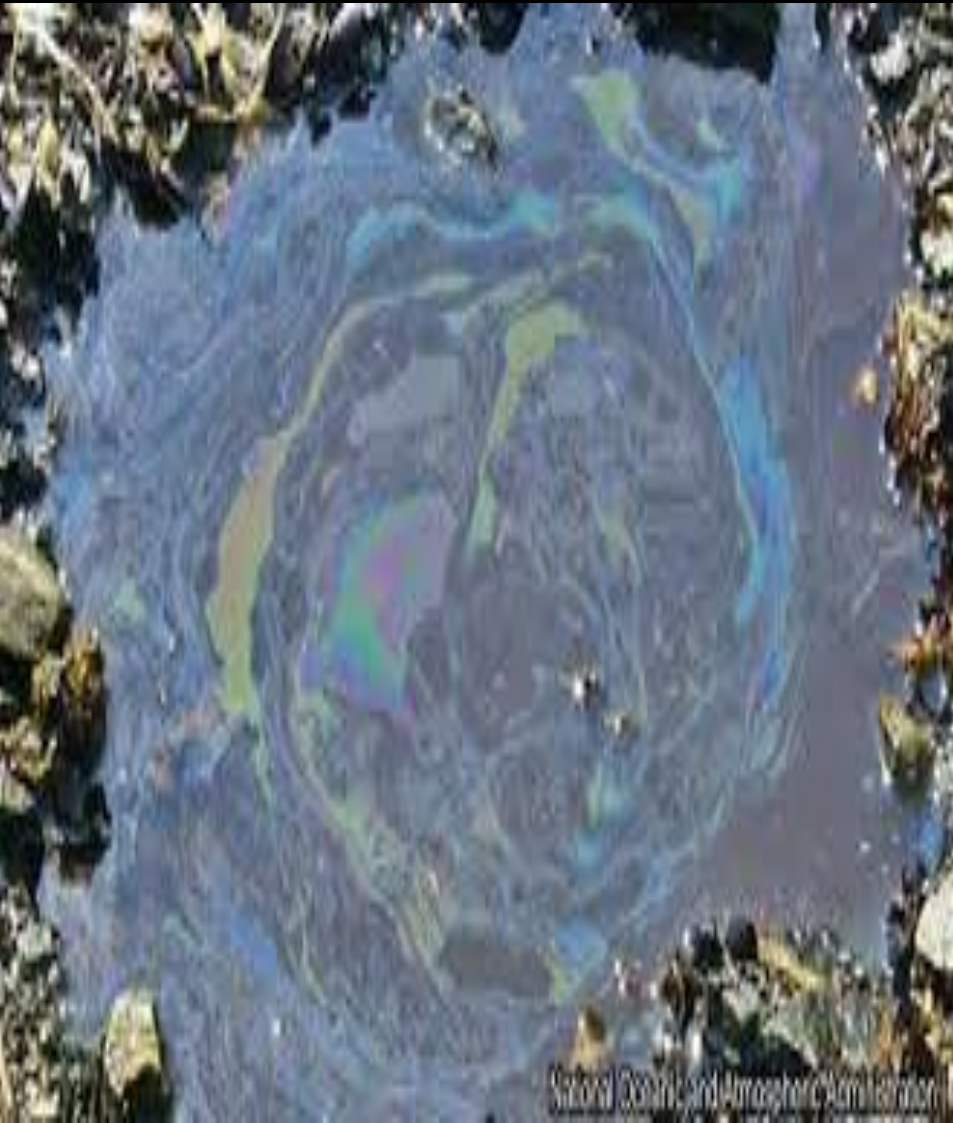
- Expert appraisal witnesses are subject to same standards that apply to ALL experts. *Id. at 829.*
- Data on which opinion is based should be independently evaluated to determine reliability. *Id. at 831.*
- Expert must connect the data to opinion and show how it supports the same. *Id. at 831.*

Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).

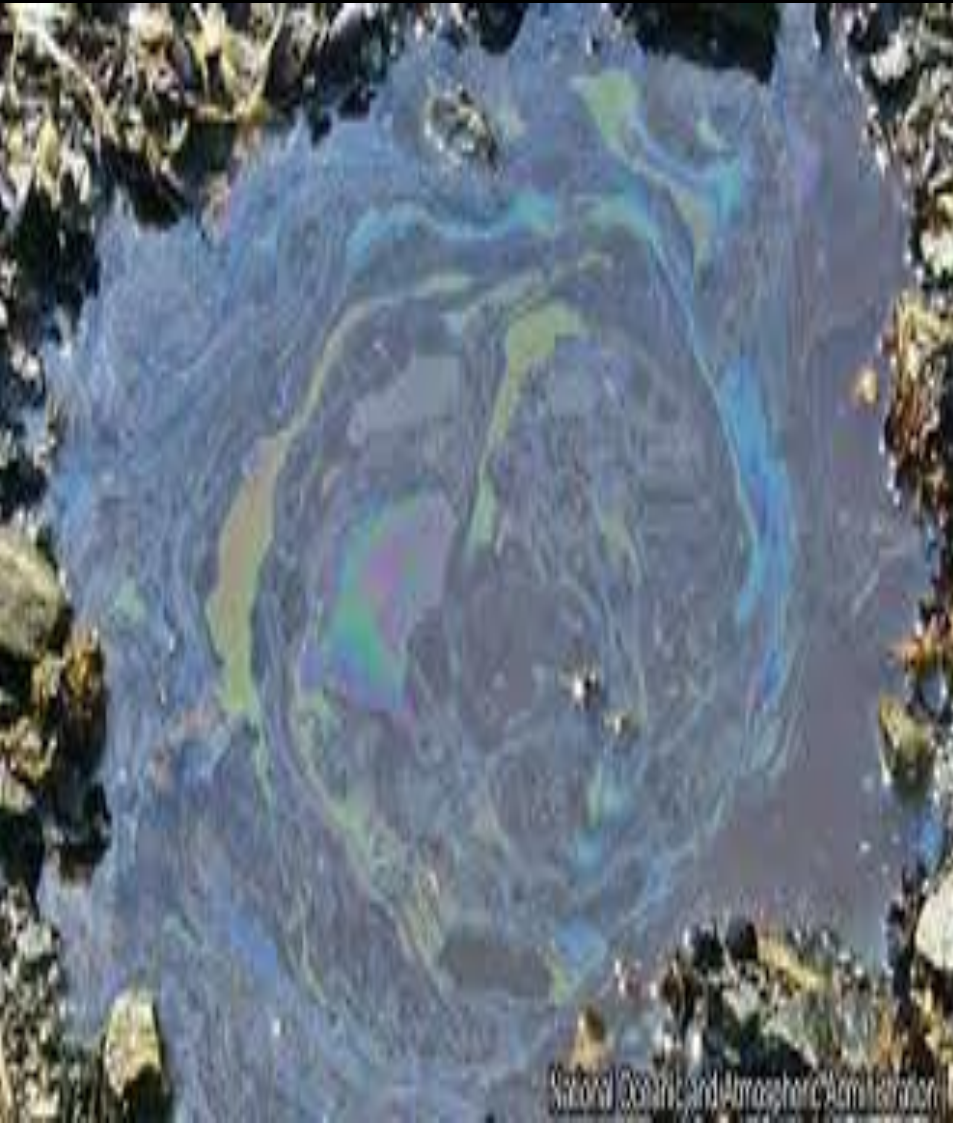
Applicability?

- “Stigma damages constitute damage to the reputation of the property—they represent the market’s perception of the decrease in property value caused by the injury.” *Id.* at 825.
- “Even when it is legally possible to recover stigma damages, it is often legally **impossible** to prove them.” *Id.* at 827.



Houston Unlimited, Inc. v. Mel Acres Ranch

443 S.W. 3d 820 (Tex. 2014).



What We Thought

- No more paired sales—must use direct sales before and after.
- Daubert, Dabuert, Daubert.
- Paired sales for adjustments used in direct and paired sales analysis.
- Increased scrutiny on remainder damages opinions.

Well . . .



Caffe Ribbs, Inc. v. State

487 S.W. 3d 137 (Tex. 2016).



Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).

--Ken Frost, Martha Jameson, William Boyce--



Background

- Condemnation case involving TXDOT acquisition of a former oil field storage site that was undergoing remediation.
- Case has issues. Lots, and lots of issues.

Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).



Admission of Expert Testimony

- Improper Assumptions
- Discounted Cash Flow
- **Comparable Sales Analysis**

Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).



Comparable Sales Analysis

- Subjective Assumptions
 - No zoning adjustments
 - Arbitrary adjustments for size/shape with no market support
 - Irrational adjustments for location/frontage
- “Appraising property is not an exact science” *Id.* at 119.
- No error in appraiser using personal experience to make adjustments based on size and shape. *Id.*

Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).



Comparable Sales Analysis

- With regard to Caffe Ribs's contention that Dominy's logic is not supported by market data, adjustments are not "deemed unreliable or invalid if they have not previously been subject to peer review because the very nature of appraisal adjustments calls for a less rigid test of reliability and can hinge on an expert's experience."
Id.

Caffe Ribs, Inc. v. State

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Caffe Ribs, Inc. v. State

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... And ...

- We at least got a cite to Mel Acres?
 - When an expert's opinion is predicated on a particular set of facts, those facts need not be undisputed. *Hous. Unlimited, Inc. v. Mel Acres Ranch*, 443 S.W.3d 820, 833 (Tex. 2015).
- Harmful Error
 - Trial court abused its discretion in excluding evidence concerning the State's role in delaying the condemned property's environmental cleanup, which went directly to the property's market value, and the court of appeals erred in affirming the exclusion.

Caffe Ribs, Inc. v. State

487 S.W. 3d 137 (Tex. 2016).



A Small Gift for Roy?

An impending condemnation project . . . can distort the value of property. The inflationary effects of such a project are referred to as "project enhancement" . . . *Since neither project enhancement nor project diminishment reflects true "market value"—that is, what a willing buyer would pay a willing seller under market conditions—the project-influence rule has evolved to ensure that such components of value are removed from the market-value determination.* The rule thus provides that any change in property value that results from the government manifesting a definite purpose to take property as part of a governmental project must be excluded from an award of adequate compensation. The rule ensures that the condemnee is made whole, not placed in either a better or worse position than he or she would have enjoyed had there been no condemnation. *Id.* at 143.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)

--Tracy Christopher, Sharon McCally, Brett Busby--



Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



Background

- Condemnation case involving Flood Control District's acquisition of 42 acres for a detention pond.
- The District appealed trial court judgment (\$11,636,238.00) on the basis of inadequate comparable sales data.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



Things we think we knew

- Court of Appeals agreed that the following sales were not admissible:
- Kinder Morgan Sale. Unaccepted offers to buy or sale are not admissible. *Id.* at *16. See *State v. Clevenger*, 384 S.W.2d 207, 209 (Tex. Civ. App.—Houston 1964, writ ref'd n.r.e.).
- The School Sale. Sales to entities with the power of eminent domain cannot be used as comparable sales. *Id.* *20.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



Things we think we knew

- Sales to entities with the power of eminent domain cannot be used as comparable sales. *Id.* *20.
- Landowner argued sale should be allowed because it was voluntary and not made under threat of condemnation citing to *Transwestern Pipeline Co. v. O'Brien*, 418 F.2d 15, 18-19 (5th Cir. 1969).
- Didn't know about that case...maybe we will talk about it later . . .

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



Things we didn't know we didn't know?

- The Frantz Sale. Binding sales contracts are admissible. *Id.* at *17. Even very interesting ones apparently.
- The contract the court allowed was amended to increase the price of the 42 acre tract by 100% days after the buyer had a meeting with the City's works department where he learned that the City wanted to acquire a portion of the entire 98 acres that were put under contract. There was debate about whether the 42 acres were identified.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



Things we didn't know we didn't know

- Contract was amended 7 more times to push back the closing date.
- Contract ultimately terminated “so land could be sold to school.”
- The District argued project influence rule barred the sale.
- Court held that District failed to secure a ruling on when project influence was triggered, and couldn't complain on appeal.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



The Other Sales

- Two other comparable sales involved 2+ acre tracts that were purchased by Candlewood Suites and La Quinta for hotels.
- The District challenged everything about these sales.

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



The Other Sales—Mel Acres?

- Size: The two hotel properties were less than 1/19th the size of the condemned property.
 - Other courts have done worse? *Joyce v. Dallas County*, 141 S.W.2d 745, 745, 746 (Tex. Civ. App.—Beaumont 1940, no writ)(allowing 85.5 acre tract as evidence of the value of 2.63 acre tract).
- Zoning: Highway Services vs. Industrial.
 - Both commercial and “relatively” the same

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



The Other Sales—Mel Acres?

- Access: Major intersection vs. no physical access
 - Ok, but, um, it's not as bad as the cases where sales were excluded?
 - What about *City of Garland v. Joyce*, 462 S.W. 2d 86 (Tex. Civ. App. 1970, writ ref. n.r.e.)(comparable sales included corner tracts at the intersection of paved streets in developed areas zoned for commercial or apartment purposes; condemned land was a vacant unimproved lot traversed by a railroad and a creek, not served by an existing street, and zoned for single family residences).

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



The Court's Takeaway

- “On the whole—including the recency of the Candlewood Suites site's sale and its location a quarter mile from the condemned property—we cannot say that the trial court abused its discretion in failing to exclude this comparable-sales evidence.” *Id.* at *33.
- Your Takeaway?

WE'RE GOING

BACK

The word 'BACK' is rendered in a bold, italicized, sans-serif font. The letters are filled with a gradient from orange to yellow. The text is surrounded by a bright blue glow and several jagged, stylized lightning bolts. The right side of the word 'BACK' is cut off by a series of parallel lines that create a tunnel-like effect, suggesting the text continues.

Natural Gas Pipeline Co. of Am. v. Justiss

397 S.W.3d 150 (Tex. 2012)



Natural Gas Pipeline Co. of Am. v. Justiss

397 S.W.3d 150 (Tex. 2012)

Background

- Nuisance case involving allegations by neighboring landowners that noise and odor from gas compressor station constituted a nuisance and had resulted in a decrease in the market value of their properties.
- Testimony related to damages was offered by the landowner's themselves.



Natural Gas Pipeline Co. of Am. v. Justiss

397 S.W.3d 150 (Tex. 2012)

Holding

- Property Owner Rule—qualifies landowner to testify as to value.
- Testimony must meet the “same requirements as any other opinion evidence.” *Id.* at 156.
- Because property owner testimony is the functional equivalent of expert testimony, it must be judged by the same standards. *Id.* at 159.



Natural Gas Pipeline Co. of Am. v. Justiss

397 S.W.3d 150 (Tex. 2012)

Holding

- An owner may not simply echo the phrase "market value" and state a number to substantiate his diminished value claim; he must provide the factual basis on which his opinion rests. *This burden is not onerous, particularly in light of the resources available today.* Evidence of price paid, nearby sales, tax valuations, appraisals, online resources, and any other relevant factors may be offered to support the claim. But the valuation must be substantiated; a naked assertion of "market value" is not enough.



Wood v. Kennedy



473 S.W.3d 329 (Tex.App.—Houston [14th Dist.] 2014, no pet.)
--William Boyce, Brett Busby, Ken Wise--



Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).



Comparable Sales Analysis


- With regard to Caffe Ribs's contention that Dominy's logic is not supported by market data, adjustments are not "deemed unreliable or invalid if they have not previously been subject to peer review because the very nature of appraisal adjustments calls for a **less rigid test of reliability and can hinge on an expert's experience.**" *Id.*

Wood v. Kennedy

MONTH DAY YEAR AM HOUR MIN
NOV 25 2014 06 00
DESTINATION TIME

473 S.W.3d 329 (Tex.App.—Houston [14th Dist.] 2014, no pet.)

--William Boyce, Brett Busby, Ken Wise--



"Hello, Hello, anybody home?
Hey, think, McFly, think

Harris Cnty. Flood Control Dist. v. Taub

2016 Tex.App. Lexis 9326 (Tex.App.—Houston [14th Dist.] Aug. 25, 2016, pet filed)



The Court's Takeaway

- “On the whole—including the **recency** of the Candlewood Suites site's sale **and its location a quarter mile from the condemned property**—we cannot say that the trial court abused its discretion in failing to exclude this comparable-sales evidence.” *Id.* at *33.
- Zoning: Highway Services vs. Industrial.
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Wood v. Kennedy



473 S.W.3d 329 (Tex.App.—Houston [14th Dist.] 2014, no pet.)

--William Boyce, Brett Busby, Ken Wise--

- Eviction Case involving reasonable rental value of the property during holdover period.
- Landlord had extensive history in real estate business (operating between 50-60 rental properties at the time) and testified as to reasonable rental rate under Property Owner Rule.
 - Court said experience, without more, is not enough. *Id.* at 338.
- Landowner offered rental rate of another building she owned a few blocks away that was used as a café.
 - Court said that sale wasn't comparable when compared with the subject property that had been used for storage. Court opined that "It appears the witnesses' main reason for using the property as a comparison is its proximity to the subject property. Yet the witnesses provided few other details on the characteristics of the subject property and the comparable rental, and few details on how differences between the properties informed their valuation opinions."
- Landowner concluded to value less than that of her comparable sale based on the condition of the subject property.
 - Court said that she failed to offer a factual basis supporting her conclusion that a 44 cent downward adjustment was proper—equating it with the invocation of the phrase "fair market value."

Caffe Ribs, Inc. v. State

468 S.W.3d 94 (Tex.App.—Houston [14th Dist. 2014], see the future).



RWH Homebuilders v. Black Diamond Dev.

2015 Tex.App. Lexis 8876 (Tex.App.—Houston [14th Dist.] Aug. 25, 2015, no pet.)

- Breach of Contract case involving right of repurchase and value of lots subject to the same.
- Court found that RWH was entitled to repurchase the lots for the current market value of \$2.4 million (\$160k per lot as determined by the judge in the trial to the bench). RWH challenged the sufficiency of the evidence supporting the fair market value of the lots that was offered by Black Diamond's corporate representative.
- Court laid out the *Justiss* standard, and added that, "[i]n addition, evidence of the amount paid in the past to purchase property, by itself, is legally insufficient to support a finding as to the property's market value at a later date." *Id.* at *28 (citing *Lee v. Dykes*, 312 S.W.3d 191, 195-99 (Tex. App.—Houston [14th Dist.] 2010, no pet.)).
- That caveat aside, the Court held that Black Diamond presented evidence sufficient to support the judgement in offering that:
 - (1) Black Diamond paid \$167,000.00 when it bought the lots in 2008;
 - (2) The lots were selling well;
 - (3) The lots had been appraised for \$175,000 each in 2011 as evidenced by a summary of appraisal sheet provided to RWH and admitted into evidence.

Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)

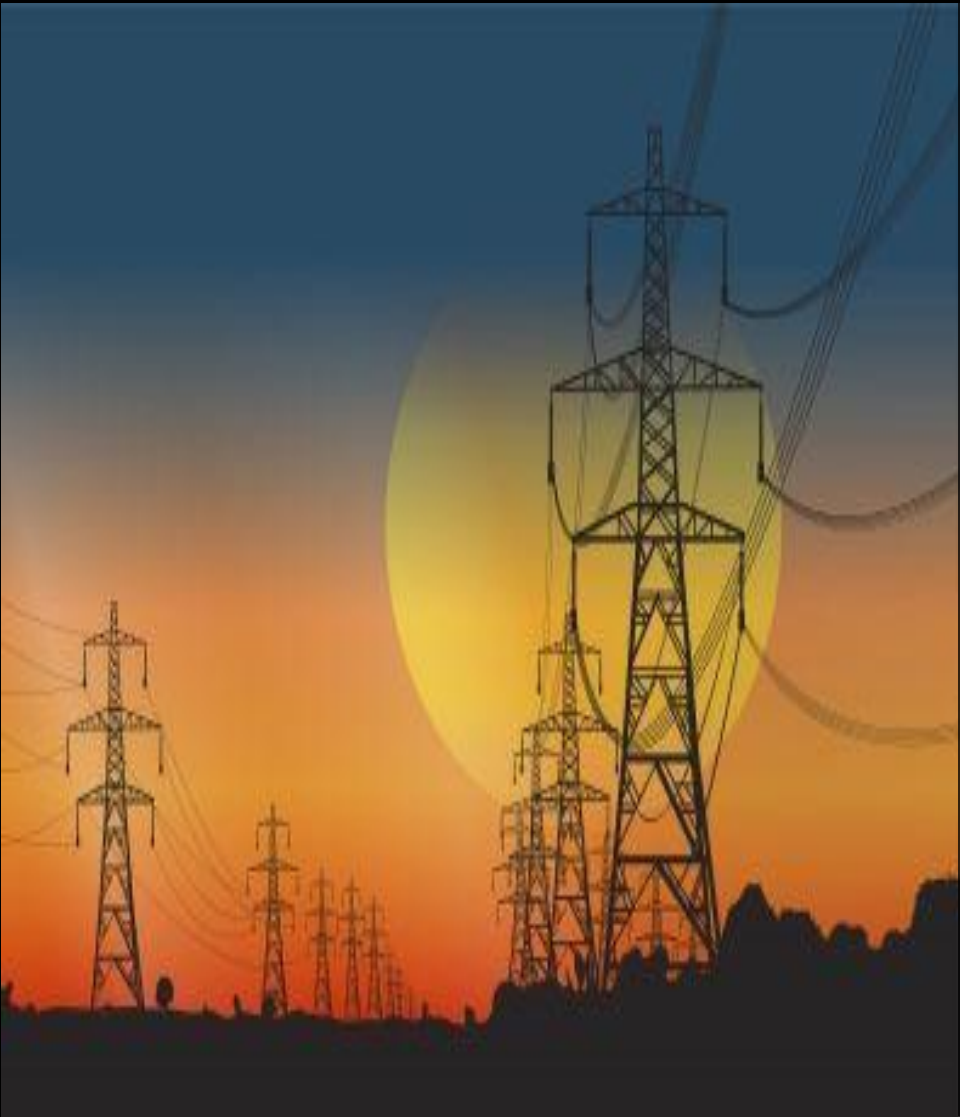


Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)

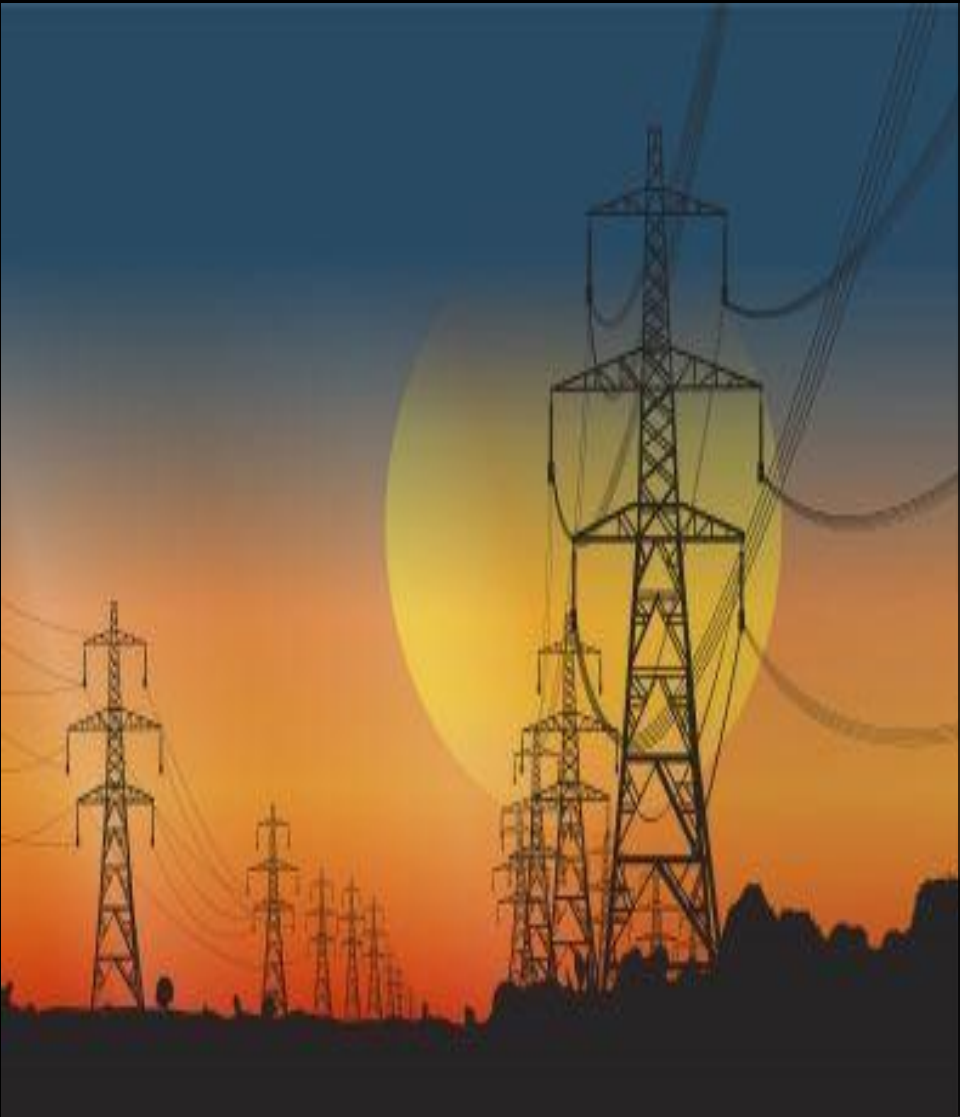
Background

- HVTL Condemnation Case involving large property in Brown and Mills Co. that, prior to the additional power line, had been used in a paired sales analysis by most appraisers in this room.
- Jury returned a damages award in excess of the landowner's appraiser's opinion.
- Oncor challenged the landowner's valuation testimony.



Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)



Landowner Testimony

- Purchase the property for \$2,100 per acre but land was really worth \$2,400.00 per acre (IRS, family issues).
- 15 year history of buying and selling property. He always made money.
- He kept up with rural real estate values and regularly talked to brokers in the market area.
- Stated that at the time he purchased the property, Mills Co. (\$3,200-\$3,800) and Lee Co. (\$2,400-\$2,800). Are these facts or opinions?

Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)



WASHINGTON, DC



THE WHITE HOUSE

MEET
THE PRESS

Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)

The Court

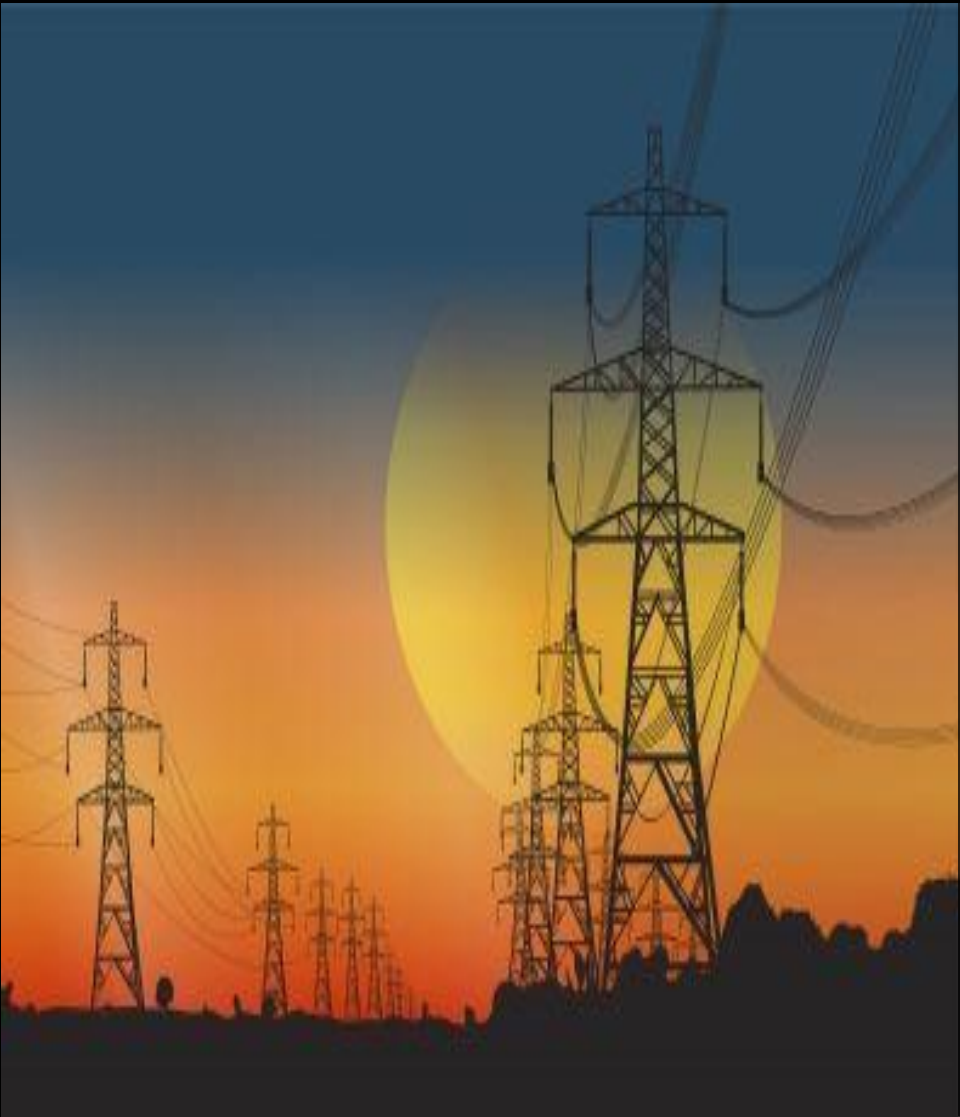
- Bought it!
- “Based on his background, experience, and sources of knowledge, [Landowner] testified that Lee Ranch, ***which had no comparison*** in Brown County, was worth \$2,400 per acre before the condemnation and \$2,150 per acre after the condemnation.” *Id.* at *11.



I WANT TO BELIEVE

Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)



The Court

- “Copeland explained his background, knowledge, and experience in the ranch real estate market, and he substantiated how he determined his valuations, which included information on the factors that affected the sales price, his costs to acquire the property, the property's unique characteristics and limitations, the unavailability of comparable properties in Brown County, and the fact that ranching and cultivation were the only ways to generate income.” *Id.* at *12.
- Maybe it is in the record and the court just didn't put this information in the opinion?

Wood v. Kennedy



473 S.W.3d 329 (Tex.App.—Houston [14th Dist.] 2014, no pet.)

--William Boyce, Brett Busby, Ken Wise--

- Eviction Case involving reasonable rental value of the property during holdover period.
- Landlord had extensive history in real estate business (operating between 50-60 rental properties at the time) and testified as to reasonable rental rate under Property Owner Rule.
 - Court said experience, without more, is not enough. *Id.* at 338.

Natural Gas Pipeline Co. of Am. v. Justiss

397 S.W.3d 150 (Tex. 2012)

- “Joe Donald Mashburn provided the most detail, but even his testimony was insufficient. Although he demonstrated his familiarity with area market values, he failed to explain the factual basis behind his determination that his property suffered a \$400,000 decrease in value. His statement that it was ‘based on property sales around in the area’ provides little more detail than using the words “market value.””

***Oncor Elec. Delivery Co., LLC v. El
Halcon Invs. LLC***

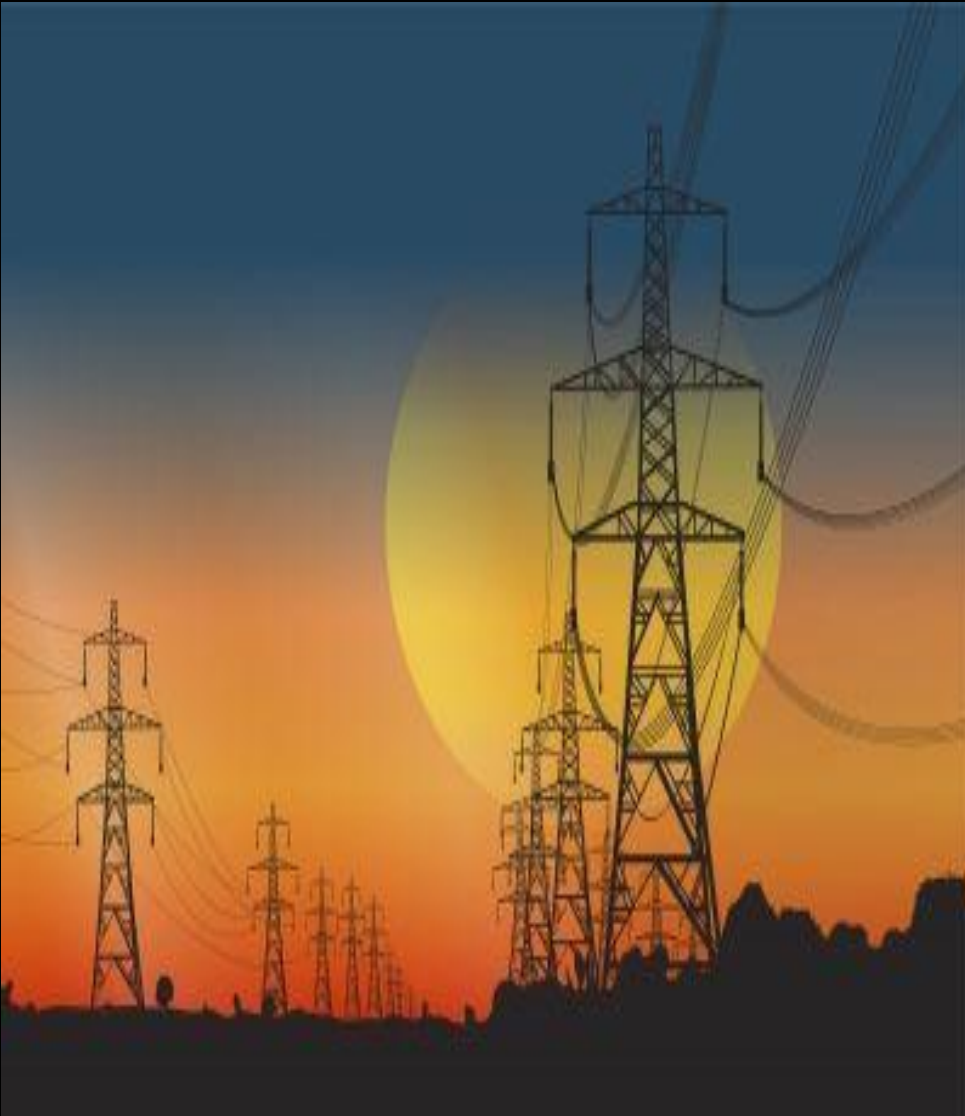
2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)

Oncor: “If he had a basis for damages it was a doubling of the amount concluded to by an appraiser whose opinion was struck as being unreliable.”

Oncor Elec. Delivery Co., LLC v. El Halcon Invs. LLC

2016 Tex.App. Lexis 8173 (Tex.App.—Eastland July 29, 2016, pet. filed)

**Brad's Face When Reading
This Opinion**



Crosstexover between Nuisance and Inverse Condemnation



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Background

- Nuisance case involving another compressor station.
- The compressor station is part of a 130 mile long pipeline, and is located in a rural part of Denton Co.
- The compressor station at issue is large, containing four diesel engines each bigger than a mobile home—one of which is always running.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Background



- Immediately after the station went on line the Gardiners and other neighboring landowners began to complain.
- Crosstex's public relations specialist called the noise "bad" and "very loud"—stating that a person standing at the road by the station would need to scream to be heard and that the noise was louder than it should have been.
- Crosstex' hosted meetings with dozens of neighbors and promise to remedy the noise

Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Background

- Crosstex hired firm, and over four year period took steps to remedy sound issues including partially enclosing the engines, installing sound walls and planting vegetation around the building.
- It wasn't enough and the Gardiners filed suit alleging private nuisance, ordinary negligence and gross negligence seeking damages to the value of their property.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Background

- Jury awarded the Gardiners \$2.0 million in damages to the fair market value of their property based on the permanent nuisance of the compressor station.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

The Court

- Spends decision defining what constitutes an actionable nuisance.
- Virtually any disturbance of the enjoyment of property can constitute a nuisance, but to be actionable it must be a “condition that substantially interferes with the use and enjoyment of land by causing unreasonable discomfort or annoyance to persons of ordinary sensibilities attempting to use and enjoy it.” *Id.* at *39.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

The Court

- Three types of nuisance:
 - Intentional (knowledge of substantial certainty)
 - Negligent (ordinary care)
 - Strict-liability (abnormally dangerous)
- Court affirmed that negligent nuisance claim was legally sufficient, but upheld court of appeals determination that evidence was factually insufficient to support the verdict.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

The Court

- Stated it saw no evidence of abnormally dangerous activity in affirming denial of trial amendment requesting instruction on the same.
- Remanded to trial court—but not much left to try.



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Takeaways

- Nuisance action could potentially be used to recover compensation for damages to land adjacent to utility easements if elements can be proven.
- Negligent Nuisance was found by jury in this case. What happens here if there is no mitigation by Crosstex?



Crosstex N. Tex. Pipeline, L.P. v. Gardiner

59 Tex. Sup. J. 1455 (Tex. 2016)

Brad?

- Probably not an issue for governmental utilities or condemnors. See *Port of Houston Authority v. Aaron*, 415 S.W.3d 355, 365 (Tex. App.- Houston [1st Dist.] 2013, no pet.)
- Why is this not a community damage? See *Felts v. Harris County*, 915 S.W.2d 482, (Tex. 1996) and *Aaron v. Port of Houston Auth.*, 2013 Tex. App. LEXIS 11427, 2013 (Tex. App. Houston [1st Dist.] Sept. 5, 2013).

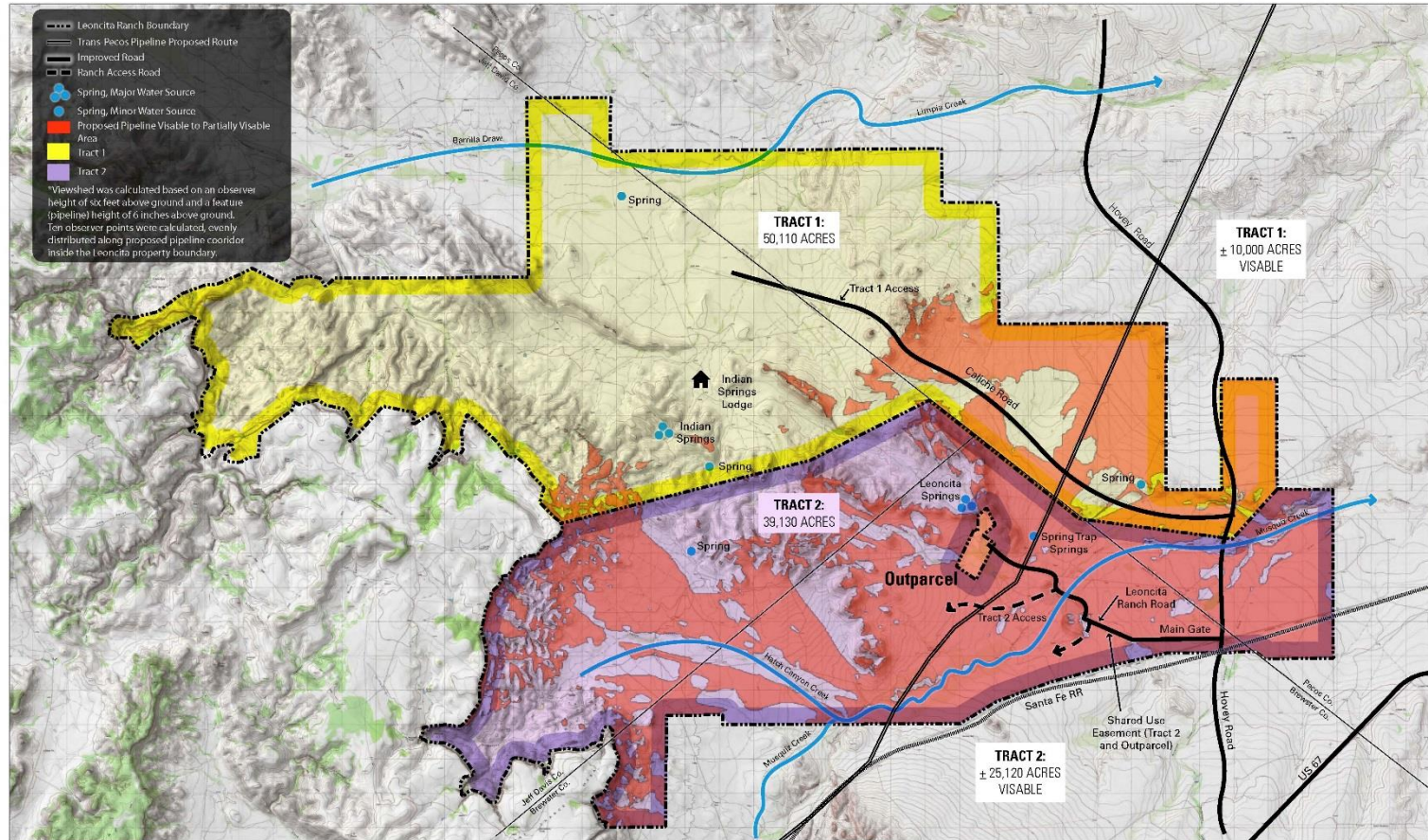


Don't worry. As long as you hit that wire with the connecting hook at precisely eighty-eight miles per hour the instant the lightning strikes the tower... everything will be fine.

Advocacy & Admissibility



The Future of Advocacy in Utility Condemnation Cases



TBG LEONCITA RANCH / PIPELINE VISUAL ANALYSIS

The Future of Advocacy in Utility Condemnation Cases



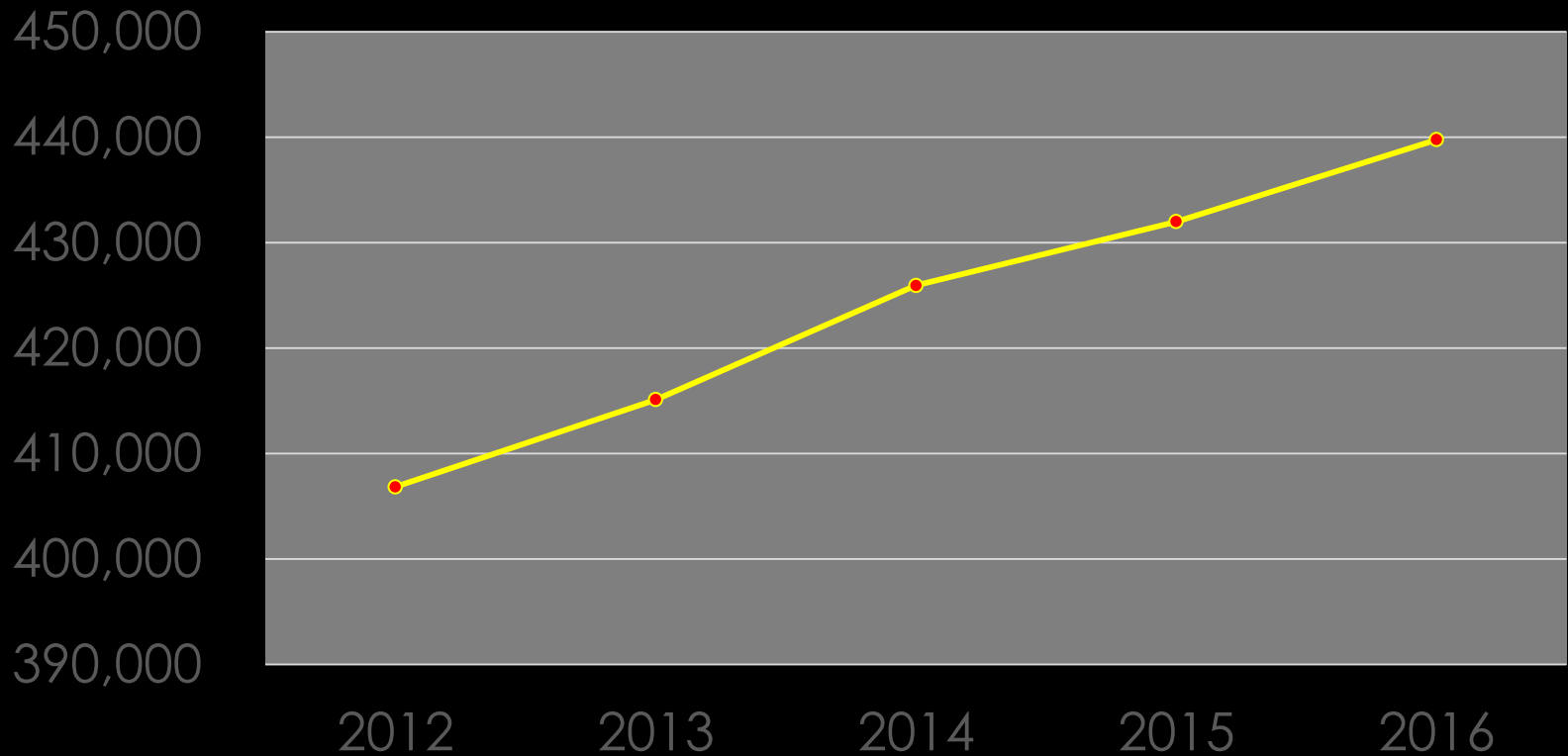
Market Evidence of Utility Easement Sales to Support Just Compensation



Brad's Face When Talking About This Again.



Total Interstate/Intrastate Pipeline Miles In Texas



Bauer v. Lavaca-Navidad River Auth.

704 S.W.2d 107 (Tex.App.—Corpus Christi 1985, writ ref'd n.r.e.)



Background

- Condemnation for water pipeline easement on property that was already burdened with three pipelines, two electric transmission lines, and a railroad in a well-defined corridor.
- Landowner contended that HBU was for sale of easement right-of-ways.
- Condemnor argued that Landowner couldn't value the property as a separate parcel.

Bauer v. Lavaca-Navidad River Auth.

704 S.W.2d 107 (Tex.App.—Corpus Christi 1985, writ ref'd n.r.e.)



Holding

- Trial court agreed with condemnor, but appellate court reversed.
- Court stated that where the utility corridor had effectively been severed, sales of other pipeline easements could be used to value tract with HBU as utility corridor.

Kalmbach v. Seminole Pipeline Co.

No. 03-96-00249-CV, 1998 WL (Tex.App.—Austin 1998, no pet.)



Background

- Condemnation case involving oil pipeline easement located entirely within existing easement of another pipeline.
- At trial, court excluded landowner's testimony of comparable easement sales in established corridors.
- Landowner challenged exclusion on appeal.

Kalmbach v. Seminole Pipeline Co.

No. 03-96-00249-CV, 1998 WL (Tex.App.—Austin 1998, no pet.)



Holding

- Court held that the evidence supported the jury's verdict.
- Court did not address exclusion of evidence of HBU as pipeline corridor.

Enbridge G & P (E. Texas) L.P. v. Samford

470 S.W.3d 848 (Tex.App.—Tyler 2015, no pet.)



Enbridge G & P (E. Texas) L.P. v. Samford

470 S.W.3d 848 (Tex.App.—Tyler 2015, no pet.)

Background

- Condemnation case in which Enbridge sought to acquire a 50 foot pipeline easement across several tracts in Shelby County.
- Only issue at trial was value.
- Appraisers for both sides used similar methodology and reached similar conclusions on damages.
- Landowner then called a lawyer who testified that \$850 a rod would cover it!



Enbridge G & P (E. Texas) L.P. v. Samford

470 S.W.3d 848 (Tex.App.—Tyler 2015, no pet.)

Trial Court

QUESTION NO. 1

What was the market value of the pipeline easement that Defendant condemned on each of the tracts named below?

Answer in dollars and cents for each tract named below.

A. The Samford tract

Answer: \$ 135,677.⁰⁰ (\$ 850 PER ROD - INCLUDING DAMAGES)

B. The Jackson tract

Answer: \$ 26,827.⁸⁰ (\$ 600 PER ROD - NO DAMAGES)

C. The Monk tract

Answer: \$ 27,181.⁸⁰ (\$ 600 PER ROD - NO DAMAGES)

QUESTION NO. 2

What was the damage, if any, to the remainder of the tracts named below as a result of the taking of the pipeline easement?

Answer in dollars and cents, if any, for each tract named below.

A. The Samford tract

Answer: \$ 23,580.⁰⁰ \$ 200 PER ACRE

B. The Jackson tract

Answer: \$ 12,707.¹⁸ \$ 200 PER ACRE

C. The Monk tract

Answer: \$ 6,862.⁰⁰ \$ 200 PER ACRE

- Jury awarded landowners per rod amount for easement area . . .
- . . . and per rod amount as damages.

Enbridge G & P (E. Texas) L.P. v. Samford

470 S.W.2d 949 (Tex. App. - Tyler 2015, no pet.)



**TO BE
CONTINUED...**

