
EMINENT DOMAIN - IOWA

Hawkeye Land Co. v. City of Coralville

Court of Appeals of Iowa - June 12, 2013 - Slip Copy - 2013 WL 2637411

The city of Coralville's decided to extend an avenue over railroad tracks in order to provide street access to a developing subdivision.

Prior to beginning construction on the street extension, Coralville did not initiate eminent domain proceedings. Instead, the city engaged in negotiations with Heartland Rail Corporation (Heartland) under the belief that Heartland held the rights necessary to approve the street extension over the railroad tracks. An agreement was reached between Coralville and Heartland.

Hawkeye Land Company then filed an application for a permanent injunction to prevent the city Coralville from constructing the street extension over railroad tracks, claiming that it alone had the right to grant certain easements.

Ownership of various rights with respect to the railroad tracks was the point of contention between the parties. Hawkeye and Heartland both claimed to have received ownership rights from the railroad's original owner, Chicago Pacific Corporation (CPC). Heartland claims to have purchased rights from CPC and then granted the rights to operate the rail line to Iowa Interstate while retaining the right to grant certain types of easements, including easements necessary to construct a street over the tracks. Coralville argues it has purchased such an easement. Hawkeye argues it purchased certain rights from CPC, including the right to grant easements for "transportation and transmission systems" by "whatever means," which it argued includes streets. The dispute is: which entity actually possesses the right to grant easements necessary to extend Coral Ridge Avenue over the tracks and whether that entity has been properly compensated. If Hawkeye possesses the necessary rights, the street extension could constitute a taking under the Iowa Constitution requiring eminent domain proceedings and payment to Hawkeye. If Heartland owns the right to grant easements, eminent domain proceedings are not necessary because Coralville has compensated Heartland.

Regardless, the district court denied Hawkeye's application for a permanent injunction, finding that Hawkeye had failed to show it will suffer irreparable harm and has no adequate remedy at law. The district court further found that Hawkeye's rights, if any, can be determined in an action for money damages, as money damages would be the result regardless of what type of action was brought.

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