

Bond Case Briefs

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BANKRUPTCY - NEW YORK

In re 300 Washington Street LLC

United States Bankruptcy Court, E.D. New York - March 31, 2015 - B.R. - 2015 WL 1540795

City of Syracuse sought dismissal of the chapter 11 case of 300 Washington Street LLC (Debtor) or, alternatively, relief from the automatic stay so that the City could foreclose against the Debtor's asset, a vacant building in downtown Syracuse, New York (the "Property"), on account of delinquent real estate tax indebtedness. Also at issue was Debtor's objection to allowance of the City's filed proofs of claim and the ability of the City to make a Bankruptcy Code § 1111(b) election on account of its largest claim.

The Bankruptcy Court held that:

- Found in favor of the Debtor on the issues of dismissal and stay relief;
- Disallowed the City's claim for ad valorem taxes in excess of the City's \$595,000 appraised value of the Property;
- Determined that the City could not elect to treat its claim for ad valorem taxes as fully secured pursuant to § 1111(b); and
- Overruled the Debtor's objection as to the City's claims that do not constitute ad valorem real property taxes, without prejudice to the right of the Debtor to seek disallowance or reduction of said claims on other grounds.