

Kelo v. New London

Fact Sheet

Facts:

New London, a city in Connecticut, used its eminent domain authority to seize private property to sell to private developers. The city said developing the land would create jobs and increase tax revenues. Susette Kelo and others whose property was seized sued New London in state court. The property owners argued the city violated the Fifth Amendment's takings clause, which guarantees the government will not take private property for public use without just compensation. Specifically the property owners argued taking private property to sell to private developers was not public use.

The city has carefully formulated a development plan that it believes will provide appreciable benefits to the community, including, but not limited to, new jobs and increased tax revenue. As with other exercises in urban planning and development, the city is trying to coordinate a variety of commercial, residential, and recreational land uses, with the hope that they will form a whole greater than the sum of its parts. To effectuate this plan, the city has invoked a state statute that specifically authorizes the use of eminent domain to promote economic development.

The overwhelming majority of property owners approached by the city accepted the city's offer to purchase their property.

The fight began in 1998, when the city of New London unveiled plans to let a private developer build condominiums, shops, parking lots and a hotel in the area known as Fort Trumbull, a neighborhood that included Kelo's house and about 115 other lots. For New London, a hard-luck industrial town, the project held the promise of a much needed economic boost. If the homeowners wouldn't sell their land voluntarily, the local government, citing eminent domain, threatened to take it by force.

Kelo banded together with other holdouts to sue the city, challenging its right to take her home in the name of the greater public good.

The town of New London offered Kelo more than twice what she paid for her house when she purchased it in 1997. "Financially, I make out best if I leave," she says bluntly. For Kelo, the issue is more basic than dollars and cents: She loves her home and wants to stay in it. She put time, sweat and money into fixing up the two-bedroom 1893 cottage. In 1998 they offered her \$79,000, which was above fair market value. That was nearly 50% more than the \$53,000 she'd paid just three years before. Two years later, they upped the price to \$123,000. The surrounding neighborhood consists of a hodgepodge of small businesses, rental apartments and homes (some abandoned or falling apart; others, like Kelo's, in pristine shape).

Issue:

Does a city violate the Fifth Amendment's takings clause if the city takes private property and sells it for private development, with the hopes the development will help the city's bad economy?

5th Amendment:

“ . . . nor shall private property be taken for public use, without just compensation.”