

Donald Trump's history of eminent domain abuse

by Ilya Somin August 19, 2015

David Boaz of the Cato Institute has [an excellent article](#) summarizing Donald Trump's shameful history of promoting eminent domain abuse for the purpose of seizing property from homeowners and businesses who refuse to sell to him:

For more than 30 years Vera Coking lived in a three-story house just off the Boardwalk in Atlantic City. Donald Trump built his 22-story Trump Plaza next door. In the mid-1990s Trump wanted to build a limousine parking lot for the hotel, so he bought several nearby properties. But three owners, including the by then elderly and widowed Ms Coking, refused to sell.

As his daughter Ivanka said in introducing him at his campaign announcement, Donald Trump doesn't take no for an answer.

Trump turned to a government agency – the Casino Reinvestment Development Authority (CRDA) – to take Coking's property....

Peter Banin and his brother owned another building on the block. A few months after they paid \$500,000 to purchase the building for a pawn shop, CRDA offered them \$174,000 and told them to leave the property. A Russian immigrant, Banin said: "I knew they could do this in Russia, but not here. I would understand if they needed it for an airport runway, but for a casino?"

Ultimately, as Boaz notes, Trump and the CRDA lost in court in *CRDA v. Banin*, an early victory for the Institute for Justice – the public interest law firm that later litigated *Kelo v. City of New London* and other landmark property rights cases.

As Boaz notes, this was not the only time that Trump sought to use eminent domain to seize property from unwilling owners. In 1994, he also lobbied the city of Bridgeport to condemn five small businesses so he could build an office and entertainment complex that he absurdly claimed would turn Bridgeport into a "national tourist destination."

On this issue, unlike most others, Trump has been consistent over time. When the Supreme Court narrowly upheld "economic development" takings that transfer property to private parties in the 2005 *Kelo* case, the ruling was widely denounced on both left and right. But Trump defended it stating that "I happen to agree with it 100%. if you have a person living in an area that's

not even necessarily a good area, and ... government wants to build a tremendous economic development, where a lot of people are going to be put to work and ... create thousands upon thousands of jobs and beautification and lots of other things, I think it happens to be good." The feral cats who currently occupy the condemned land probably agree. Trump did not merely claim that the decision was legally correct; he argued that it was "good" to give government the power to forcibly displace homeowners and small businesses and transfer their property to influential developers on the theory that doing so might promote "economic development."

Both the *Kelo* case and Trump's efforts to benefit from eminent domain exemplify a longstanding pattern under which that power is used to take land away from the political weak and transfer it to influential private interests. In the long run, as cities like Detroit have learned, such assaults on property rights undermine development far more than they promote it.

UPDATE: It's worth noting that, on this issue, Trump has demonstrated even less respect for property rights than fellow presidential candidate and self-proclaimed socialist Bernard Sanders. When the *Kelo* decision was issued, Sanders spoke out against it, noting "the result of this decision will be that working families and poor people will see their property turned over to corporate interests and wealthy developers." I discuss the widespread opposition to *Kelo* more fully in my recent book on the case and its aftermath.

UPDATE #2: I have made a few small additions to this post, to expand on some points.

Ilya Somin is Professor of Law at George Mason University. His research focuses on constitutional law, property law, and popular political participation. He is the author of "The Grasping Hand: *Kelo v. City of New London* and the Limits of Eminent Domain" and "Democracy and Political Ignorance: Why Smaller Government is Smarter."

Institute for Justice

Atlantic City Condemnation – Vera Coking

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“Individual freedom finds tangible expression in property rights.” This statement, penned by U.S. Supreme Court Justice Anthony Kennedy, recognizes how central property rights are to a free society.

Yet, with increasing frequency, federal, state, and local governments bow to political and economic expediency and trample the rights of property owners.

Vera Coking, an elderly widow from Atlantic City, knows firsthand the power of unaccountable government agencies. The Institute for Justice successfully defended Vera against the condemnation of her home by a State agency that sought to take her property and transfer it—at a bargain-basement price—to another private individual: Donald Trump. Trump convinced the State agency to use its “eminent domain” power to take Vera’s home so he could construct a limousine parking lot for his customers—hardly a public purpose. And unfortunately, cases in which government agencies act not as protectors of constitutionally guaranteed rights, but instead as agents for powerful, private interests, have become all too common.

Thanks to IJ’s advocacy, Vera Coking won in court and enjoyed her home of more than three decades.

[Explore Case In Depth](#) »

Atlantic City Condemnation – Vera Coking



Date Filed

December 10, 1996

Original Court

New Jersey Superior Court, Atlantic County

Case Status

Closed

Attorneys

Gretchen Embrey
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Client

Vera Coking

Senior Paralegal
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Director
Dana Berliner

Timeline and Case Documents

July 1998

PRESS RELEASE

Court Tells Government: Think Twice Before Condemning Property

July 20, 1998

In The News

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Donald Trump really did try to take an elderly widow's house for a limousine parking lot

Washington Post | September 9, 2015

The Washington Post

The time Donald Trump's empire took on a stubborn widow – and lost

New Jersey Law Journal | August 9, 1999

New Jersey Law Journal

Finally, a New Weapon To Fight Eminent Domain

The New York Times | July 21, 1998

The New York Times

Daily News | June 21, 1998

Widowed Homeowner Foils Trump Bid in Atlantic City; Judge Rejects Condemning Land for Casino

DAILY NEWS

Widow trumps Donald; Wins court fight to keep N.J. land

ABC News, 20/20 | June 1, 1998



The Trump Card

USA Today | May 4, 1998



Property taking favors big guy over little guy

The Economist | August 30, 1997

The Economist

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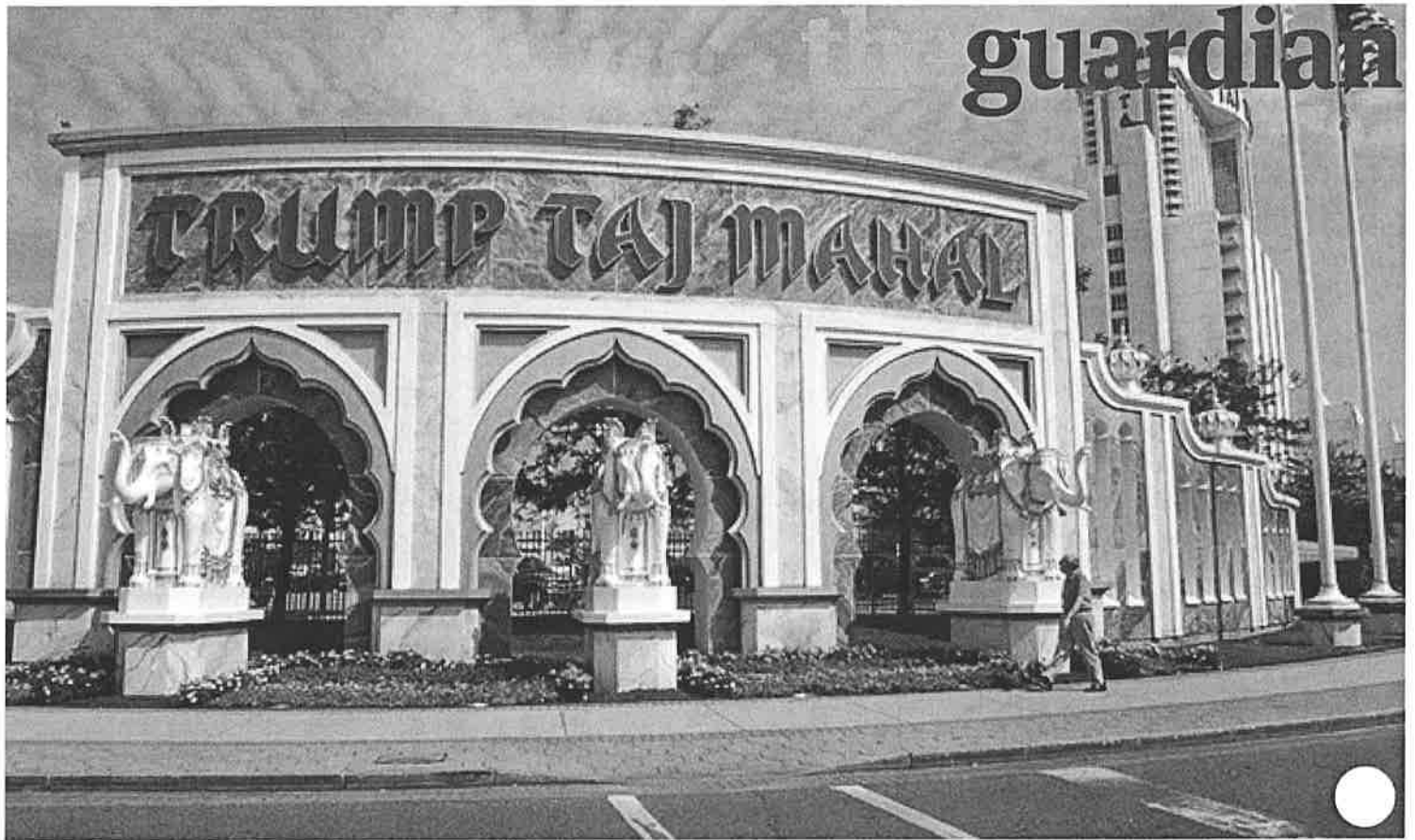
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Donald Trump's eminent domain love nearly cost a widow her house

David Boaz

In the mid-90s the property mogul hoped eminent domain would help move out a widow who stood in the way of a planned limousine parking lot

Wednesday 19 August 2015 11.45 EDT

Since he shot to the top of the presidential polls, Donald Trump's serial bankruptcies and bullying nature have made big headlines. But no one seems to have brought up a bullying business practice he's particularly fond of: eminent domain.

The billionaire mogul-turned-reality TV celebrity, who says he wants to work on behalf of "the silent majority," has had no compunction about benefiting from the coercive power of the state to kick innocent Americans out of their homes.

For more than 30 years Vera Coking lived in a three-story house just off the Boardwalk in Atlantic City. Donald Trump built his 22-story Trump Plaza next door. In the mid-1990s Trump wanted to

build a limousine parking lot for the hotel, so he bought several nearby properties. But three owners, including the by then elderly and widowed Ms Coking, refused to sell.

As his daughter Ivanka said in introducing him at his campaign announcement, Donald Trump doesn't take no for an answer.

Trump turned to a government agency - the Casino Reinvestment Development Authority (CRDA) - to take Coking's property. CRDA offered her \$250,000 for the property - one-fourth of what another hotel builder had offered her a decade earlier. When she turned that down, the agency went into court to claim her property under eminent domain so that Trump could pave it and put up a parking lot.

Peter Banin and his brother owned another building on the block. A few months after they paid \$500,000 to purchase the building for a pawn shop, CRDA offered them \$174,000 and told them to leave the property. A Russian immigrant, Banin said: "I knew they could do this in Russia, but not here. I would understand if they needed it for an airport runway, but for a casino?"

Ms Coking and her neighbors spent several years in court, but eventually with the assistance of the Institute for Justice they won on July 20, 1998. A state judge rejected the agency's demand on the narrow grounds that there was no guarantee that Trump would use the land for the specified purpose. "TRUMPED!" blared the front page of the tabloid New York Post.

It wasn't the only time Trump tried to benefit from eminent domain. In 1994, Trump incongruously promised to turn Bridgeport, Connecticut, into "a national tourist destination" by building a \$350m office and entertainment complex on the waterfront. The Hartford Courant reported: "At a press conference during which almost every statement contained the term 'world class,' Trump and Mayor Joseph Ganim lavished praise on one another and the development project and spoke of restoring Bridgeport to its glory days."

But alas, five businesses owned the land. What to do? As the Courant reported: "Under the development proposal described by Trump's lawyers, the city would become a partner with Trump Connecticut Inc and obtain the land through its powers of condemnation. Trump would in turn buy the land from the city." The project fell apart, though.

Trump consistently defended the use of eminent domain. Interviewed by John Stossel on ABC News, he said: "Cities have the right to condemn for the good of the city. Everybody coming into Atlantic City sees this terrible house instead of staring at beautiful fountains and beautiful other things that would be good." Challenged by Stossel, he said that eminent domain was necessary to build schools and roads. But of course he just wanted to build a limousine parking lot.

In 2005 the Institute for Justice took another eminent domain case to the Supreme Court. By 5-4 the Court held that the city of New London, Connecticut, could take the property of Susette Kelo and her neighbors so that Pfizer could build a research facility. That qualified as a "public use" within the meaning of the Constitution's "takings" clause. The case created an uproar.

Polls showed that more than 80% of the public opposed the decision. Justice Sandra Day O'Connor issued a scathing dissent: "Any property may now be taken for the benefit of another private party, but the fallout from this decision will not be random. The beneficiaries are likely to be those citizens with disproportionate influence and power in the political process, including

large corporations and development firms ... The Founders cannot have intended this perverse result.”

Conservatives were especially outraged by this assault on property rights. Not Donald Trump, though. He told Neil Cavuto on Fox News: “I happen to agree with it 100%. if you have a person living in an area that’s not even necessarily a good area, and ... government wants to build a tremendous economic development, where a lot of people are going to be put to work and ... create thousands upon thousands of jobs and beautification and lots of other things, I think it happens to be good.”

When Donald Trump says: “I give to everybody. They do whatever I want,” this is what he’s talking about: well-connected interests getting favors from government. Vera Coking knows the feeling.

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Club for Growth Action Fund found it important enough to spotlight in an attack ad against Trump. The ad focused on Trump's full-throated support for the Supreme Court's decision in *Kelo v. New London*, which allowed state and local governments to seize land from one private owner and give it to another private owner to further economic development.

Many conservatives saw the decision as expanding the power of elected officials and wealthy developers at the expense of the private landholders who often stand in the way of their ambitions. In a perfect irony, the state and city spent \$78 million to purchase and bulldoze the home of



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you need eminent domain, it's called economic development," Trump said. "Now you're employing thousands of people and you're able to build a factory, you're able to build an Apple computer center, where thousands of people can work. You can do that, or you can say, 'Let the man have his house.'"



Trump added that he thinks "eminent domain is wonderful," and contended that those who are forced out of their homes often end up better off. "The little guy sometimes gets a lot of money. Sometimes they'll get four or five times what their property is worth."

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condemn the property and have her evicted. She fought in court and, with the assistance of the Institute for Justice, won.

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ORE DONALD TRUMP

IMP THE WITCH

“She made a terrible mistake,” Trump said to Baier. “I was going to expand a hotel, put in thousands of rooms. I had the one house in the way. We would have had, probably, 1,400 employees getting jobs. She was offered four, five, six times what her house was worth. Eventually



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