Bond Case Briefs

Municipal Finance Law Since 1971

HIGHWAYS - IOWA

Den Hartog v. City of Waterloo

Supreme Court of Iowa - March 10, 2017 - N.W.2d - 2017 WL 942846

Taxpayers filed petition for writ of mandamus and temporary injunction challenging municipality's agreement to transfer to residential developer property originally acquired for use as a highway right-of-way, alleging that municipality failed to follow statutory procedures for sale of unused right-of-way.

The District Court dismissed action. Taxpayers appealed, and the Supreme Court reversed and remanded with instructions to enter requested injunction. After city gave notices of intended sale under preference statute, taxpayers filed application to find city in contempt of court, and sought restraining order. The District Court found that notices did not satisfy statutory requirements but declined to find contempt. Taxpayers appealed.

The Supreme Court of Iowa held that:

- Developer was not entitled under preference statute to notice of city's intended sale of right-o--way;
- Platted descriptions of right-of-way were sufficient to describe property subject to sale;
- Fair market value of right-of-way had to include value of developer's improvements which were made prior to the notices; and
- City did not act contemptuously when giving notices of sale under preference statutes.

Developer was not the present owner of land adjacent to right-of-way and thus was not entitled under preference statute to notice of city's intended sale of right-of-way. Developer was not an owner of the right-of-way at the time it was acquired by city for highway construction, and any claim of ownership derived from a sale of the right-of-way land to developer from the city did not make developer the present owner of land adjacent to the right-of-way.

City's notices of intended sale, which used platted descriptions, were sufficient under preference statute to describe highway right-of-way property subject to sale.

Fair market value of highway right-of-way, as included in city's notices of intended sale under preference statute, had to include value of developer's improvements which were made prior to the notices. If preferential offers did not equal or exceed the fair market value of the land as improved, city could confirm its prior sale to developer.

City did not act contemptuously, in violation of injunction prohibiting it from selling highway right-of-way without complying with statutory preference sale requirements, when giving notices of intended sale, although city improperly included developer, which previously had purchased the land and began development before sale was challenged, as preferential buyer within the "present owner of adjacent land" category and failed to include developer's improvements in property's stated fair market value, where there was limited interpretive guidance available on the statute, and statutory compliance had been complicated by the prior sale of the land to developer.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com