

Bond Case Briefs

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EMINENT DOMAIN - CALIFORNIA

City of Perris v. Stamper

Supreme Court of California - August 15, 2016 - P.3d - 2016 WL 4268627

City filed eminent domain action to acquire land for truck route through light industrial land, and appraised the take as undevelopable agricultural land on theory that it would not approve any development unless landowners gave or dedicated truck route land to the city.

After bifurcation and court trial on legal issues, the Superior Court entered judgment for city regarding dedication issue. Following stipulated judgment as to appraisal, landowners appealed. The Court of Appeal reversed and remanded. City petitioned for review. The Supreme Court granted review, superseding the opinion of the Court of Appeal.

The Supreme Court of California held that:

- Requirements of “essential nexus” and “rough proportionality” were questions for the court, not a jury, disapproving *City of Hollister v. McCullough*, 26 Cal.App.4th 289, 31 Cal.Rptr.2d 415, and
- Project effect rule generally applies when it is probable at the time a dedication requirement is put in place that the property subject to the dedication will be included in the project for which condemnation is sought.

The questions of “essential nexus” to a valid public purpose and “rough proportionality” to the impact of the proposed development, for a dedication requirement alleged to reduce the fair market value of condemned property to satisfy the Fifth Amendment, were questions for the court rather than a jury, since they were mixed questions of law and fact in which the legal issues predominated, and they were analytically prior to any factual dispute as to whether the condemner would actually have reduced the value of the property by requiring the dedication as a condition for development; disapproving *City of Hollister v. McCullough*, 26 Cal.App.4th 289, 31 Cal.Rptr.2d 415.

The project effect rule generally applies to an agency’s expectation for property to be dedicated as a condition of development of adjacent properties, and thus the dedication requirement is not considered in valuing the property in an eminent domain proceeding, when it is probable at the time a dedication requirement is put in place that the property subject to the dedication will be included in the project for which the condemnation is sought.