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EMINENT DOMAIN - NEW YORK

Bowers Development, LLC v. Oneida County Industrial Development Agency

Court of Appeals of New York - December 14, 2023 - N.E.3d - 2023 WL 8629207 - 2023 N.Y. Slip Op. 06406

Owner of certain real property that had been condemned by eminent domain by county industrial-development agency for use as a surface parking lot associated with hospital and healthcare facility petitioned to annul condemnation determination.

The Supreme Court, Appellate Division, granted petition. Agency appealed.

The Court of Appeals held that agency had rational basis for concluding that use of property was for a “commercial” purpose, and so had authority to condemn property.

County industrial-development agency had rational basis for concluding that use of certain real property as surface parking lot associated with hospital and healthcare-facility project was for a “commercial” purpose, and so had authority to condemn property by eminent domain; as a general matter parking facility used by customers of a profit-making business generally had a “commercial” purpose, proposed use of this property did not serve any healthcare-related function, but facility instead functioned simply to satisfy need for parking created by medical office building and to provide public parking at night, although some paying tenants of medical office building provided healthcare services, building itself was an office building with space leased out to paying tenants, and even assuming some of its paying tenants could have qualified as “hospitals” or “health-related facilities,” that would not have negated commercial nature of office building as a whole.