
Illinois Court Rules An Agency Violated Rights of Landowner

By a WALL STREET JOURNAL Staff Reporter
EAST ST. LOUIS, Ill. — An Illinois appeals court ruled that a redevelopment authority overreached when it took property from a metals-recycling company and gave it to a speedway concern to spur economic development.

The 3-0 decision, handed down last week, is one of a growing number of state-court decisions that have curbed local governments' powers to take property from one private owner to give to another. The case was described in a front-page Wall Street Journal article in December.

The court said the agency, the Southwestern Illinois Development Authority, violated the metals company's rights under both Illinois and federal constitutions in using its powers of eminent domain to take the property.

The case began last year, when a lower state court granted the agency's request to take property from closely held National City Environmental LLC, East St. Louis, Ill., and resell it to the track, now owned by Dover Downs Entertainment Inc., Dover, Del. The land was to be used for a parking lot. A Dover Downs official couldn't be reached.

Alan Orthals, executive director for the authority, which was created by Illinois statute and is based in Collinsville, said the agency is "disappointed" by the decision and considering an appeal. He added that economic development is itself a "very great public purpose" that benefits more than a single company.

Jeff Pitzer, a Chicago lawyer for the recycling company, said it will ask the lower court to return the land's title to his client.
