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INVERSE CONDEMNATION - MICHIGAN

HRT Enterprises v. City of Detroit

United States District Court, E.D. Michigan, Southern Division - August 13, 2015 - Slip Copy - 2015 WL 4771118

HRT Enterprises owns an eleven-acre parcel in the City of Detroit located directly across French Road from the Coleman A. Young International Airport.

The City's 2009 Airport Layout Plan contemplates an enlarged airport and includes the HRT property as designated for acquisition by the City in the event the development goes forward. HRT says that the City has inversely condemned the property by delaying its acquisition, and by taking actions that substantially reduce the property's value and deprive the property of any viable use.

In 2005, HRT initially sued the City in state court for inverse condemnation; however, a jury determined that the City's actions did not amount to a taking of the property. In this case, HRT sought a determination that the City's actions since 2005 amount to a taking of the property.

In March of 2013, the Court denied the City's motion for summary judgment. The Court explained in its decision that the additional facts that HRT says occurred after a state court jury reached an unfavorable verdict in 2005 "might lead a jury to conclude that today, in 2013, a taking of [the] property has occurred."

In May 2013, HRT filed a Motion for Summary Judgment on Liability, which was granted.

The court concluded that, although there were no approved plans to expand the airport or acquire the property, the City had effectively placed a hold on the property with no compensation to HRT.

"For all practical purposes, the City has effectively acquired HRT's property. The property is not commercially useable, and the City has not paid for its 'ownership.' It has inversely condemned the property.

The issue of damages would proceed to trial.