

St. Bernard Parish keeps seized river port facility, but at more than twice the original cost

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In the end, the St. Bernard Parish port authority will be able to keep the Mississippi River facility it seized from a private company nearly nine years ago, but the cost will be more than twice as expensive as the original price tag.

The Louisiana Supreme Court recently opted to leave in place an appellate court's ruling that the parish needs to cough up \$18 million more – including annual interest – after seizing Violet Dock Port from its original owners for \$16 million.

The high court's 5-2 ruling in effect wraps up an intricate legal battle that was widely viewed as an important test of the government's power to take land. Both sides can claim victory, with St. Bernard fending off the original owners' furious push to take their facility back, but also being forced to pay much more for the land.

The price will also balloon still further when attorneys' fees and costs owed to Violet Dock Port's original owners are set, their lead attorney, Randy Smith, said Friday.

Smith's clients estimate that they racked up \$6 million in attorneys' fees and costs during a dispute dating back to 2010.

"For over eight years, these local citizens have had to fight the unwanted taking of their Mississippi River property and business," Smith said in a statement. "Any check on the widespread governmental abuse of the power of eminent domain should be applauded, and while ultimately unable to stop the taking, we are most gratified to have a final ruling finding (significant) additional compensation."

It was not immediately clear from what source the additional funds will come.

The parish port's lead attorney on the case, Jim Garner, said he had no comment.

The case centers on the St. Bernard port authority's use of \$16 million in state funds to assume control of Violet Dock Port's land along a mile of river frontage, as well as several deepwater berths the company had spent decades developing.

Violet Dock Port serviced U.S. Navy ships there and had geared up to begin lucrative bulk-cargo operations. But then the seizure occurred, and St. Bernard leased the site to a rival company named Associated Terminals, which runs other facilities owned by the parish port authority.

Smith contended that St. Bernard violated guidelines for the use of eminent domain by doing almost nothing to change the Violet Dock Port facility or how it was used following the takeover. He also argued that port officials were simply trying to do a favor for Associated Terminals, which enjoyed important government connections.

Garner and port officials hit back by saying the seizure enabled the government to commercially transport goods and people, a valid public purpose. Additionally, the parish port authority argued that Violet Dock Port's bulk-cargo expansion plans were not as developed as the firm claimed.

Ultimately, the original owners sued for the return of their property, or failing that, a much higher price for it.

St. Bernard state court Judge Jacques Sanborn ruled in the port's favor on its right to seize the property and said \$16 million was a fair price. A split 4th Circuit Court of Appeal panel then left Sanborn's decision in place, prompting the plaintiffs to take the case to the state Supreme Court.

The high court decided the takeover was legal but rejected the \$16 million price tag as unfairly low. The case went back to the 4th Circuit, which set the new price at \$29 million, plus a total of about \$5 million in interest dating back to the seizure.

St. Bernard's port authority then asked the state Supreme Court to review the ruling setting that price. Chief Justice Bernette Johnson joined Justices Marcus Clark, Greg Guidry, Jefferson Hughes and James Genovese in voting to leave the appellate court's ruling in place.

Justices John Weimer and Scott Crichton voted in favor of revisiting the case.

The Supreme Court justices communicated their decision Feb. 11 in a one-word ruling reading, "Denied." The ruling became part of the record on Wednesday.

Note: This article was updated to correct the breakdown of the justices votes.