

Bond Case Briefs

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EMINENT DOMAIN - FEDERAL

Kotis Associates, LLC v. United States

United States Court of Federal Claims - April 23, 2025 - Fed.Cl. - 2025 WL 1197003

Owners of 13 parcels of land underlying and immediately adjacent to railroad corridor filed suit seeking just compensation in amount upwards of \$44,744,774 plus interest for taking of owner's property allegedly effected by rails-to-trails conversion, authorized by Surface Transportation Board (STB) by issuing notice of interim trail use (NITU), of former railroad right-of-way (ROW) into new easement for trail use subject to preservation for future rail use, known as interim trail use and railbanking (ITUR) easement, owned and operated by city as trail sponsor and created under railbanking provision of National Trails System Act Amendments.

After government conceded liability, owners moved for partial summary judgment as to applicable interest rate, bench trial was held on valuation, and government moved to reopen trial record.

The Court of Federal Claims held that:

- Corridor description adopted by STB was dispositive that ITUR easement was up to 100 feet wide either side of centerline;
- Government was judicially estopped from arguing that STB adopted incorrect description of corridor;
- Scope of city's ITUR easement was not controlled by width of railroad's former ROW;
- City's ITUR easement was exclusive so owners did not have right to use corridor;
- Railroad would have abandoned corridor but for conversion to trail;
- Owners were not entitled to recover cost of building privacy wall;
- Just compensation would be awarded in amount of \$42,641,740; and
- Interest would be calculated using Moody's Aaa Corporate Bond rate compounded annually.