

Levee district spared bulk payoff Cash for land taken due in installments

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A judge ruled Thursday that the Pontchartrain Levee District does not have to pay a New Orleans company \$6.5 million up front for land taken for St. Charles Parish's east bank hurricane levee, but can instead pay the total in installments over four years.

During a hearing in Hahnville, state District Judge Kirk Granier ruled that the district's request to pay St. Charles Airline Lands Inc. over four years was appropriate, based on the agency's budget. He also said the company's request for the total amount in a lump sum was premature.

"There is no way the levee district can cut a check and raise taxes in that short a time," Granier said. "They are within their discretion to pay you as they are offering to pay you."

District officials had warned that a lump-sum payment would have required them to raise the taxes on residents in the district, which stretches from the Kenner line to Baton Rouge.

St. Charles Airline Lands Inc. is owned mostly by the Monteleone family of New Orleans.

The land issue began in the early 1990s, when the district paid the company \$66,830, or about \$750 an acre, to expropriate 88 acres north of Airline Drive for part of an east bank hurricane levee.

In 2003, landowners took the district to court to recover money they said the company lost in the expropriation. Granier ruled that the land was worth nearly \$9,000 an acre.

Thursday's judgment also included additional compensation of \$6.5 million for fees to expert witnesses and attorneys, as well as interest on the land calculated from the early 1990s.

Airline Lands attorney Randall Smith filed a petition asking for the district to pay the \$6.5 million in a lump sum. During the hearing he argued that the district could do so because it has \$10 million set aside for contingencies and \$23 million budgeted for special construction funds and projects.

But Pontchartrain Levee District President Steve Wilson testified that it was necessary to set aside money for emergencies and to keep on track special projects coordinated with the Army Corps of Engineers. Wilson said his agency would have to triple taxes on every taxpaying entity in the district to pay off the company immediately.

As part of the settlement, the district wrote a check for \$2.2 million to the landowners Thursday. It also will pay \$1.2 million a year for the next three years and \$1.2 million plus about \$300,000 in interest the fourth year.

Levee district attorney Ryland Percy was pleased overall with the results of the hearing.

"We're still not happy with the underlying judgment," he said of the prior ruling that the land was worth about \$9,000 an acre. "That being said, this is a fair manner of resolving this issue finally."

Airline Lands attorney Smith said that while he thought the district could have afforded to pay the total, he was satisfied with payment of the judgment plus interest.

"We got a check for \$2.2 million today," he said. "You can't really complain."