

Bond Case Briefs

Municipal Finance Law Since 1971

EMINENT DOMAIN - NEW JERSEY

Casino Reinvestment Development Authority v. Birnbaum

Superior Court of New Jersey, Appellate Division - February 15, 2019 - A.3d - 2019 WL 638750

Casino Reinvestment Development Authority (CRDA) brought condemnation action against property owners, seeking a judgment that CRDA had duly exercise its power of domain over the property for redevelopment purposes.

After a hearing, the Superior Court dismissed the action as a manifest abuse of power. CRDA appealed.

The Superior Court, Appellate Division, held that CRDA failed to establish that the condemnation was reasonably necessary.

Casino Reinvestment Development Authority (CRDA) failed to establish that condemnation of private property was reasonably necessary for a proposed redevelopment project, as required for CRDA to exercise its power of eminent domain; the project was intended as a complement to a nearby casino, whose revenue would have provided the project's primary funding, but that casino closed down and statutory changes after the project's conception reduced or eliminated significant funding sources which the CRDA relied on to incentivize private investors to commit to redevelopment, such that CRDA was attempting to bank the property in hopes that it would be used in a future undefined project.