



## Trump's Use of Eminent Domain to Take What He Wants

With Donald Trump's political star now ascendant, his past is being more carefully examined for clues to potential future behavior if he is elected president in 2016. That examination is turning up [a seedy side of Trump's success](#) in building his empire: his determined, deliberate, and continued use of the Fifth Amendment's eminent domain clause, along with the help of local authorities, to steal private property at substantial discounts for his own use.



The relevant language from the amendment is clear, or should be: "nor shall private property be taken for public use without just compensation."

His approach is simplicity itself: Dazzle the local rubes with dreams of skyscrapers, 21<sup>st</sup>-century amenities, national and international acclaim, and tax revenues — lots of tax revenues. Use local authority to condemn the private properties standing in the way, forcing their owners to give up their properties at a discount, all the while claiming "public benefits" that would result from the theft.

In 1994 when Trump promised to turn Bridgeport, Connecticut, a city of fewer than 150,000 residents, into a "world class" center, he explained that with his money, and the assistance of local government officials, Bridgeport would become "a national tourist destination by building a \$350 million combined amusement park, shipping terminal and seaport village [Bridgeport is located on the Pequonnock River and Long Island Sound] and office complex on the east side of the harbor." According to the *Hartford Courant*, which reported on the event, Trump used the phrase "world class" in "almost every statement."

At the announcement, socialist mayor Joseph Ganim (Bridgeport has had an avowed socialist mayor for the last 24 years) yucked it up with The Donald — the two of them praising each other for each other's foresight and ingenuity, and speaking of "returning Bridgeport to its glory days."

The only problem was that five businesses and the city-owned Pleasure Beach occupied the parcel targeted by Trump and Ganim. The solution? Explained the *Courant*:

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 entire development would cost the city nothing, Trump said, and no private homeowners would be affected because there were no dwellings on the land. Trump would own everything.

Of course the business owners were expendable. Other than that, the entire project was going to be "free." It didn't take long for the whole deal to unravel, but it perfectly illustrated Trump's style and attitude toward property rights.

Easily the most controversial attempted takeover occurred just a year earlier, in Atlantic City. Vera Coking and her husband purchased a three-story boarding house on South Columbia Place in 1961, not far from the beach. In the early 1970s, a developer offered them \$1 million for their property so he



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could build the Penthouse Boardwalk Hotel and Casino. They turned down the offer and the developer began the project, working around their property.

In 1993, after the developer failed to complete the project, Trump entered the picture, putting up the Trump Plaza Hotel and Casino. But Trump needed a parking lot for all those limousines that would be bringing wealthy guests to stay and gamble, and, once again, the Cokings' property stood in the way. Like the previous developer, Trump offered Vera Coking, now a widow, \$1 million, and once again she turned it down.

This time Trump didn't just go away. His friends with New Jersey's Casino Reinvestment Development Agency filed suit, offering Coking \$251,000 and threatening to evict her within 90 days if she didn't accept the offer.

Enter the Institute for Justice, which took on the case for the widow, pro bono. IJ explained how the scam was supposed to work:

Unlike most developers, Donald Trump doesn't have to negotiate with a private owner when he wants to buy a piece of property, because a governmental agency — the Casino Reinvestment Development Authority or CRDA — will get it for him at a fraction of the market value, even if the current owner refuses to sell....

After a developer identifies the parcels of land he wants to acquire and a city planning board approves a casino project, CRDA attempts to confiscate these properties using a process called "eminent domain," which allows the government to condemn properties "for public use."

Increasingly, though, CRDA and other government entities exercise the power of eminent domain to take property from one private person and give it to another. At the same time, governments give less and less consideration to the necessity of taking property and also ignore the personal loss to the individuals being evicted.

After four years of court battles, a state judge threw out the case, ruling for Coking on the ground that there was no guarantee that Trump would use her land for the specified purpose of building a limousine waiting area for his hotel complex.

When John Stossel confronted Trump over the matter, the following revealing conversation took place:

**Stossel:** In the old days, big developers came in with thugs with clubs. Now you use lawyers. You go to court and you force people out.

**Trump:** Excuse me? Other people may use thugs today. I don't. I've done this very nicely. If I wanted to use thugs, we wouldn't have any problems. It would have been all taken care of many years ago.

I don't do business that way. We have been so nice to this woman.

**Stossel:** Let [her] stay. Basic to freedom is that if you own something, it's yours. The government doesn't just come and take it away.

**Trump:** Do you want to live in a city where you can't build roads or highways or have access to hospitals? Condemnation is a necessary evil.

**Stossel:** But we're not talking about a hospital. This is a building a rich guy finds ugly.

**Trump:** You're talking about at the tip of this city lies a little group of terrible, terrible tenements



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— just terrible stuff, tenement housing.

**Stossel:** So what?

**Trump:** So what? Atlantic City does a lot less business, and senior citizens get a lot less money and a lot less taxes and a lot less this and that.

In 2005 the Supreme Court lined up with Trump: by stretching the language of the Fifth Amendment out of all recognition, the court ruled in *Kelo v. City of New London* that “the governmental taking of property from one private owner to give to another in furtherance of economic development constitutes a permissible ‘public use’ under the Fifth Amendment.”

In an irony of ironies, Suzette Kelo’s little pink house in London, Connecticut, was demolished and the planned development project never took place. Today where her house once stood is now a public dump.

Vera Coking moved out of Atlantic City in 2010 and her son put the contested property on the market, asking \$5 million. In September 2013 the price was reduced to \$995,000. On July 31, 2014 the property was sold at a public auction for \$530,000, bought by billionaire investor Carl Icahn, who had the property demolished. And so it remains today, as the Trump Plaza Hotel and Casino was closed on September 16, 2014, due to lack of business ... and limousines.

*Photo of Donald Trump: AP Images*

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