Report of Committee on Land Acquisition and Control of Highway Access and Adjacent Areas

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During 1954 the Committee on Land Acquisition and Control of Highway Access and Adjacent Areas continued its activities along the same lines as it has for some years. During the year the Committee sponsored: (1) the compilation of an annotated bibliography on parking which was published by the Board as Special Bibliography No. 14; (2) a restudy of parking provisions in zoning ordinances, published as Bulletin 99 by the Board; (3) a study of all parking legislation, the manuscript of which is now being edited, (4) attitudes of the courts toward parking, which will be shortly submitted to the Board for publication, (5) a study of the possible application of the “nuisance” approach to highway betterment (Professor Beuscher made a report to the Committee on this project which is included in full in this document); and (6) highway right-of-way reservation study, the manuscript for which will be submitted to the Board in 1955.

The committee is also assisting on projects concerning the economic impact of arterial facilities on urban and rural communities, and studies relating to the control of access.

In view of the accelerated highway-improvement program being projected, the committee is considering the following projects during 1955, in addition to those already under way: (1) Right-of-way problems incident to an accelerated highway improvement program; (2) highway right-of-way acquisition and protection for the National System of Interstate Highways; and (3) a comprehensive study of control of highway access, particularly from a legal point of view.

Since only a few of the states held regular legislative sessions during 1954, not a great deal of legislation of interest to the committee was enacted. However, these “off years” give the state highway departments an opportunity to focus their sights and prepare plans for desirable legislation to be presented to the regular legislative sessions during the “odd” years. There is evidence that a number of states have proposals for new legislation, some encompassing broad revisions of the whole highway code, and other particular matters of concern in the field of land acquisition and control of highway access and adjacent areas.

Most of the states not now having controlled-access highway legislation planned to have appropriate legislation introduced during 1955 sessions in the hope that the climate is becoming more favorable for the acceptance of the expressway principle. Other states will seek legislative approval of more-efficient land-acquisition methods to facilitate the acquisition of right-of-way for highway purposes. Still others are making an effort to obtain legislative sanction for the regulation of roadside uses or at least establishing a degree of cooperation with local planning and governing bodies to bring about a measure of control.

Although 1954 was a lean year as far as legislation goes, the courts were kept busy with litigation pertaining to subjects of the committee’s concern. So many decisions
were handed down during the year, in fact, that it was impossible to report more than a small percentage in the Highway Research Correlation Service memoranda of the committee. Short summaries of the most important of these cases have therefore been included in this report under the appropriate subject heading.

LAND ACQUISITION

Reservation of Highway Right-of-Way Prior to Acquisition

The committee's study of ways and means of reserving land for highway right-of-way prior to acquisition is scheduled for publication in 1955.\(^1\) A pertinent point to be borne in mind in connection with reserving land for highway purposes is that even in those states where reservation mechanisms have been sanctioned under the police power by the legislative body, the courts will not tolerate an unreasonable use of such authority. Thus the mapped street device authorized for use by cities in New York has been approved by the courts where the reservation imposed did not deprive the owner of the property of a legitimate use of such property, but it has been disapproved where restrictions placed on property have deprived the owner of any reasonable use. A recent case in that state is in point.

New York. In this case (Roer Construction Corporation v. City of New Rochelle, 136 N.Y.S. (2d) 414, December 23, 1954) the construction corporation purchased a plot of land on a certain street for the purpose of constructing an apartment building thereon. Site plans were approved by the City Planning Board in May of 1954, in accordance with a requirement of a city ordinance. Four days later, the Common Council adopted a resolution amending the official map of the city so as to include within the confines of a portion of a proposed "memorial highway." Under the law, no permit could then be issued for any building on the property unless approved by the Zoning Board of Appeals, which subsequently turned down the application that would have authorized the building construction.

The Supreme Court of Westchester County held that the city's action went beyond the bounds of permissive regulation and must be recognized as a taking of the property. The court quoted a leading case on the subject (Headley v. City of Rochester, 5 N.E. (2d) 198, November 24, 1936) wherein the property owner was prevented from building upon a strip 25 feet wide by a setback line imposed by the official map of the City of Rochester. In that case, the court held that in the absence of certain important factors, the property owner had not been damaged. However, in the present case, the entire property, which the corporation had purchased for the express purpose of constructing an apartment building, was included in the reservation. The corporation was receiving no income from the property, and the city conceded that no date had been set for acquisition of the lands for or the construction of the proposed highway.

The court concluded that where, as in the present case, the city had, without payment of any compensation, deprived the owner of the use and enjoyment of all of its lands for a period of indefinite duration the resolution and official map constituted an unconstitutional interference with vested rights of property and were therefore void.

Pennsylvania. On the other hand, a Pennsylvania court upheld a form of reservation inserted in a deed by the City of Pittsburgh in the case of Caplan v. City of Pittsburgh (100 A. (2d) 380, November 17, 1953).

Some 15 or 20 years ago, the city sold a

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\(^1\) See Land Acquisition and Control of Adjacent Areas, Highway Research Board Bulletins 38 and 69, and Right-of-Way Problems, Highway Research Board Bulletin 77, for previous reports on this project.
piece of tax-delinquent land, located on Fifth Avenue in that city, to one Solomon Caplan. Pursuant to an agreement between the city and the buyer, the following covenant, affecting a piece of land approximately 21 by 22 feet, was included in the deed:

The Grantee, or his successors in title hereby covenant and agree that if, at any time in the future, the City of Pittsburgh by proper action condemns for street widening purposes for public use, the following part of the above described real estate, no claim for damages will be filed or expected by the above grantee or his successors in title.

Presently, one Samuel Caplan, the present owner, the son of Solomon Caplan, brought action to quiet title to the land by removing therefrom an alleged cloud relating to the above clause in the deed. The complaint was dismissed by the Court of Common Pleas of Allegheny County. Upon appeal, the state supreme court held that the controversial clause, or covenant not to use, created no future interest, but did constitute an effective present release of all future damages. Since Solomon Caplan had released the city from liability for a valuable consideration and had recorded the instrument, any future transfer of title would be subject to the covenant.

The high court agreed with the Court of Common Pleas that the covenant here under consideration constituted "a covenant not to sue" and that such a covenant was in effect a release and was, therefore a present discharge. The supreme court was not aware of any case which precluded the enforcement of a contract not to sue where public interests were not involved. Public interest, for example, would prevent a common carrier from enforcing a waiver or release by a passenger of liability because of negligence of the carrier. But no such public interest was involved in the enforcement of a contract or release wherein, for a valuable consideration, an owner of real estate agreed to waive and release damages for the taking by condemnation of land in a street-widening proceeding.

Consideration for this covenant, continued the court, must be regarded as included in that named in the deed. A deed seal presumed a valuable consideration, and in the present action there was no allegation of failure of consideration.

The deed here under consideration, the court stated, conveyed a fee in all of the ground. No portion was reserved by the grantor; no easements were thereby created; no other interests were transferred either in the present or in the future. The contract, or covenant, constituted an effective release, and the court had consistently held that a recorded release or agreement not to sue bound not only the covenantor but his successors in title. All damages in the present case were waived and released by the covenant.

Acquisition of Highway Right-of-Way for Future Use

At least 14 states have legal authority to acquire land for future highway purposes, either by statute or by judicial decision. Such authority is an important means of keeping right-of-way costs to a minimum by preventing costly development of land eventually needed for highway purposes.

However, even where legal authority exists to acquire land for future use, the courts will generally not approve such acquisition unless the need therefor has been demonstrated and adequate plans for the future improvement exist and there is some degree of certainty that the improvement will be undertaken within a reasonable period of time. A case in Michigan illustrates this point (Board of Education v. Baczewski, 65 N.W. (2d) 810, September 8, 1954). In this case, the board of education of the City of Grand Rapids planned to build a high school on Baczewski's land at some indefinite time in the future. The board admitted
that there might not be need for the new highschool for 30 years, but they believed it wise to procure undeveloped property for future use to save the taxpayers' money.

The state's supreme court held that the board's action did not meet the test of necessity in condemnation proceedings. The words "necessity for using such property" in the state constitution did not mean an indefinite, remote, or speculative future necessity, according to the court, but a necessity now existing or to exist in the near future. The court thus concluded the board of education could not acquire Baczewski's land by condemnation under the circumstances.

**Necessity for Taking**

It is generally accepted doctrine that the necessity for a taking, the amount of land that may be acquired, and the location thereof are legislative matters in the first instance, at least, to be determined by the agency designated to carry out the purposes of a legislative enactment. In the absence of fraud, collusion, or a gross abuse of discretion on the part of the acquiring agency, courts will generally not attempt to overturn administrative determinations of necessity. This is illustrated by two court decisions handed down during the year, one in New Jersey and one in Oklahoma.

**New Jersey.** In connection with the construction of the Palisades Inter-State Parkway, controversy arose when the state highway commissioner selected a location on the east side of State Route 1, which resulted in bisecting a 55-acre plot, the owner of which had offered to give the state 30 acres of land on the west side of the highway on which to build the proposed highway and thus avoid bisecting the easterly tract. The state supreme court held that when, as in this case, the legislature itself had determined that public necessity and convenience required the appropriation of private property for a particular public improvement, the owner of the land so appropriated was not entitled to a judicial hearing upon the utility of the proposed improvement, the extent of the public necessity for its construction, or the expedience of constructing it. The court further held that the quantity of land to be taken, its location, and the time of taking were within the discretion of the body endowed by the legislature with the right of eminent domain. The court would only interfere where there was a plain case of abuse of discretion in the exercise of the power of eminent domain in excess of the public use upon which it was predicated in a particular instance (Burnett et al. v. Abbott, 102 A. (2d) 16, January 11, 1954).

**Oklahoma.** This case reached the state supreme court upon appeal from a decision of the district court of Tulsa County, upholding the right of the City of Tulsa to take only 20 feet frontage from one lot and 60 from another to provide a one-block extension of an existing dead-end street. The supreme court held that such action did not so discriminate against the owner from whom the 60 feet were taken as to indicate that the city acted fraudulently or in bad faith or that it abused its discretion in so doing (Graham v. City of Tulsa, 261 P. (2d) 893, June 30, 1953).

The property from which the 60 feet were taken belonged to an individual. The 20 feet were taken off property owned and occupied by the Hillcrest Memorial Hospital. The high court found the evidence justified the taking of only 20 feet off the hospital premises on account of the building and the occupancy and the building-and-occupancy program of the hospital, a large and important hospital of the City of Tulsa.

The supreme court took cognizance of the fact that taking 20 feet off the hospital premises (the west side of the proposed extension) and 60 feet off the property on the east side created a slight jog in the street which would be avoided if 40 feet could be
taken from each property. However, the court did not consider that this fact alone, under the circumstances, was sufficient to show that the city was acting in bad faith, or with abuse, or in oppression as to Graham, the individual property owner.

Graham contended that the taking was more for the benefit of the hospital than for the city and was, therefore, a taking for private use. He cited authorities sustaining the proposition that whether a particular condemnation purpose amounted to a public or a private use was always a question for the court. According to the supreme court, the city's action did not constitute taking for private instead of public interest, the proposed routing being fairly in the interest of the public in the sound discretion of the city officials.

Oregon. In a third case, however, State v. Pacific Shore Land Co. et al., 269 P. (2d) 512, April 14, 1954, the Oregon Supreme Court held that the state highway commission had no authority, under a condemnation resolution specifying "right-of-way purposes," to condemn a tract of land which might be deemed necessary for other and undisclosed purposes but which evidence showed to be unnecessary and not usable as part of the right-of-way. Its attempt to do so was an abuse of discretion and was subject to review and correction by the court.

The particular piece of land in controversy was shown on a map procured from the state highway commission as "parking and picnic area." A witness for the commission stated that the land in question was needed land, necessary for drainage purposes. Oregon statutes authorize the state highway commission to acquire land for (1) rights-of-way, (2) for highway drainage and drainage tunnels, and (3) for trails, bridle paths, etc. These several purposes apparently are treated separately as distinct objectives. The court noted that under state statutes it was mandatory that the resolution adopted by the highway commission state the purpose for which the land was to be acquired. The court held that because the tract of land in question was not embraced within the right-of-way, the resolution did not, in fact, declare for what purpose or necessity, if any, it was being acquired. If the commission deemed it necessary to acquire the parcel for drainage, parking, or picnic purposes, the statute required as a condition of its right to condemn that it so declare such specific purpose by its resolution. The attempts to acquire this tract of land, not for right-of-way purposes but for other and undisclosed purposes, constituted an abuse of discretion and was subject to review and correction by the court.

Nature of Interest Taken

Many of the state highway departments in acquiring land for highway purposes follow the practice or are directed by statute to acquire only an easement, rather than a fee-simple title. It is, however, becoming increasingly evident that the state, in fact, pays for a fee-simple title, although only an easement is actually acquired. A recent North Carolina case illustrates this problem.

The state highway and public works commission, in relocating a portion of US 64, took over an existing dirt road and appropriated property on either side in order to provide a 150-foot right-of-way. The jury awarded damages in the amount of $5,000, using the formula established in a previous case, to the effect that where only a part of a tract of land was appropriated by the highway commission, the measure of damages was the difference between the fair market value of the entire tract immediately before the taking and the fair market value of what was left immediately after the taking. The items going

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4 See Memorandum 76, May 1954, Committee on Land Acquisition and Control of Highway Access and Adjacent Areas, Highway Research Correlation Service, Circular 244.

to make up this difference embraced compensation for the part taken and compensation for injury to the remaining portion which was to be offset by any general and special benefits resulting to the landowner from the utilization of the property taken for a highway.

The highway commission appealed the case on the grounds that this formula permitted the landowner to recover excessive compensation. Although the state acquired only an easement, he was permitted to recover the full market value of the strip of land covered by the right-of-way the same as if the fee were condemned. Any reduction of compensation on account of any use which the landowner might make of any portion of the strip or on account of the possibility that the highway might some day be abandoned and the land revert to the owner was precluded.

The state supreme court upheld the judgment of the trial court. Since the condemnor acquired the complete right to occupy and use the entire surface of the part of the land covered by the perpetual easement for all time to the exclusion of the landowner, the court said, the bare fee remaining in the landowner was for all practical purposes of no value, and the value of the perpetual easement acquired was virtually the same as the value of the land embraced by it. Any use which the landowner might make of any part of the land embraced by the easement, continued the court, was necessarily permissive in character and could not be considered in diminution of compensation, because it might be terminated by the condemnor at any time. Furthermore, the court went on to say, a condemnor could not demand a perpetual easement with one breath and insist with the next that he be excused from paying full compensation for the easement on the ground that there was a bare possibility that he might abandon the easement on some uncertain day. The law of eminent domain deemed the possibility of the abandonment of a perpetual easement by nonuser so remote and improbable that it would not allow the contingency to be taken into account in determining the value of the easement.

**Immediate Possession of Highway Right-of-Way**

Although a majority of the state highway departments have statutory authority to take possession of property needed for highway right-of-way at some point prior to the completion of condemnation proceedings, courts have zealously protected the constitutional rights of the property owner in interpreting such statutes. Ordinarily, prepayment, deposit, or security must precede the physical taking of the land.

**Nevada.** An interesting case in this field was handed down by the Supreme Court of Nevada on September 17, 1954. The state department of highways instituted condemnation proceedings, for a portion of a tract of land in Washoe County and asked for and was granted an order of immediate possession, to which the property owners consented. No bond or other security was required. Upon completion of the condemnation proceedings, the owners filed an appeal, claiming (among other things) that the order for immediate possession without providing that compensation first be made or secured was in violation of the state's constitutional provision. The landowners claimed that this constitutional provision could not be waived. The supreme court held, however, that the requirement could be waived and that the landowners, by consenting to entry of the order for immediate possession, had waived the requirement.

Another interesting point raised in the case was the matter of interest due the property owners on the award as a conse-

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9 Saunders v. State, 278 P. (2d) 970
* Nevada Constitution, Art 1, Sec. 8.
quenee of the taking of possession prior to the judgment awarding compensation. The order for immediate possession was entered on July 25, 1953, effective September 1, 1953, and the highway department had been in possession since this latter date. The judgment for compensation was entered October 6, 1953, allowing the landowners interest only from that date. The court considered this an oversight, holding that interest must be paid from the date of the taking possession, July 25, 1953.

**New Jersey.** The matter of interest payments in connection with condemnation awards came before the courts in at least one other state during 1954. In a New Jersey case, the owners of property condemned by the board of education of the City of Vineland claimed interest on the award from the date the suit was instituted. The superior court held that an owner whose property was condemned was not entitled to interest on the award from the date of filing of the petition if the condemning agency did not take possession until after the award was made.

The allowance of interest on an award made to a landowner for property taken by the exercise of eminent domain, said the court, should be determined according to considerations of equity and fair dealing in order to accomplish justice in each particular case. The court stated that it did not feel that interest should be allowed for the period between the date the condemnation commissioners made their award and the time the final award was entered by the court, since the position of the owner remained unchanged during this interval.

**Texas.** Another significant decision was handed down by the Court of Civil Appeals of Texas on May 20, 1954. One Mary E. Adams asked for an injunction to restrain the City of Houston from emptying water or other matter from a storm sewer being constructed on Old Post Oak Road into a natural drain traversing her land. The city resisted the injunction upon the ground that it held superior title to the portion of the Adams land included in the natural drain, claiming that the land was subject to a natural servitude in favor of the upper riparian owners insofar as surface waters were concerned. The injunction was granted.

Thereafter the city filed a cross-action for title and possession of its claimed easement across the land in question and, alternatively, for condemnation. In connection with the alternative request for condemnation, the city requested the court to fix the amount of security for payment of any damages that might be assessed and that, upon deposit thereof, the city be allowed to take immediate possession of the described easement. The trial court refused to fix the amount of security and the city appealed.

The court of civil appeals upheld the lower court’s action in refusing to fix security, holding that the right to have the court do so was available only to a litigant who could unqualifiedly and exclusively exercise the right of condemnation. In this case the city was not entitled as a matter of right to have the amount of security for taking of immediate possession determined and could not compel such determination by the trial judge, since the remedies sought were inconsistent and deposit would not have been absolute and unqualified.

**Alabama.** Another recent decision pertaining to the right of immediate possession of land was adjudicated by the Supreme Court of Alabama. This is an opinion of the justices, given in response to a request by the governor for advice as to the constitutionality of two amendments to existing law passed by the 1953 state legislature. The new sections consisted of amendments to the condemna-

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10 Board of Education v. Ross, 107 A. (2d) 838, September 15, 1954
11 City of Houston v. Adams et al., 269 S.W. (2d) 572.
12 Opinion of the Justices, 67 So. (2d) 417, October 8, 1958.
tions were provided that such entry might be had under these conditions at the time of taking the appeal or at any time thereafter pending the appeal.

Prior to enactment of these amendments, the City and County of Montgomery had brought action in the probate court to condemn land for highway purposes. Judgment of condemnation had been entered and appeals had been taken to the circuit court. Damages were not paid into court, nor was a bond in double the amount of damages filed, and more than 30 days had elapsed since the order of condemnation was entered. After passage of the amendments, the condemners proposed to pay damages and file the necessary bond for the purpose of taking possession of the property. In view of the fact that the amendments purported to apply to pending litigation, the governor asked if they violated certain provisions of the state's constitution. The court was of the opinion that they did not.

Section 235 of the Alabama state constitution provides, among other things, that an appeal from a condemnation award "shall not deprive those who have obtained the judgment of condemnation from a right of entry, provided the amount of damages assessed shall have been paid into court in money, and a bond shall have been given in not less than double the amount of damages assessed, with good and sufficient sureties, to pay such damages as the property owner may sustain " The court noted that no particular time for electing to take such action was specified, except that it must be done before entry. This section was clearly enacted, said the court, for the benefit of the condemnor in order to prevent undue delays attending condemnation proceedings. The court knew of no instance in which it had held that failure to pay damages and post bond at the time of taking the appeal worked a forfeiture or waiver of the right of entry.

The court went on to say that other courts had almost unanimously upheld statutes allowing a condemnor the right of entry pending litigation upon the payment of compensation or upon the filing of bonds, or both. Statutes providing for such procedure were upheld by the courts on the theory that when the damages had been assessed in a preliminary manner, the only remaining right vested in the landowner was the right to receive just compensation and damages. The court concluded that the 1953 acts under question did not deprive the landowner of his vested right to receive just compensation and damages prior to entry.

The Alabama constitution, under Section 95, further provided that no law might be legally enacted which impaired the obligation of contracts by destroying or impairing the remedy for their enforcement. The court held that the enactment of the two amendments here under consideration did not deprive the landowner of any vested right or of any cause of action or defense within the meaning of this section. These statutes affected the mode of putting the award into effect and therefore affected only the remedy.

The present court observed that courts generally had held that remedies were subject to legislative control, and if an ample remedy was furnished, the obligation of contracts was not impaired by any change of the remedy. Additionally, the court cited a number of cases in which it had been expressly held that a statute granting the condemnor the right of entry pending an appeal was remedial only and that the con-
stitution did not prohibit such statutes from applying to pending litigation.

The court concluded that the two acts involved did not violate Alabama's constitution.\(^{18}\)

\section*{Change in Grade}

At least five cases in which highway improvements resulting in change of grade were involved reached the courts during the year. From these decisions, there seems to be no set formula for determining whether or not damages to abutting property are compensable in cases of this sort. In two States, New York and Wisconsin, both involving changes of grade on highways in towns, the courts awarded no damages. In Missouri, two decisions were handed down in which substantial damages were awarded although in both cases the property had access to a frontage road after the grade of the main highway was changed. In a fifth decision, in Arkansas, the court refused to accept the state's contention that the damages sustained by the landowner resulted from rerouting the highway and concluded that the landowner was entitled to damages because of a change in grade.

In the case of \textit{Bennett v. State} (132 N.Y.S. (2d) 388, July 8, 1954), the Appellate Division of the New York State Supreme Court reversed a decision of a lower court awarding damages to a property owner because of a change of grade resulting from construction of the Ontario Thruway in the Town of Cheektowaga. The lot in question abutted upon Genesee Street at the north end and on Pinehurst Avenue on the east side. There was a change in grade of part of the right-of-way of Genesee Street which deprived the landowner of access thereto, although he still had access to Pinehurst Avenue. The court held that since there was no enabling statute making damages resulting from a change of grade recoverable in a town, the damage sus-

\(^{18}\) See Memorandum 73, January 1954, Committee on Land Acquisition and Control of Highway Access and Adjacent Areas, Highway Research Correlation Service Circular 282.
formalities on towns or their agencies in highway matters.

The landowners finally contended that their constitutional rights had been violated in that their property, i.e., the use and enjoyment of it, had been taken for public use without compensation. The court again cited the Smith case, supra, and one other case, Coleclough v. City of Milwaukee, 65 N.W. 1039, (1896), in which it was held that change of grade was not a taking of private property for public use and that consequential damage to abutting property was not compensable, in the absence of a statutory or constitutional provision making it so, if the change of grade was made by authority of law and with due care. Here there was no allegation of lack of due care.

The court concluded that there was no violation of law in the instant case and, consequently, the landowners were not entitled to compensation because convenient access to their garage had been impaired.

Missouri. State ex rel. State Highway Commission v. Leftwich (263 S.W. (2d) 742, December 7, 1953) was a condemnation suit to widen Route 36 past Cameron, Missouri. The defendant, Leftwich, owned a 16-acre tract on the north side of and abutting 375 feet on Route 36. There already existed a deep cut past his land. He formerly got to his house only by going up a private lane across property lying west of his frontage. A county road ran along the east edge of the property. Before the condemnation, this county road went over the state highway on an overpass.

The project involved the removal of the overhead pass, the widening of Highway 36 and its right-of-way and the construction of a gravel road on the land taken from Leftwich's frontage along the north side of Highway 36 and parallel with it for the full extent of his road frontage. The gravel road was for the purpose of affording a means of travel to and from the county road from the point where the overhead pass was removed, to and from a point of merger with Highway 36, about 380 feet to the west (see Figure 1).

The Kansas City Court of Appeals stated that the result was that the property thereafter abutted or fronted on the intervening gravel road, rather than on Highway 36.

The court also noted that "a fraction of of an acre was taken along the road front-
age on Highway 36 from a tract owned by Leftwich, et al., and a gravel road was constructed parallel to the highway and between defendant's new frontage and the highway."

The court upheld an award of $3,000 for damages to Leftwich's property, stating that:

... the reduction in quantity was of such a nature as also to leave the remaining tract without any frontage whatever on the main Highway 36, which frontage defendants' evidence tended to show was adaptable by depth, location, and other circumstances in evidence to commercial development which would reflect upon the market value of the remaining tract. To what extent the reasonable market value of the remaining tract would be affected by leaving it without the frontage so taken was a proper matter for the jury's consideration. It was an important element, although not the sole element, in determining such value of the remaining tract.

In a second case, City of St. Louis v. Gruss et al., 263 S.W. (2d) 387, January 11, 1954, an underpass was built under railroad tracks. Defendants owned property in the southwest quadrant, facing Gravois Avenue. Seventy-two feet of Gravois Avenue was depressed to go under the railroad's tracks, but 18 feet of pavement was left on the old grade next to defendants' property. This undisturbed 18 feet was referred to as "flanking roadways," "side drives," or "upper drives" (see Figure 2). Condemnation construction was completed. No objection was made to this type of evidence by the city, but there was a possibility that the lawyers, the witnesses, and the court had in mind that the "upper drives" were separate and distinct from and no part of Gravois Avenue, which might have influenced the evidence and the amount of damages.14

Arkansas. Clark County took a 10-foot strip from a landowner whose property abutted on Highway 67. The purpose of the taking was to widen the existing right-

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14 The digests of this and the preceding Leftwich case were submitted by Wilkie Cunningham, Assistant Chief Counsel, Missouri State Highway Commission. Cunningham feels these two cases may be important in the developing law concerning "frontage roads," inasmuch as the decisions appeared to be based on a misconception as to the result of the improvements involved.
of-way to 200 feet. The state highway department constructed a new concrete strip 24 feet wide just east of the old strip. In so doing, the grade of the highway in front of landowner Mitchell's property was lowered approximately 5 feet lower than the old strip. No showing was made as to when the old strip would be rebuilt.

On Mitchell's property there existed a store building and dwelling under one roof and several tourist cabins. There was evidence to the effect that Mitchell had spent between $30,000 and $40,000 on the improvements. After construction of the new strip, the property was practically worthless for commercial purposes and had no considerable value for any other purpose. The new right-of-way was within 1½ feet of the front door of the store.

The trial court awarded damages in the amount of $20,000, and the county appealed. The county contended that Mitchell was not entitled to damages by reason of the change in grade, because that portion of the highway which actually adjoined his property had not been lowered at the time. The county argued that if Mitchell had been damaged in any amount other than the value of the land actually taken, it was by rerouting the highway rather than changing the grade.

The state supreme court, on the other hand, contended that the highway had not been rerouted. It still passed directly in front of Mitchell's property. Although only a portion of the right-of-way had been lowered at the date of the trial and no showing as to just when the west portion of the highway would be rebuilt, there was substantial evidence to the effect that it would be rebuilt; and when this was done, it would be lowered to the level of the new strip. The court concluded that the highway, instead of being rerouted, had been extended in width. Such being the case, the landowner was entitled to damages for change of grade, and the judgment of the lower court was affirmed (Clark County v. Mitchell, 266 S.E. (2d) 831, March 29, 1954).

A dissenting judge was of the opinion that what the highway department had done was to relocate the highway by constructing a new thoroughfare a short distance east of the old road. The old highway was still in existence and provided a means of access to Mitchell's place of business. The volume of business had declined, because it was now difficult for the traveling public to reach his store and tourist court, in part because the new road was several feet lower in grade than the old road. To reach Mitchell's property, the public must leave the new road at a short distance in either direction from the place of business, instead of immediately in front of it. This inconvenience, with its adverse effect on market value, was simply due to the relocation.

As to the possibility that the old highway might some day be regraded to the elevation of the new one, the dissenting justice considered this only a possibility. "I think it is unsound," continued the justice, "to bottom the landowner's claim to damages upon an uncertainty such as this, for there is no limit to the vague threats of future damage that landowners may conjure up in condemnation cases. Damage that is purely speculative should not be paid for until it becomes a fact."

**Dedication**

An interesting case arose in Texas when the state highway department included in its plans for a highway, land constituting part of a tract for which a subdivision plat had been filed in 1939, dedicating to public use streets, parks, etc as shown on the subdivision map (see Figure 3).

The defendant, one Frank Slack, had acquired all of what appears as Block 29 on the sketch by deeds executed in 1945, 1946, and 1949, in which the property acquired was described by reference to the plat and dedication. Subsequently, it developed that
because of its low altitude and the consequent probability of overflow either by high tide or by any swelling of the San Jacinto River, the land included in the proposed subdivision was not suitable for a residential area. All of the land, except in the area of Monmouth Drive, was held as acreage under fence and used as a cattle range.

Since 1942, Slack's land had been used to produce sand for commercial sale. None of the streets shown on the plat except Monmouth Drive were ever marked on the ground, opened, or in any manner used as streets. Neither the state nor the county had ever made any effort to open or utilize Eddington Drive or any of the other streets extending to the north from Eddington Drive enclosed by Slack's fence. No attempt was ever made to interfere with the use of the area designated as streets for grazing cattle or for sand production.

As a part of the plan for the highway, State Highway 73, US 92, between Houston and Port Arthur, the state sought to condemn a strip 310 feet wide, as indicated by the heavy black lines on the sketch. This included 18.924 acres which the state sought to condemn from Slack. The state asserted that it already had an easement in Eddington Drive and the portions of the other streets which it was entitled to use for its new highway, and that Slack was not entitled to any damages by reason of such use.

The trial court found that 4.187 acres made up from Eddington Drive and the south portions of the streets joining it on the north had been dedicated permanently to the public for road and street purposes, awarded Slack $10,242.22 for the remaining 14,737 acres, and gave the state an "easement and right-of-way" over the entire 18.924 acres belonging to Slack. The Galveston Court of Civil Appeals reversed the trial court, holding that the dedication of streets in the original subdivision plat was abandoned before the state took any steps to make the dedication effective and sent the case back for a new trial. The case went to the state supreme court on assignment of error, and the decision of the Court of Appeals was upheld (Magee Heirs, et al. v. Slack, 258 S.W. (2d) 797, May 20, 1953).

In line with previous decisions, the supreme court held that abandonment, even of an easement acquired by purchase, occurred when the use for which property was dedicated became impossible, or so highly improbable as to be practically impossible, or where the object of the use for which the property was dedicated wholly failed. In the present case, it had been shown that the purpose of the dedicators to create a residential area had wholly failed and had been rendered impossible of accomplishment and had, therefore, been abandoned long before the state attempted to obtain a right-of-way for the new highway. To hold
otherwise, said the court, would be to ignore the realities of the situation. For example, to say that this marshy and swampy subdivision could ever be reasonably usable as a site for residences, except for the small Monmouth Drive area on the eastern fringe, one would have to go on the assumption that the San Jacinto would some day so radically change its course that it could not overflow the area and that high tides from the bay would cease to come over it.

The judgment of the court of appeals was upheld and the case was remanded for a new trial.\footnote{See Memorandum 78, January 1944, Committee on Land Acquisition and Control of Highway Access and Adjacent Areas, Highway Research Correlation Service Circular 292}

Compensation for Land Taken for Highway Purposes

This is a case in which the owner of land taken by the West Virginia State Road Commission in 1941 in connection with the improvement of US 60 in Kanawha County brought suit to compel the commission to institute condemnation proceedings and award just compensation for the land taken and damages caused to the remainder of the tract. The landowner, one R. H. Dunn, claimed that when the improvement took place he had some discussion with a representative of the commission with respect to the boundary of his land and that he was told that the commission was not going to take any of his land. On the strength of this statement, he did not investigate the matter, and it was not until 1952 when he learned of the encroachment in connection with negotiations he had with the commission for the acquisition of additional land to widen the highway.

The highway, as improved in 1941, including 6,549 square feet of Dunn's land, had been continuously used as a public highway since that time, and public moneys and labor had been expended on it. The commission had not discovered the encroachment until 1952, when a survey was made in connection with a proposed further widening.

The state roads commission contended that Dunn's right to compel condemnation proceedings was barred by statutory provisions to the effect that a road would be conclusively presumed to have been established when it had been used by the public for a period of 10 years or more and public moneys or labor had been expended thereon (Section 3, Article 1, Chapter 17, Code, 1931) and that every personal action for which no limitation was otherwise prescribed must be brought within five years after the right to bring the same had accrued (Section 12, Article 2, Chapter 55, Code, 1931).

The supreme court of appeals, in a decision handed down on June 1, 1954, held that Dunn was not justified in relying on the statement of the engineer or, because of it, in failing to investigate the existing visible conditions to ascertain whether construction of the highway encroached upon his land (State v. Griffith, 82 S.E. (2d) 300).

The court also held that the 10-year statute of limitations cited above applied in this case, and the road commission could not be compelled to institute eminent domain proceedings to award compensation for Dunn's land. Furthermore, the 5-year period of limitation, also cited above, was also applicable in this case, and any claim for damages to the residue of the land was barred by operation of the statute.

The court concluded that Dunn had not shown a claim to the land in question superior to the claim of the state to an easement on such land for use by the public as a primary state highway.

Right-of-Way Costs and Land Values

Since shifts in farm land values have an effect on right-of-way costs, periodic reports on "The Farm Real Estate Market,"
published by the Agricultural Research Service of the United States Department of Agriculture, should be helpful to right-of-way officials and other interested persons. The latest report, released on May 31, 1955, indicates that there was an overall increase of 2 percent in farm-land values for the United States in the period between

ROSSIDE REGULATION

There are a number of techniques available for providing adequate control of the roadsides: the proper use of the police power, such as zoning, subdivision control, the requirement that permits be obtained for entrances and exits, drive-in theaters, outdoor advertising devices, etc. These de-

CHANGES IN DOLLAR VALUE OF FARM LAND*

Percentages, March 1954 to March 1955

<table>
<thead>
<tr>
<th>U.S. INCREASE</th>
<th>2%</th>
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*BASED ON INDEX NUMBERS OF VALUE PER ACRE, INCLUDING IMPROVEMENTS

March 1, 1954, and March 1, 1955. This is in contrast to the decline of 6 percent noted in the period March 1, 1953, to March 1, 1954.16

The largest gains took place in the corn belt area, as indicated in Figure 4. Values were also slightly higher in the Southwest. Declines were confined primarily to the northeast, southeast, and mountain areas of the country.


vices, if adequately administered, can be effective in preserving the functional efficiency of the highway itself. Lack of understanding on the part of the general public of the purposes of such controls has, at times, made effective administration difficult. There is a need for good public relations to obtain popular support.

Zoning

The zoning mechanism has been successfully used in municipalities to control indis-
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criminate development along streets and highways. Zoning at the state level is, however, almost nonexistent, although students of the roadside problem recognize the desirability of state zoning for the purpose of protecting areas not now covered by zoning regulations and also obtaining some degree of uniformity as between the different regions of the state.

Nebraska had an interesting experience during World War II under an act passed by the state legislature providing for the consolidation of cities, villages, or counties into state zoning districts under the control of a state zoning agency. The zoning districts embraced territory used or to be used for war industry and army and navy installations. The effect of these installations on land use was considered of state-wide concern. J. Edward Johnston, formerly of the American Automobile Association, described the state's experience with this zoning device in a paper entitled "The Nebraska State Zoning Agency," presented at the 1955 Annual Meeting of the Highway Research Board. Johnston's paper is included in full in this report (see page 78).

Setback provisions in zoning ordinances have been successfully used to facilitate the future widening of streets and highways. Such provisions have been upheld by the courts if reasonable in nature and if the prescribed setback does not result in depriving the owners of individual lots or tracts of land of a reasonable use of their property. Such provisions usually cover a certain area and apply with uniform effect on all property in the area. An attempt to use the zoning mechanism to prevent construction on the property of an individual because the cost of condemning the property for a proposed highway would be greater after such improvement is, however, subject to attack by the interested party, as brought out in a recent Ohio case.

This case involved an application for a permit to construct a gasoline service sta-

Outdoor Advertising on Traffic Signs

In a decision handed down on April 7, 1954, the Criminal Court of Appeals of Oklahoma held that a contract between the City of Lawton, Oklahoma, and an individual, under which the individual was authorized to place advertising upon the back of intersectional stop signs, was in violation of an express statutory provision prohibiting advertising upon such signs (King v. State, 270 P. (2d) 370).

The State of Oklahoma has the follow-
ing statute (Oklahoma Stat. Ann., Title 47, Sec. 125.9): No person shall place, maintain, or display upon or in view of any highway, any unauthorized sign, signal, marking, or device which purports to be or is an imitation of, or resembles an official traffic control device or railroad sign or signal, or which attempts to direct the movement of traffic or which hides from view or interferes with the effectiveness of any official traffic control device or any railroad sign or signal, and no person shall place or maintain, nor shall any public authority permit upon any street or highway any traffic sign or signal bearing thereon any commercial advertising.

This shall not be deemed to prohibit the erection upon private property adjacent to highways of signs giving useful directional information, and of a type that cannot be mistaken for official signs.

The sign complained of was affixed to the back of an intersectional stop sign, the sign on the back being identical in size and shape of the opposite side and containing the words: TEAKELL'S GROCERY, FEATURING GOOD MEATS, 1309 So. 9th.

The state contended that the signs, as authorized by the city, were not in aid of traffic control but were entirely commercial advertising and, thus constituted a violation of the statutory provision.

The court considered the statute quoted above a clear and unambiguous legislative expression of policy against any type of sign which interfered with effectiveness of any official traffic control device or sign. The court pointed out that at a four-way-stop intersection at least two of said signs would be visible. Such a display would certainly distract the attention of one approaching the intersection. The distracting effects would be true on all traffic directional devices bearing commercial advertising even if located in the middle of the block.

Under the contract in question, the City of Lawton would receive a rental fee of $2 per year. The court took cognizance of the need of towns and cities for revenue and noted that this source of revenue might be of substantial help in meeting this problem. But the court was of the opinion that the loss of one life of either a child or adult, by reason of the distracting nature of commercial signs, would not justify the revenue thus raised. The court thought the legislature had the public safety in mind in establishing the policy evidenced by the statute. Moreover, said the court, to permit such signs to be placed on the back of traffic devices would encourage the oversale and installment of such signs to obtain revenue where they were really not needed; thus, they would become a hindrance to traffic movement and control, if not an outright nuisance.

Drive-in Theaters

At least two cases involving the legality of drive-in theaters were handed down by the courts during 1954. In Iowa, the state's supreme court held that a statute forbidding the operation of a theater outside cities and towns without a license from the township trustees and which made the granting of such licenses discretionary with the trustees, except that denial must be for good cause in unincorporated villages with a population of 1,000 or more, violative of constitutional provisions guaranteeing freedom of speech and forbidding deprivation of rights of property without due process of law. In South Dakota the state's supreme court held that an attempted variance by a zoning board of adjustment, to permit construction of an outdoor theater in a residential area, was legislation and not the exercise of a delegated power.

Iowa. An application to operate an outdoor theater was denied by the trustees of St. Charles Township, with no reason given, whereupon the operators appealed to the courts. The statutory limitations and conditions noted above (Sections 3611 and 3613, Iowa Code Ann., 1950) were deemed by the court to violate constitutional provisions for freedom of speech and against deprivation of rights or property without
due process of law. The court noted that no standards were fixed, no guide-posts set up, no beacons lighted to show the trustees how far they might go in granting or denying a license. The trustees might deny an applicant a license for a good reason, for a bad reason, or for no reason at all. The discretion given them by the statute was unlimited, and from the record, that was the way they had exercised it in denying a license to the outdoor theater operators without explanation.

The court took cognizance of the fact that the statutes in question were enacted for a meritorious purpose, inasmuch as the operation of roadhouses, drive-in theaters, amusement parks, dance halls, skating rinks, etc. as enumerated in the statute, when carried on outside of the limits of cities or towns, posed many problems. Questions of fire dangers, traffic hazards, lack of means of adequate policing, and various forms of corruption of the public morals and creation of nuisances arose which were not found when the same businesses were carried on within municipalities supplied with police and fire protection. The court thought a good case might be made for sound regulation, but it must be reasonable regulation rather than prohibition. The provisions of Chapter 361 violated the constitutional guarantees of due process of law, inasmuch as the right to operate a legitimate business was one which the state might regulate but not prohibit or unreasonably restrict.

The supreme court thus concluded that the pertinent provisions of the statutes were unconstitutional (Central States Theatre Corporation v. Sar, 66 N.W. (2d) 450, October 19, 1954).

South Dakota. In this case, the building inspector of Rapid City rejected an application for a drive-in theater in a residential zone. The applicant appealed to the zoning board of adjustment, which authorized the construction. Owners of residences in immediate proximity took action to enjoin the proposed construction on the grounds that the drive-in theater, if constructed, would cause irreparable injury; that the value of their residences would be greatly depreciated; that they would be inconvenienced, annoyed, and injured in the use of their respective residences by the noise, dust, traffic, and line of innumerable cars necessarily attendant upon the operation of such an enterprise; and that the proposed use of the property and the variance allowed by the board were in violation of the zoning ordinance of the city.

The state supreme court declared that a zoning board of adjustment, not being a legislative body, could neither ignore nor amend the ordinance under which it functioned. The city zoning ordinance classified the premises in question for residential purpose, and no administrative remedy existed to obtain a permit for the construction of a drive-in theater thereon.

The court concluded that the attempted variance was legislation and not the exercise of a delegated power. Consequently, the authorization by the board for construction of the drive-in theater was a violation of the zoning ordinance. A change in the ordinance itself was the only remedy (Graves v. Johnson, 63 N.W. (2d) 341, March 16, 1954).

“Nuisance” Approach to Highway Protection

A significant paper entitled “Roadside Protection Through Nuisance and Property Law” was presented at an open meeting of the committee during the 1955 Annual Meeting of the Highway Research Board. The author, Jacob Beuscher, professor at the University of Wisconsin Law School, suggests the possibility of using the “nuisance” concept to protect the roadside from encroachments or undesirable installations having a detrimental effect on streets and highways.

Beuscher reasons that substantial inter-
ference with safety and free passage on the highway may be enjoined, even though the cause of the interference originates on privately owned land abutting the highway. In modern times, he finds, much attention has been paid to the rights of abutters but little to their duties, among these the duty to refrain from actions which will unreasonably interfere with the dominant right of the public to free passage on the highway. The professor urges that attorneys for state highway commissions consider the use of "nuisance" actions to enjoin roadside abuses. But he cautions that the essence of a roadside injunction case is factual proof of the effect of the roadside use upon "free and safe passage" on the highway. Traffic and accident surveys are needed to obtain this factual proof.

Beuscher's paper is included in full in this report (see page 66).

CONTROL OF HIGHWAY ACCESS

Forty-three states are now authorized to establish controlled-access highways. Enabling legislation for five of these states, Iowa, Montana, Nevada, Vermont, and Tennessee, was enacted in the 1955 legislative sessions. Other states had legislative proposals up for consideration but these were not enacted into law. Some of the states having no specific legislation applicable to controlled-access highways are actually building this type of improvement under existing broad statutory authority pertaining to highways.

Access Rights on New Highways

When a landowner is deprived of access to his property from an abutting highway that is converted into an expressway, it is axiomatic that he should be compensated for the impairment of his access. The courts are in agreement on this principle. But when an expressway is built on new location, the abutting owner, having had no previous access, is not entitled to compensation for denial of access, according to the courts of an increasing number of states.18

In two of these states, Kentucky and Oregon, the decisions were handed down during 1954 and are of interest for the principles enunciated.

Kentucky. The property in this case abutted on Sixth Street in the City of Louisville, running north and south. The lot extended 100 feet north and south and 200 feet east and west. On the south half of the lot was a duplex apartment house, and on the north half, a two-car garage and a number of large shade trees, shrubs, and flower beds. The north half of the lot was condemned for an inner-belt highway, taking the garage and most of the shade trees, leaving a 12-foot yard space on the north side of the home.

In building the inner-belt highway, the state highway department also closed Sixth Street at the north line of Smick's remaining property. Thus, the Smicks were to have no access to the inner-belt highway and would not be able to travel north, as they formerly did, on Sixth Street.

A trial court awarded $4,750 to the Smicks, and on appeal to the circuit court, the award was reduced to $3,500, consisting of $2,300 for the land and improvements taken and $1,200 for damage to the remainder. The Smicks appealed to the court of appeals, which upheld the award of the circuit court (Smick v. Commonwealth, 268 S.W. (2d) 424, May 14, 1954).

In so doing, the court of appeals stated that the closing of Sixth Street was a matter entirely separate and apart from the condemnation proceedings. The Smicks could not complain of lack of access to the new inner-belt highway because this highway did not replace any street to which they

formerly had access. Furthermore, said the court, there was no attempt made to show any specific damages resulting from these factors.

Oregon. This case (State Highway Commission v. Burk, 265 P. (2d) 783, January 13, 1954) resulted from a condemnation action by the state highway commission which sought to acquire land for relocation of State Route 22 between Salem and Dallas as an expressway. No part of the land condemned for the new highway was within the boundaries of the old road. The property in controversy consisted of approximately 8½ acres, a part of a larger tract owned by the defendants in the case, abutting on the old highway (see Figure 5).

The state highway commission alleged that traffic conditions on the old highway made it necessary to relocate it upon a new line as a controlled-access highway. The question was whether the defendants were entitled to compensation for the taking of an alleged right or easement of access. The trial court ruled that they were not, and the jury awarded damages in the amount of $33,000 with interest, no portion of which was for access rights. The property owners appealed, alleging, in part, that the following instructions given to the jury were in error:

Now, I instruct you that prior to and at the time the original complaint was filed in this case, the defendant property owners did not own any right or easement of access of any nature whatsoever to and from their real property described in Paragraph III of said complaint and the relocated portion of the Salem-Dallas Highway, and this instruction relates only to the relocated portion of the highway. Therefore, in determining the fair cash market value of all of the defendant property owners' property so described you will not consider that they owned or that such real property had appurtenant to it a right or easement of access to and from the relocated portion of the Salem-Dallas Highway involved in this case. Likewise, in determining the fair cash market value of the remainder of the defendant property owners' said property, after the appropriation of the 8 and 5/10ths acres on September 8, 1950, you will consider not that said remaining property had any right or easement of access whatsoever taken from either it or the defendant property owners, for the reason that there was no such right or easement of access owned by the defendant property owners or appurtenant to their said described property at the time the complaint was filed in this court. That is, the defendants did not have, nor did their property have appurtenant to it, any right or easement of access to that part of the Salem-Dallas Highway as relocated and involved in this case, and the State has not taken and is not taking any right or easement of access away from them. You will not, therefore, consider there was any such access, nor will you allow any damages to be assessed against the State for any such access.
This instruction the supreme court held in accord with the theory of the state. The instruction contended, in substance, that there was no highway in existence across any portion of the defendants' property until the bringing of the suit. The state, therefore, argued that although as an abstract statement of law it was true that owners were entitled to damages for the taking of easements of access, that rule was not applicable to the case at bar "because it assumes that the defendants have an existing right of access." The state argued that since there was no highway in existence there could have been no right in the nature of an easement of access.

The statute under which the state was proceeding (O.C.L.A., Section 100-116, as amended by Chapter 283, Laws of 1947) provided that the state highway commission might, under certain specified conditions commence action in the circuit court "for the condemnation of such interests as such owner or owners may have in said real property, including any and all right of access if the real property to be acquired is for right-of-way purposes, and for determining the compensation to be paid therefor, and the damages, if any there be, for the taking thereof." This, the court felt, authorized the state to condemn a controlled-access highway and thereby to acquire the fee of privately-owned property, to the exclusion of any right of entry appurtenant to the land not taken. This indicated that, in the view of the legislative body, right of access might be a right for which compensation was to be paid. But the statute did not apply exclusively to cases where the state sought to acquire new land in fee for a controlled-access highway. It was equally applicable to cases in which a conventional highway was to be converted to a controlled-access highway by condemning only an easement of access.

However, continued the court, the fact that the establishment of a conventional highway created in the abutting land the attributes of a dominant tenement and in the highway the attributes of a servient tenement did not necessarily mean that such attributes were created when land for a new controlled-access highway was condemned. The present action extinguished the right of the property owners to enter, from abutting land, the land which now belonged to the state. The same right would be lost to the owners if they had sold the tract to a private individual; instead of losing it by condemnation to the state. This did not mean, however, that the owners would have had and then lost an easement appurtenant to a part of their land for access to another part. The question for determination, the court found, was whether there was a property right in the nature of an easement when new land was condemned for a controlled-access highway.

The court quoted at some length from the Schneider case (Schneider v. State, 241 P. (2d) 1, 1952), in which the California Supreme Court held that "where a property owner has no right of direct access to a highway before it is converted into a freeway abutting upon his property, nothing is taken from him by the failure to give him such a right when the conversion takes place." Two other California cases (City of Los Angeles v. Geiger, 210 P. (2d) 717, 1949, and People v. Thomas, 239 P. (2d) 914, 1952) were also cited. In the first of these, the court held that "there can be no detriment to a right which never existed and no compensation for a loss not sustained." In the Thomas case, the court held that "the resolution passed by the highway commission (designating the highway as a freeway) did not create in appellant's property a new right of access to a freeway to be constructed where no highway, conventional or otherwise, existed before." The Oregon court concluded that there was no "taking" of an easement of access when a new controlled-access highway was established by condemnation.
The court next considered the matter of whether the nonaccess character of the highway had an effect on severance damages to the remaining property. Oregon statutes provide that, "in any proceeding in eminent domain, evidence of the entire plan of improvement shall be admissible for the purpose of determining the following: (1) value of property taken; (2) all damages by reason of deprivation of right of access to any highway to be constructed, established or maintained as a throughway; and (3) the damages, which, if the property sought to be condemned constitutes a part of a larger parcel, will accrue to the portion not sought to be condemned by reason of its severance from the portion sought to be condemned and by reason of the construction of the improvement in the manner proposed" (Oregon Laws 1947, Ch. 226, Sec. 16).

The court stated that Item 2 was inserted in the statute to cover cases in which an old conventional highway was established as a throughway, in which case, there would be a "taking" of the preexisting easement appurtenant to the land not taken. The statute did not provide or imply that damages by reason of deprivation of right of access should be fixed separately from other damages to the property not taken but only that such evidence was relevant in the assessment of such damages.

In the present case, the court considered it a question of fact whether the market value of the land not taken was affected by the more-complete severance resulting from the nonaccess character of the highway appropriated. Several cases from other jurisdictions were cited substantiating this viewpoint, among them the California case of People v. Al. G. Smith Co., Limited, 194 P. (2d) 750, 1948, in which the only right taken was the right of access and in which the court held that "where private property is taken for a public use and damage results to the remaining property of the landowner, compensation for such damage must be awarded which is measured by the diminution in value of that property which remains." The court held that the peculiar character of the appropriation was relevant to the issue of damages to the portion of the land not taken.

Again considering the instruction given to the jury by the judge of the trial court, quoted above, the supreme court noted that no clear distinction was made by the judge of the lower court between the existence of an easement on the one hand and the question of a possible depreciation of the market value of the remaining land on the other. But the exception taken by the defendants did not call attention to this distinction, nor did they request any instruction to the effect that the jury might consider the nonaccess character of the land taken, in determining the depreciation, if any, of the market value of the remaining land.

However, the lower court did instruct, in general terms, that the defendants were entitled to compensation measured by the fair cash market value of the land actually taken "plus the amount, if you find there is any, by which the fair cash market value of the remainder . . . has been depreciated solely as the result of the appropriation. . . ." The lower court also instructed the jury to determine the damages, if any, to the property not taken, on account of the rights asserted by the highway commission.

Under these instructions, the supreme court thought the jury was entitled to consider the effect of the nonaccess quality of the condemnation in determining the depreciation, if any, in the remaining property. No evidence was found indicating that they did not do so. The court concluded that the instruction given did not constitute reversible error.

It is interesting to note that the above case arose before the effective date of two new sections of the Oregon Code, Sections 374.405 and 374.410 (1951) providing that no right of access shall accrue to property
Impairment of Access Due to Construction of Dividing Strip

Courts generally have held that highway authorities may construct a dividing strip, or median, as a means of regulating or controlling traffic under the police power and that circuitry of travel resulting from such a design is not compensable. A West Virginia decision, handed down during 1954, supports this line of reasoning. However, in a Mississippi case, the state supreme court held that not only was the state highway commission without authority to construct a median strip across a street without the consent of the municipality, but the city could not validly consent thereto, unless compensation was first made to abutting landowners.

Mississippi. Protesting landowners in this case owned property on the West side of Hamilton Road, running north and south in the City of Meridian. Beginning in 1948, the state highway commission constructed Tom Bailey Drive, running east and west and bisecting the property in question. A restaurant was located on the northerly portion of the property, abutting Hamilton Road, and a gasoline service station on the south of Bailey Drive. The median strip constructed by the highway commission in Bailey Drive was unbroken for a distance of 1,580 feet, including the intersection of Hamilton Road. The property owners claimed that access to their business property was impaired to such an extent as to damage the value thereof. They asked that the highway commission be enjoined from maintaining the dividing strip and that they be compensated for the impairment of their right of access.

The City of Meridian became a party to the suit, claiming that the highway commission had constructed the median strip without its consent or authorization.

The highway commission argued that it had authority under Section 8038, Code of 1942, defining the general powers of the highway commission relating to construction or maintenance of state highways to construct the controversial median strip. The state supreme court, however, cited a provision of the code (Section 3374-127, 1952, Supplement Miss. Code 1942) which read as follows:

The governing authorities of municipalities shall have the power to close and vacate any street or alley, or any portion thereof. But no street or alley or any portion thereof shall be closed or vacated except upon due compensation being first made to the abutting landowners for all damages sustained thereby.

The court did not believe that Section 8038 modified the municipality's jurisdiction over its streets, particularly in view of the provision contained in subsection (d) to the effect that "no rule, regulation . . . shall be made [by the highway commission] that conflicts with any statute now in force or which may hereafter be enacted or with any ordinance of incorporated cities or towns." In other words, said the court, it was clear that the action of the highway commission in constructing this neutral ground across a long-established public thoroughfare of the city, without the consent of the municipal authorities, was beyond its statutory authority and power. Nor, continued the court, could the city itself have validly consented to the impairment of the free and reasonable use of the street in such manner, without due compensation being first made to the abutting landowners for all damages sustained thereby (Hamilton v. Mississippi State
Throughout the decision, the court referred to "that part of Hamilton Road that has been vacated," apparently basing its decision on a provision of the state constitution prohibiting the taking or damaging of private property for public use, except on due compensation being made to the owner, and the statutory provision quoted above (Section 3374-127) authorizing a municipality to close streets and alleys. The court remarked that the state highway commission, instead of the municipality, had virtually closed the street in question without lawful authority.

West Virginia. One Paul Brady, owner of an automobile garage abutting on US 60 in Cabell County, West Virginia, was granted an injunction by the circuit court of the county, enjoining the general contractor and the district engineer for the state road commission from building a median strip on the highway, which would restrict entrance to the garage. Upon appeal, the state's supreme court of appeals dissolved the injunction on the ground that Brady's complaint did not state grounds on which an injunction could be granted (Brady v. Smith et al., 79 S.E (2d) 851, February 2, 1954).

In asking for the injunction, Brady alleged that the construction of the proposed center island or median strip would require all east-bound traffic on US 60 to proceed about 300 feet beyond his property, in order to turn and approach the garage, which would greatly damage his business. In granting the injunction, restraining the state from proceeding with the construction of the center island or median strip, the lower court ordered the state to leave a gap in the center island or strip 100 feet in length in front of Brady's property.

The high court found no specific allegations in the bill of complaint to the effect that the garage owner had suffered, or would suffer, injury from the proposed construction of the median strip different in kind from that suffered by other property owners similarly situated. Nor did the complaint disclose that the contractor and the district engineer acted arbitrarily, capriciously, or fraudulently in constructing the proposed median.

The case must therefore be governed by the previous case (Heavner v. State Road Commission, 191 S.E. 574, 1937), continued the court, which held:

1 Under the provisions of Section 4, Article 4, Chapter 40, Acts of Legislature, First Extraordinary Session 1933, the state road commissioner has power "upon petition and hearing, or after due investigation, upon his own initiative, (to) discontinue any road no longer necessary" and such power is not subject to the control of the courts, except where its exercise is capricious, arbitrary, or fraudulent

2 Where the state road commissioner, in the lawful exercise of the powers vested in him under Section 4, Article 4, Chapter 40, Acts of the Legislature, First Extraordinary Session 1933, makes a change in a primary state road, owners of property, affected by such change, cannot, by mandamus, require the restoration of the road to its original location where reasonable access to and from their property is provided

In the Heavner case, the court stated that "the legislature having granted this power in the broadest possible terms, courts are not at liberty to interfere with the exercise of the same by those entrusted with its execution, except in cases where capricious, arbitrary, or fraudulent conduct is involved."

In line with this and other decisions, the state supreme court found it necessary to reverse the decree of the lower court and order that the injunction be dissolved.20

Service Facilities on Toll Roads

The Massachusetts Turnpike Law (Acts of 1952, Chapter 354) contains a provision authorizing the acquisition by the turnpike authority of sites along the turnpike for gasoline stations, restaurants, and other services and of other abutting property or

property rights for the purpose of protecting the turnpike.

In 1954, the governor of the state asked for the opinion of the justices of the state supreme judicial court as to the constitutionality of this and other provisions of the act.

The court, in its opinion dated May 22, 1953 (Opinion of the Justices, 113 N.E. (2d) 452), answered the governor's questions in the affirmative, using the following reasoning:

The turnpike envisioned by the legislature was an entirely new type of highway, made necessary by the many changes in the lives and customs of the people brought about by the introduction and general use of the automobile. The court found that in some respects the proposed turnpike resembled a new railroad system crossing the state, rather than a traditional road leading from one town to another. Such a road could not merely be constructed and opened to the public. It must be operated. This involved inspection, supervision, and a constant preparedness to remove obstructions and make necessary repairs. This, in turn, involved the use of road machinery, towing vehicles, snow plows, and sanding equipment which might have to be stored along the highway. For all this, buildings might be required, as well as reasonable provision for garages where necessary repairs could be made, both on the equipment of the turnpike and in order to keep the vehicles of travellers in operable condition. Similarly, it would be necessary to provide gasoline stations at reasonable intervals. The auxiliary structures, said the court, bore a relation to the turnpike similar to that which the switch towers, water tanks, roundhouses, and stations bore to a railroad. These structures were parts of the railroad, although not parts of the track. The court was of the opinion that not only the worked portion of the roadway but also the kinds of buildings and other structures mentioned above and a reasonable amount of land taken or acquired on which to place them were all "needed for the actual construction" of the highway and were to be acquired for public use. The court concluded that reasonable takings for these purposes might be authorized by the legislature under the powers which it possessed before the amendment to the constitution.

Although more doubt might exist as to restaurants, the court was inclined to classify them with the services previously mentioned and consider them a part of the turnpike. The utility of restaurants in connection with travel was attested by the fact that they were a customary feature in railroad stations and were also commonly found at the larger airports. The provision for restaurants might also have some tendency to reduce the amount of stopping along the route and to keep the roadway free of refuse. Apparently the legislature regarded these auxiliary structures as part of the turnpike, said the court, since it included all of them in the definition of "turnpike" included in the act.

The court also declared that provisions contained in the act for the leasing by the authority of "gasoline stations, restaurants, and other services" were not unconstitutional. The property leased would be devoted to the public purpose of the turnpike, to which these services were wholly subordinate. Previous court decisions and opinions of the justices were cited wherein it was held that "while land cannot ordinarily be taken by eminent domain for the purpose of renting and sale . . . this principle is inapplicable where, as here, the property so rented or sold is thereby devoted to a public purpose."

Finally, the court stated that in its opinion the power granted the turnpike authority to take "abutting property to preserve and protect the turnpike" was not a grant of power to take more land than "is needed for the actual construction" of the highway, as used in the constitutional amendment.
quoted above. Land really needed to preserve and protect the turnpike was needed for its actual construction within the meaning of this constitutional article, and doubtless this power to take "abutting property" would be construed with considerable strictness.^^

Access to Commercial Establishments

In New Hampshire, the governor and council asked the supreme court of the state for an opinion as to the constitutionality of an act allowing established commercial facilities abutting and having direct access upon a highway to retain access rights when the highway became a toll-free controlled-access highway, while denying access to neighboring abutters who had not so developed their land. The justices answered in the affirmative in an opinion dated June 15, 1954 (Opinion of the Justices, 105 A. (2d) 924).

The law in question (Laws of 1953, Chapter 237) provides for the construction of the Eastern New Hampshire Turnpike. Section 1(c) permitted the commissioner of public works and highways, with the approval of the governor and council, to designate, limit and control points of ingress and egress. Section 1(d) authorized these officials to permit toll-free use of certain sections of the turnpike "if it is for the public good.

Section 8 of the Highway Law of 1945 forbade authorization of commercial enterprises upon a controlled-access highway. But Section 9 of the Turnpike Law (Laws of 1953, Chapter 237), while providing that the toll road in question be a controlled-access highway as defined in the Highway Law of 1945, also specified that Section 8 thereof should not apply to existing facilities on highways, "not now restricted as to access, used as toll-free sections of the turnpike."

The court was of the opinion that the highway authorities had statutory author-

Denial of Access to Approach Road

Another dispute regarding access to the New Hampshire Turnpike which reached the courts during 1954 involved the question of whether the commissioner of public works and highways had the right to prevent access to a connecting road as well as to the toll road itself. The state supreme court, in a decision handed down on November 30, 1954 (Wiseman v. Merrill, 109 A. (2d) 42) held that the commissioner had such authority under existing statutes.

In 1949, one Joseph Cohen deeded 36 acres of his farm for the construction of the turnpike and a connecting service, or approach, road to Rockingham Avenue, together with access and other rights pertaining to the remainder of his abutting lands. Cohen's land was bounded southerly by the turnpike, easterly by an approach road to

Rockingham Avenue, northerly by Rockingham Avenue, and westerly by other abutters. Cohen received $42,500 for the property sold. After Cohen's decease, his heirs instituted court proceedings, claiming that the deed executed by him conveyed no right of access or other rights to the road leading from the traffic circle to Rockingham Avenue.

The court, in its decision, called attention to a provision of the state’s controlled-access law (Laws of 1945, Chapter 188, Part 7, [1]), which authorized the commissioner of public works and highways to designate “any existing road, street or highway within the state as included within a limited-access facility” and also authorizing him after the establishment of the highway to permit other roads, not a part of it, to intersect it only at “such locations and upon such conditions as the highway commissioner shall approve.” Section 3 authorized the commissioner to design and regulate any controlled-access facility so as to best serve the traffic for which it was intended and to specify the terms upon which any person might have access to it. Section 5 gave the commissioner the same authority to establish and regulate service roads as he had with respect to controlled-access highways.

The deed in question conveyed “all rights of access . . . pertaining to the remainder of abutting lands belonging to the grantor,” and the court held that Cohen’s heirs had no valid claim to a right of direct access from any part of their lands to the abutting land of the state. The grant did not effect the grantor’s right of access to Rockingham Avenue, which intersected the approach road and thus afforded access to the traffic circle.

The protesting landowners contended that the road to Rockingham Avenue was not a local service road but a “connecting service road or approach road.” The court found, however, that this road was so related to the controlled-access highway that, in the interest of safely expediting through traffic, the authorities could reasonably prohibit access to it under the broad statutory powers previously described.

**Taxation of Excess Land Acquired by Turnpike Authority**

In acquiring right-of-way for the New Jersey Turnpike, the turnpike authority purchased some 500 acres of land in Washington Township outside the 300-foot right-of-way, consisting of portions of former farms cut in two by the construction of the turnpike. The township assessed the turnpike authority for this land in 1952, whereupon the authority petitioned the county tax board for cancellation of the assessments. The petition was turned down by the county board, and the matter eventually reached the state supreme court. In a decision handed down on June 21, 1954, that court held that the turnpike authority was not entitled to tax exemption when its property was not used as part of the turnpike project (*New Jersey Turnpike Authority v. Washington Township*, 106 A. (2d) 4).

The turnpike authority conceded that there was no likelihood of the lands in question being used in the future for turnpike purposes. It intended to dispose of them as surplus property as soon as it conveniently could. According to the authority, the delay in disposing of the properties was due to the fact that they were mere parts of former farms and that some of them were without access to a public road. The number of prospective buyers was, therefore, distinctly limited. The township, on the other hand, pointed out that, although some of the individual tracts lacked access to a public road, all of them by reason of their common ownership by the turnpike authority did have access to public roads, that their value was deteriorating for lack of cultivation, and that the turnpike authority had not made any real effort to sell them.
The court noted that the turnpike authority did not have statutory authority to condemn excess property. However, more latitude was necessarily allowed as to the quantity of land bought than would be permissible when proceeding by condemnation. In many instances, acquisition by purchase was more in the public interest than acquisition by condemnation, because it might be more economical to buy an entire tract than to condemn part of it and to pay compensation for damages to the remainder. The court thought such was the case in the present instances and, in the absence of bad faith, the practice should be encouraged.

However, the court continued, the right to acquire by purchase a larger amount of land than would have been permitted by condemnation did not imply a power to retain any land thus acquired if not intended for a public purpose. Vacant land not in the public use or presently intended for public use was taxable, even when owned by bodies having a right to tax exemption with respect to property used for an appropriate purpose. Moreover, continued the court, tax-exemption statutes, if based on the personal status of the owner rather than on the use to which the property is put, ran afoul of the tax article of the New Jersey Constitution of 1947, providing that "property shall be assessed for taxation under general laws and by uniform rules." A similar provision of the previous constitution had been construed to prohibit such exemptions (Tippett v. McGrath, 59 A. 1118, 1904).

The turnpike authority argued that the property in question was exempt from taxation as property of the state. The court found this argument without merit, the notion that the turnpike authority was the alter ego of the state having been disposed of in a previous case (New Jersey Turnpike Authority v. Parsons, 69 A. (2d) 875, 1949).

**Economic Impact of Expressways**

Three new studies of the effect of controlled-access highways on adjacent land use and land values were completed by the California Division of Highways during the year and printed in *California Highways and Public Works*. In "Motels and Freeways," published in the January-February, 1954 issue, the author, John F. Kelly, points out that motels on access-controlled highways are capable of attaining even greater success than comparable motels on conventional highways. "Industry and Freeways," also by Kelly, appeared in the May-June issue and describes the spectacular industrial growth adjacent to the Eastshore Freeway. A third article, "Industry and Frontage Roads," by Kelly and Edward P. Reilly, documents the increased land values and the enthusiastic endorsement by the property owners conducting business along frontage roads on the Santa Ana Freeway. It appeared in the July-August edition of the magazine.

An informal report on the Virginia study of the economic effects of the Lexington Bypass was given at the open meeting of the committee during the annual meeting of the Highway Research Board, by Rudyard B. Goode, who is associated with the study. It is hoped that progress on this and other studies now in process throughout the country will be made during 1955.

**Right-of-Way Problems on Urban Expressways**

A recent innovation in Milwaukee County, Wisconsin, is the County Expressway Commission, authorized by recent enabling legislation and now in the process of adopting a plan of expressways to serve the entire county. Edward A. Bielefeld, right-of-way engineer of the commission, described the commission's activities in a paper entitled "Right-of-Way Problems on Urban Expressways," presented at an open
committee meeting at HRB's annual meeting in January of 1955. In addition to the preparation of a plan of expressways, the commission is authorized to acquire the right-of-way for and to construct an expressway system in the county. Bielefeld's paper is included in full in this report (see page 59).

Highways for New Urban Patterns

Because of the increasing emphasis on urban traffic problems and the vital need for solutions thereto, a paper presented at the open meeting of the committee by Tracy B. Augur, director for urban-planning assistance of the Urban Renewal Administration, Housing and Home Finance Agency, is of special interest. Augur, in his paper entitled "Highways for New Urban Patterns," suggests that highway designers combine their talents with those of state, county, and city planners to design a combined pattern of highways and urban development that will give the greatest promise of balance between highway service and highway need. This paper is included in this bulletin (see page 54).

PARKING

Parking as a Public Purpose

Although the courts of the various states have consistently held that the provision of off-street-parking facilities constitutes a public purpose, at least three state courts were called upon during the year to pass upon this important question. In two states, Indiana and Kansas, the question was definitely decided in the affirmative. In a third state, North Carolina, the state supreme court conceded that conditions in a municipality might be such that the provision of off-street-parking facilities would constitute a public purpose; but in the particular case before it, the court was unable to make a decision to that effect in the absence of a resolution by the municipality finding that public necessity and convenience warranted its action.

Indiana. An attempt was made to prevent issuance of general obligation bonds of the City of Valparaiso for the acquisition of land to be used for off-street-parking facilities. The state supreme court held that a state statute authorizing municipalities to acquire, establish, and regulate municipal parking facilities was a valid exercise of the police power in the interest of public safety, convenience, and welfare (Phillips v. Officials of City of Valparaiso, 120 N.E. (2d) 398, June 16, 1954).

The petitioners, residents of the city, alleged that the city abused its discretion and failed to use good judgment in the proceedings to provide the parking facilities, particularly as to the price to be paid for the real estate to be purchased, the location of the parking lot, and the adequacy of present parking facilities. They also questioned the constitutionality of the enacting act (Burns' Indiana Stats. Ann., Cum. Supp. 1953, Sec. 48-8461).

The court held that the necessity and expediency of acquiring property for the establishment of parking facilities were legislative and not judicial questions. In Indiana, the courts would not undertake to control the discretion of administrative boards, so long as their action was not illegal, capricious, or fraudulent.

The petitioners asserted that the enabling statute, authorizing cities of the second, third, or fourth classes to acquire, establish, construct, maintain, operate, and regulate municipal parking facilities, was unjust and unreasonable with respect to taxpayers who did not own automobiles and business men who had provided their own off-street parking facilities. The court stated that this same objection might be made to the exercise of any other municipal function, such as the establishment and maintenance of playgrounds, swimming pools, and airports, the use of which was, for obvious
reasons, confined to taxpayers who had use for such facilities.

The court pointed out that the legislature, under the police power, might enact laws for the regulation and control of traffic on the public highways. Parking facilities, the purpose of which was to relieve traffic congestion, had a definite bearing on public safety and convenience in the use of city streets and, to that extent, served a public purpose. The court held that enactment of the enabling statute was a valid exercise of the police power, the need for which transcended any rights which the petitioners had asserted under the state's constitution.

**Kansas.** The Kansas Supreme Court upheld the constitutionality of a state statute authorizing first-class cities to condemn real estate for off-street-parking facilities to be financed from the sale of revenue bonds (State v. City of Topeka, 270 P. (2d) 270, May 8, 1954). The state alleged that the statute violated Section 1, Article 2 of the state constitution, "the legislative power of this State shall be vested in a house of representatives and senate," in that no adequate standards were prescribed by the statute and the law therefore involved an unlawful delegation of legislative power.

The court, however, found that the statute in question (Gen. Stats. of Kansas, Cum. Supp. 1953, Secs. 13-1388 et seq.) did prescribe certain standards as to the method of acquisition of property; the location of such facilities within the city; the method for gathering information necessary for the determination of the existence of a public need and the advisability, necessity, and benefit to the city; the circumstances under which property might be acquired and improved; the method of financing a project; etc. The court found these standards ample and concluded that the statute did not constitute an illegal delegation of legislative power.

The state further questioned whether the taking of private property for off-street parking constituted a public use. The court, however, made the same observation as did the Indiana court in the Phillips case discussed above, to the effect that it lay within the power of cities to regulate and control the traffic upon their streets. Since regulation of traffic upon the streets of a city was in the interests of public safety, convenience, and necessity and the stopping or parking of vehicles along the streets was a legitimate use thereof, subject to legislative control, it followed that the provisions of the enabling statute, providing for acquisition of property for off-street-parking facilities, was for a public purpose.

**North Carolina.** The City of New Bern attempted to lease property to provide off-street-parking facilities, using funds derived from sources other than taxation (including revenue from parking meters) for the construction and maintenance of the facilities. A civil action was brought to restrain the city from such action. A lower court found that the leasing of property to establish off-street parking involved an expenditure of public funds for a public purpose within the meaning of the constitution and the laws of the state and was reasonably required by the crowded and congested traffic conditions of the city.

Upon appeal, the state supreme court held that the question as to whether off-street-parking facilities might be maintained as a proprietary public-purpose function of the municipality depended in each instance upon local conditions as found and declared to exist by the municipality, such finding to be duly adopted after notice and an opportunity for local citizens to be heard. In this case, the city had passed no resolution asserting public necessity and convenience, made no appropriation, adopted no ordinance, designated no nontax fund to be used in furtherance of the proposed plan, or taken other action necessary to place it in position to pursue the alleged proprietary undertaking. The court ordered the munici-
pality to refrain from acquiring land for the facilities until after it had performed the necessary preliminary acts and the court had made its determination as to their sufficiency (Henderson v. City of New Bern, 84 S.E. (2d) 283, November 3, 1954).

Use of Parking Meter Revenue

A question which the courts are increasingly called upon to answer concerns the matter of whether or not revenue from parking meters legally may be used to provide off-street-parking facilities. The courts of at least three states, Michigan, South Carolina, and West Virginia, answered this question in the affirmative during the year.

Michigan. In Petition of City of Detroit, 62 N.W (2d) 626, February 18, 1954, a number of owners or operators of privately-owned automobile parking lots in Detroit brought action for a determination of the matter. The state supreme court held that parking meters were a public improvement within the meaning of the revenue-bond act authorizing the acquisition of off-street facilities for the purpose of parking motor vehicles and that revenue from street parking meters could be combined with that from municipally-owned and operated off-street-parking facilities for the purpose of financing the issuance of revenue bonds to acquire the facilities.

The city, by ordinance and subject to charter provisions, had created a municipal parking authority to have general supervision over all municipally owned facilities for parking and storage of motor vehicles. An amendment to the ordinance provided that coins collected from parking meters be deposited in a special fund to be used for acquiring and installing parking meters, cost of supervision, inspection, maintenance, supply of parts, cost of collection, and enforcement of the ordinance. It further provided that any balance remaining was to be used, upon due appropriation by the common council, for the acquisition and installation of other traffic control devices and for the acquisition, construction, and operation of off-street-parking facilities.

The court called attention to the fact that a similar ordinance adopted by the Village of Wayne had been upheld by the court in Wayne Village President v. Wayne Village Clerk (Parr v. Ladd) 36 N.W. (2d) 157, 1949, and the same ordinances here under attack had been held valid in Cleveland v. City of Detroit, 37 N.W. (2d) 625, 1949. The court found no merit in the operators' present claim that the city could not legally collect surplus or "profit" money from street parking meters to be used to finance off-street-parking facilities. Further, the question whether or not the parking facilities would be operated at a profit was an administrative problem for the legislature and the municipal authorities. It was not a matter primarily to be decided by the courts.

The parking-lot operators also claimed that the city lacked authority to engage in a public improvement, such as automobile off-street parking, in competition with them and to their financial damage and loss. The court quoted a previous decision, Andrews v. City of South Haven, 153 N.W. 827, 1915, in which it said:

In the exercise of proprietary and business powers of a municipal corporation, it is governed by the same rules which control a private individual or a business corporation; in such case the fact that a city engaging in a commercial line of activity competes with and damages one of its inhabitants in his trade or business does not entitle him to relief against municipal action for the city owes him no immunity from competition.

The same question came before the state supreme court, in another case involving the expenditure of public funds, by the City of Pontiac for the acquisition and development of city-owned and operated parking lots. In that case, the state supreme court held that the income from operation of parking meters constituted revenue of the

22 Stolorow v. City of Pontiac, 68 N.W. (2d) 611, April 5, 1954 (see p. 44 for a full discussion of the decision).
city available for use in connection with the proper construction, use, or maintenance of its public streets, pointing out that, as a matter of common knowledge, cities throughout the state have availed themselves of such revenue for the acquisition and operation of lots for off-street parking in order to relieve the congestion in public streets.

South Carolina. In the case of Sammons v. City of Beaufort, 83 S.E. (2d) 153, July 21, 1954, the Supreme Court of South Carolina upheld the authority of the state legislature to authorize a municipality to pledge revenue from on-street meters in connection with a proposed issue of revenue bonds to defray the cost of providing off-street facilities. The court, however, refused to approve a covenant in the ordinance passed by the City of Beaufort agreeing to put into effect and keep in force, during the life of the bonds, charges for both off-street and on-street parking sufficient to produce revenue necessary to service the bonds, to provide a cushion fund therefor, to operate and maintain all of its parking facilities, and to provide appropriate sums for depreciation and contingencies.

In upholding the city's authority to finance construction of off-street-parking facilities by revenue derived in part from curb meters, the court referred to a previous case, Owens v. Owens, Mayor, 8 S.E. (2d) 339, 1940, which limited charges for on-street parking to those necessary to pay the cost of purchasing, maintaining, and operating parking meters and prohibited a municipality from using such facilities for revenue-raising purposes. However, the court did not think it followed that a municipality might not use the revenue from on-street parking facilities to defray, in part, the cost of establishing and maintaining a parking lot. Both facilities were interrelated and constituted a uniform parking system. The right to establish a parking lot was a necessary adjunct to the right to regulate traffic. No good reason appeared why both on-street and off-street parking might not be combined to accomplish the general objective of regulating the use of the streets. So long as the total revenue received from both on-street and off-street meters did not substantially exceed that necessary to defray the expenses incident to the regulation of parking, including the acquisition and improvement of off-street parking facilities, the court did not think there was a violation of the rule that the police power could not be invoked for revenue purposes.

Regarding the covenant to maintain parking meters on the streets during the life of the bonds and to charge fees for the use of parking spaces thereon sufficient to service the same, the court maintained that this constituted an ineffective attempt to barter away the police power. The legislature might not authorize the City Council of Beaufort to adopt a system of on-street parking and make it irrevocable during the life of the bonds, so as to preclude a future council from adopting some other method of regulating traffic or from prohibiting parking entirely on any or all of the streets.

The court also passed on two other covenants included in the Beaufort ordinance. One of these, making it a criminal offense to violate parking regulations, the court declared invalid, on the ground that no city council might be empowered to enact any kind of criminal ordinance and make the same irrevocable.

The court also declared invalid a covenant giving the bondholders a lien on all parking facilities in the city and providing that, upon default, a receiver might be appointed to take over and operate both the on-street and off-street parking facilities. The court stated that although such a covenant was authorized by the revenue-bond act and had been upheld in Cathcart v. City of Columbia, 170 S.E. 435, 1933, an entirely different situation was here presented. The Cathcart case involved a mu-
nicipal stadium, and the lien created "would apply only to the project constructed by monies derived from the sale of the bonds and would partake of the nature of a purchase-money mortgage." The present covenant would create a lien not only on the project being constructed but also on curb-parking facilities, involving an essential governmental function. It would hardly be suggested, said the court, that a municipality might mortgage its streets or delegate to a court the power to regulate traffic. Thus, the court declared the covenant invalid insofar as it pertained to on-street-parking facilities.

West Virginia. In a decision handed down by the state supreme court of appeals, July 30, 1953, the court upheld the authority of the City of Beckley to issue revenue bonds for the purpose of constructing and operating an off-street parking facility and to use revenues from on-street-parking meters to supplement funds received from the bond issue (State ex rel. Bibb. v. Chambers, 77 S.E. (2d) 297).

This case arose when the mayor of the city refused to sign and take other necessary steps for the issuance of public-utility revenue bonds as provided for by two ordinances for the purpose of financing an extension of existing parking facilities in the city of Beckley by the construction of a municipal parking lot. The ordinances in question provided that the cost of construction be paid on a self-liquidating basis from revenues derived from operation of the parking facilities and pledged net revenues from on-street-parking meters as further security for the cost of construction. The mayor questioned the city's authority to pledge revenues from on-street meters for this purpose under existing statutes.

The enabling statute (Section 1-a, Chapter 134, Acts of the Legislature, Regular Session, 1953) authorized municipalities to establish, operate, and finance automobile-parking facilities as public works and, in order to help finance the same, to use revenue derived from parking meters or other parking facilities, "unless such revenue is otherwise pledged to pay for such meters or parking facilities."

In upholding the city's authority in this respect, the court applied the liberal rule, stated in the case of Holbert v. Robinson, Mayor, etc., 59 S.E. (2d) 884 (1950), in which the court held a statute authorizing the issuance of revenue bonds to provide "public automobile-parking facilities" (Section 1, Chapter 68, Laws of 1935, as amended by Section 1, Article 4-a, Chapter 90, Laws of 1945, and Section 1, Article 4-a, Chapter 136, Acts of 1951) broad enough to permit a municipality to issue bonds to provide such facilities, stating that the act "being necessary for the public health, safety, and welfare, shall be liberally construed to effectuate the purpose thereof."

As the controlling purpose of these earlier laws and the 1953 law was the financing of municipal public works constructed and financed under the original law, as amended, the court was of the opinion that the 1953 law might be construed to include the right to pledge revenues derived from on-street-parking meters, not otherwise pledged, to help finance the proposed facilities, including payment of the principal and interest on the revenue bonds.

The court also declared that the ordinances enacted by the City of Beckley for the purpose of alleviating congested parking conditions were in furtherance of the purpose which had prompted the enactment and amendment of the enabling statute. The common council of the city had found that existing parking facilities in the city were inadequate and that such inadequacy would be remedied by the construction of the automobile-parking facilities proposed. Findings of fact by the council of a municipality or other legislative body, said the court, were not subject to judicial inquiry.

It was asserted by the mayor that the
ordinances were invalid on the ground that the city was not authorized, in the absence of specific legislative delegation to that effect, to charge fees for the use of on-street-parking meters which would produce revenues in excess of the cost of constructing and maintaining the meters. In other words, the ordinances were revenue measures, as distinguished from regulatory measures. The court agreed that parking meters might not be installed for revenue purposes. However, in the present case the ordinances were enacted to promote the public health, safety, and welfare and were regulatory and not revenue measures. Nothing in the record indicated that fees to be charged for parking on the proposed parking lot and at the on-street meters were unreasonable or were designed to produce revenue in excess of that sufficient to cover the cost of constructing the off-street facilities and the on-street meters and the operation thereof. The collection of fees for the use of the off-street-parking facilities and on-street meters did not, therefore, constitute an invalid levy of a tax.

The court concluded that it was the duty of the mayor to sign the revenue bonds and to perform other administrative acts to bring about issuance of the bonds to further the construction of the proposed parking lot. A writ of mandamus was awarded.

Special Parking Agencies

Enabling statutes in a number of states authorize the provision of off-street-parking facilities by special parking agencies for various reasons, such as the need to obtain additional financial resources, the need to provide parking accommodations in a shorter period of time by an agency set up especially for this one purpose, etc. The legality of using special parking agencies to provide public off-street-parking facilities came before the courts in several states during 1954. This litigation involved issues ranging all the way from the constitutionality of enabling statutes in Delaware and New York to the civil-service status of employees of the Parking Authority of the City of Trenton, New Jersey.

Connecticut. The state supreme court, in the case of City of Middletown v. F. L. Caulkins Automobile Co., 109 A. (2d) 888, June 15, 1954, held that, where a parking authority of a city was authorized by a special act to acquire land for public parking facilities by condemnation, subject to the approval of the common council, and in the special act the city was treated as a separate entity and the parking authority was not expressly authorized to bring any of its actions in the name of the city, the city was without power to condemn land for parking purposes.

The city contended that it had authority under Special Act 158, passed by the General Assembly in 1953, creating the "Middletown Parking Authority." This authority was given the right to condemn necessary land or properties for public parking facilities but was not expressly authorized to bring any of its actions in the name of the city. The court concluded that it had no such implied power. The act creating the parking authority treated the city as a separate entity, authorized to deal with the authority, to advance funds to it and to be reimbursed by it for funds so advanced. The act further authorized the city or any member of the common council aggrieved by any action of the parking authority to appeal therefrom to the court of common pleas.

The court stated that the legislature had the power to prescribe the persons or corporations who might institute condemnation proceedings and to prescribe the conditions and circumstances under which such proceedings might be instituted. Accordingly, such proceedings could be instituted only by those persons and corporations on...
whom the requisite authority was conferred
In this case, the power was vested in the
Middletown parking authority.

In holding that the City of Middletown
parking authority was without power to
condemn for public parking purposes, the
court distinguished this case from a previ­
ous case, *City of Waterbury v. Macken*,
124 A. 5, 1924, in which the board of park
commissioners of the City of Waterbury
was held to be a ministerial board of the
city. The supreme court held that, under a
special act providing that “the board shall
have power to acquire and the City of
Waterbury to hold property,” the board
was constituted the agent of the city to
conduct the negotiation for purchase or for
condemnation in behalf of the city and not
for itself. Under the special act creating
the Middletown parking authority, how­
ever, it was clearly set forth that the park­
ing authority itself had power to acquire
and own land.

*New Jersey.* In another case involving
the issue of the city versus a parking au­
thority, the Supreme Court of New Jersey
held that the City of Trenton had authority
to acquire land for public off-street-parking
facilities, even though a parking authority
had been created, subject to State enabling
legislation (*City of Trenton v. Lenzner*,

Trenton’s parking authority was created
by ordinance in 1948 and immediately be­
gan inquiry into the feasibility of estab­
lishing new parking facilities within the
city. The Lenzner property, presently oper­
ated as a parking lot by the owners and
which had been recommended earlier by the
planning board, was selected as the best
site. The authority, considering that the
costs would exceed its own financial capaci­
ties, recommended that the site be acquired
by the city under the authority of an earlier
law, Chapter 138, Laws of 1942. An ordi­
nance passed by the city on May 29, 1952,
directed the acquisition of the Lenzners’
property by purchase or condemnation “for
the purpose of making the same available
to the public for the public parking of ve­
hicles.” The Lenzners attacked the validity
of the ordinance, alleging that the city, by
creating a parking authority, had divested
the city governing body of all powers and
functions conferred upon the parking
authority.

The supreme court held, however, that
the statute authorizing creation of a park­
ing authority did not repeal the preexisting
power of the city to acquire land for public
parking (Chapter 138, Laws of 1942) nor
did the city’s creation of the parking au­
thority restrict its independent power to
acquire land for such purposes.

While the fact that the property was
actually being used for parking purposes
by its private owners might have an im­
portant bearing on the amount of just com­
pensation to be awarded, continued the
court, it did not limit the authority of the
governing body to take it for public park­
ing purposes. Nothing in the statutes sug­
gested any such limitation, and the court
saw no reason whatever to reach out for
its implication. By taking the land, the city
insured not only that its future use would
be public parking, but also that it would
be available for the urgently-needed in­
crease of its parking facilities by construc­
tion of a suitable ramp garage or otherwise.
The fact that the land was being taken by
the city itself, rather than the parking au­
thority, was without significance.

The landowners also suggested that the
city planned to acquire their property and
then transfer it to the parking authority,
which would permit its operation by a pri­
ivate party. The court pointed out that the
ordinance provided that the city should ac­
quire the property “for the purpose of mak­
ing the same available to the public for the
public parking of vehicles,” making it clear
that the acquisition of the property was
limited to the stated purpose. After the
city acquired the property, it was at liberty
to make the proper determination as to operation of the facilities under statutory powers conferred by Chapter 138 of Laws of 1942, as amended. At the present stage, the court declared, the city was clearly entitled to the presumption that its ultimate determination would be made in good faith and that it would be guided solely by the proper interests of all the citizens of Trenton.

Delaware. The constitutionality of a Delaware statute authorizing creation of a parking authority was upheld by the state's supreme court in a decision handed down on June 3, 1954 (Wilmington Parking Authority v. Ranken, 105 A. (2d) 614). However, the court held invalid a commercial lease by the Wilmington Parking Authority, because of failure to comply with statutory requirements respecting competitive bidding.

Under the provisions of Title 22, Chapter 5 of the Delaware Code Ann., 1954, any incorporated city or town may create a parking authority, a public body corporate, declared to be an agency of the state. The authority is charged with the duty of conducting research in the matter of off-street-parking facilities and is empowered to plan, construct, and maintain such facilities and to acquire land for the purpose by purchase or eminent domain. To finance the project, the authority is authorized to issue revenue bonds, payable in not exceeding 40 years, and to pledge the revenues of the authority for their payment. It is forbidden to pledge the public credit, but any municipality establishing an authority may appropriate to the authority such sum as may be necessary to acquire the land upon which the parking facilities are to be erected. All property of an authority is exempted from taxation.

Under the provisions of this act, the City of Wilmington created a parking authority; its first project was to be a parking facility in the heart of the central district of the city. Some of the necessary land had been acquired, financed partially by advances from the city. Since it was determined that the parking facility, if devoted to parking alone, could not be financed by the sale of revenue bonds, the authority decided that it would be necessary to lease areas of the proposed facility for commercial purposes. A lease was subsequently entered into with the operator of a large department store in the vicinity of the project. Under the terms of the lease, the authority would erect a building for public parking, containing space for retail stores and commercial uses, certain portions of which were to be leased to the department-store operator at a rental fixed at a percentage of the construction cost. Additional space was to be leased for offices and commercial uses. The authority's determination of the relative proportions as between public parking and commercial use was as follows: parking space, 61%; leased commercial space, 39%; parking revenue, 30.5%; lease revenue, 69.5%; cost, parking area, 38.4%; leased commercial area, 61.6%.

The state supreme court was requested to consider a number of questions. The first question concerned the constitutionality of the enabling statute. The legislature had determined that the provision of off-street-parking facilities was a public purpose, basing their determination on findings of the increased use of private automobiles in the business sections of cities; the necessity for the free circulation of traffic in city streets; the serious traffic congestion (to which parking of motor vehicles upon the streets contributed); and the consequent interference with effective movement of fire-fighting equipment and the disposition of police forces in the congested district. Based upon these findings, the court concluded that the state legislature had acted within its constitutional power in attempting to find means to remedy an admitted evil. The court disregarded the claim that the act benefited only a small part of the
public, i.e., property owners in congested areas, since the legislative findings were sufficient to sustain the legislative action. The benefit to the small class of property owners was a mere incident to the public benefit and did not invalidate the statute.

In considering the constitutionality of the statutory provision authorizing the authority to lease portions of its buildings for commercial use, the court cited the Inland Terminal Building cases, wherein the authority of the Port of New York Authority to include space for use as store, office, and manufacturing in the terminal building was challenged. The question of mingling of public and private uses was specifically dealt with in these cases. The court held that, to the extent private leasing of a public facility was necessary to finance the erection and maintenance of the facility, it was lawful and did not offend the constitutional provision forbidding the state to engage in private business with public funds.

The court also cited the Michigan case of Shizas v. City of Detroit, 52 N.W. (2d) 589, 1952, in which the court held the enabling statute, authorizing cities to acquire and operate parking facilities, to be invalid because of a provision permitting the leasing of a portion of the premises, not exceeding 25 percent of the total floor area. The reasoning of the court in the Shizas case, according to the present court, distinguished it from the case at bar, in that there was no contention by the city in the Shizas case that the revenue from leasing was necessary to finance the project. In fact, figures submitted by the parking authority indicated that the expected revenue from parking was more than sufficient to finance the project. The court concluded that, since the dominant or underlying purpose of the contemplated project subserved a public use, commercial leasing of space therein for uses unrelated to the public use was permitted to the extent, and only to the extent, that such leasing was necessary and feasible to enable the authority to finance the project.

A final controversial point in connection with this project centered around the lease which the authority entered into with Kennard-Pyle, the department-store operators. The enabling statute included in the provision relating to leasing for commercial use a statement that “any such lease shall be granted on a fair competitive basis.” It was contended that the authority had not complied with the statute in that the lease was not granted as a result of competitive bidding.

The court agreed with this contention, examination of the record indicating that bids were not invited, notices placed in newspapers by the authority being nothing more than invitations to ask questions. The notices were such that no definite proposal or bid could be based upon them. No information was given in the first two notices of the size or character of the building to be erected or of the uses to which the leased space might be put. In none of the notices were any plans or specifications referred to or stated to be available to prospective bidders. In response to the advertisements, the authority stated that it received 33 inquiries, of which only one represented an inquiry from a tenant having need for space in excess of 25,000 square feet and prepared to pay a rental in excess of $50,000 annually.

The authority determined that for the purpose of exploring the feasibility of financing construction of the facility, it should first attempt to negotiate a lease with a major tenant who would be willing to lease an area with a rental in dollar amount which would contribute substantially to the net income of the facility. The authority’s decision was dictated by the consideration that the obtaining of a definitive lease with a financially responsible

tenant would determine in large measure: (1) the feasibility of financing the entire project, and (2) the general outlines of the type of structure which would be required. Although the authority apparently considered the notices preceding the negotiation for the lease sufficient in law to constitute proposals for competitive bidding, the court considered that the authority’s action actually only invited private negotiations. The court was clearly of the opinion that the notices were insufficient and held the Kennard-Pyle lease invalid.

Florida. A decision handed down by the Supreme Court of Florida on September 24, 1954, upheld the authority of the Orlando Parking Commission to issue revenue bonds in excess of $50,000 without approval of the electorate (Riviere v. Orlando Parking Commission, 74 So. (2d) 694). The question arose because of the provision of a 1927 act (Chapter 13205, Special Acts of 1927) requiring such approval.

A 1949 act (Special Acts of 1949, Ch. 26089) authorized the city council of Orlando to create, by ordinance, the Orlando Parking Commission, with authority to investigate, collect, and correlate data; to plan, locate, design, construct, acquire land by lease or purchase for parking facilities of any kind of vehicle; and to enter into all such contracts as were necessary to execute the powers under said act. In 1951 the legislature enacted Chapter 26918, under which all powers previously conferred on the City of Orlando were made available to all municipalities in the state, including the authority to issue revenue bonds to bear the cost of construction, improvement, or enlargement of off-street-parking facilities.

A lower court found that it was not necessary, regardless of purchase price, to obtain approval of a majority of the qualified electors owning real estate in the city; because the city had authority, under the 1951 act, to provide off-street-parking facilities, regardless of any conflicting or inconsistent provisions of the city charter, the said act by its terms being cumulative, alternative, and in addition to any other powers granted to municipalities. The state supreme court affirmed the judgment of the lower court, holding that the 1951 act, insofar as it provided for off-street-parking facilities to be financed by the issuance of revenue bonds as provided in the act, was not restricted by the limitation contained in the local act of 1927.

New Jersey. Two additional decisions handed down by New Jersey courts during the year related directly or indirectly to the use of the special parking agency device in the provision of off-street-parking facilities. In one of these, the state supreme court held that where a parking authority had not been created, a municipality was without power to lease municipally owned lands to private persons to construct and operate a public off-street-parking facility (Camden Plaza Parking v. City of Camden, 107 A. (2d) 1, June 28, 1954).

1. The City of Camden, noting the need for additional parking facilities in the central business district, augmented by the proposed construction of a new department store in the area, entered into an agreement with the department-store operators to construct a multistoried structure for off-street parking on City Hall Plaza, presently utilized in part as an open-air off-street lot, operated in part by the city as a metered parking lot and in part by a private-parking-lot operator under lease from the city.

Not desiring to finance the construction cost, the city evolved a plan for selling a 50-year leasehold in the city-owned land to the highest responsible bidder, who would construct the building at his own expense. Title to the building, however, would vest in the city, subject only to the leasehold. The city accepted a bid in accordance with

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See page 35 for digest of New Jersey decision relative to authority of City of Trenton to acquire land for off-street parking facilities.
its plan, and its action was forthwith challenged in a taxpayer's suit.

The supreme court, while stressing the point that the establishment of public parking facilities constituted a public and essential governmental function, nevertheless refused to approve the city's action, since the necessary statutory authority was lacking. The New Jersey legislature had not seen fit to authorize the leasing of municipal land to a private person to construct and operate a public parking facility thereon, although existing legislation permitted the municipality itself to operate such facilities. The only statutory authority whereby municipally owned lands might be leased to private persons to construct and operate a public off-street-parking facility was that given a parking authority created under the Parking Authority Law of 1948 (Laws of 1948, Ch 198).

The city argued that it had statutory authority to lease property not presently needed for public use. However, the court ruled that the construction and operation of the proposed publicly-owned parking facility upon the publicly-owned tract constituted a public use, even though the facility was privately constructed and operated under lease from the city. The statutory authority claimed by the state was not applicable since the tract did not satisfy the description of land "not presently needed for public use."

The city also contended that City Hall Plaza was not held presently in a governmental capacity but in a proprietary function and might, therefore, be leased under existing statutes, because it was not actually in public use. The emphasis in the enabling statutes, answered the court, was on the need for the land for public use when its leasing was attempted. Here the city's own resolution established unequivocally that the land was imperatively needed for use as a substantially enlarged public off-street-parking facility.

The court thus concluded that the city was without authority to carry out the proposed plan under existing law without creating a parking authority.

2. The other New Jersey case (State v. Parking Authority of City of Trenton et al, 102 A. (2d) 669, January 26, 1954) involved the status of employees of the parking authority of the City of Trenton in reference to the provisions of the civil-service laws of the state. The appellate division of the superior court held that a parking authority created by and in a municipality under the parking authority law was an independent public corporate entity, distinct and separate from the municipality, and therefore employees of the parking authority did not have civil-service status.

The civil-service commission brought the action, contending that the authority was a branch or department of the city and that its employees were employees of the city and within the protection of the civil-service act. The enabling statute under which the parking authority was established stated that "such authority shall constitute an agency and instrumentality of the municipality or county creating it."

The appellate division stated, however, that the term "agency and instrumentality" as used in the statute merely signified the body or facility by means of which a governmental project was to be accomplished. For example, said the court, in contracting with the city, the authority acted as a principal. Were the authority merely an agent, a contract would be unnecessary. Likewise, the authority was authorized to conduct its own fiscal affairs and produce its own revenue and to undertake projects independent of financial aid from the municipality, which could in no manner circumscribe the activities of the authority. The court concluded that the parking authority, although created by and in a municipality, was an independent public corporate entity, distinct and separate from the municipality.

The commission also argued that the ab-
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sence of a provision in the parking authority law excepting employees from civil-service protection supported an inference of legislative intent to include the employees therein. The court pointed out that under civil-service provisions relating to municipal employees, no person could be appointed or employed under any title not appropriate to the duties to be performed nor assigned to perform duties other than those properly pertaining to the position which he legally held. But the parking-authority law authorized an authority to employ agents and employees, permanent and temporary, as it might require, and to determine their qualifications, duties, and compensation. The authority might delegate to one or more of its agents or employees such powers and duties as it might deem proper. These provisions, the court held, were not compatible with the civil-service regulations.

The appellate division of the superior court drew an analogy to the local-housing-authority law, the language of which, relating to employees, was identical with the language of the parking-authority law. A subsequent amendment to the housing act gave civil-service status to employees of local housing authorities. The court found it evident that the legislature did not intend to give civil-service status to employees of municipal parking authorities.

New York. Two cases involving parking accommodations were also decided in New York during the year, one involving the constitutionality of the public-authority law creating the Peekskill Parking Authority, and the other upholding the right of a city to pay net parking-meter revenues to a parking authority.

1. The constitutionality of the public authorities law creating the Peekskill Parking Authority was challenged in the case of Peekskill Parking Authority v. L. B. Oil Co. (133 N.Y.S. (2d) 538). In a decision handed down by the Supreme Court of Westchester County on August 6, 1954, the court upheld the constitutionality of the act in the following language:

The rule is clear that where, as here, the legislation has for its purpose the condemnation of private property for the parking of motor vehicles, whereby the public is primarily served in taking such vehicles from the public streets to relieve traffic congestion, then the same is constitutionally permissible as serving a public purpose.

2. In the case of Comerski v City of Elmira (128 N.Y.S. (2d) 913, March 24, 1954) action was brought against the City of Elmira and the City of Elmira Parking Authority to void an agreement under which the city would pay net parking-meter revenues to the parking authority. Under the provisions of the statute creating the Elmira Parking Authority, the authority was to continue for a period of 5 years only and thereafter until all its liabilities had been met and its bonds paid in full or discharged. At the termination of its existence, all of its properties and rights were to pass to the city. The law authorized the authority to accept grants, loans, or contributions from the city. The city might convey to the authority, with or without consideration, real or personal property. Bonds or other obligations of the authority were not to be a debt of the state or of the city, and the bonds were not to be payable out of any funds other than those of the authority.

Implementing the statute, the Elmira city charter was amended to permit the council to adopt a resolution authorizing a contract between the city and the authority, pledging net revenues from the city's street parking meters, such pledge to extend as long as the bonds of the authority remained outstanding but, in no event, for a period longer than 30 years from the date the contract was executed.

The authority took action providing for the issuance of bonds in the amount of $500,000, following which the contract was executed, providing that the city pay to the authority the amount of the estimated
deficit, if any, in the latter's operation and maintenance fund and debt service, not exceeding $25,000 in any calendar year, such payments to be made exclusively from the "net revenues of the city parking meters." The pledge of net returns was limited to existing meters.

The contract also contained a promise by the city not to substantially reduce the number of parking meters during the existence of the agreement, with the qualification that this should not be construed to prevent the city from abandoning or changing the sites of existing parking meters, "it being the intention of this paragraph that the source of revenues from parking meters by the city is not to be decreased to a point below the city's pledge during the life of this agreement."

The claim was made that the pledge and agreement to pay net parking-meter revenues constituted a gift or loan of the city's credit and, thus, violated constitutional and other prohibitions. The court said, however, that the constitution did not include public corporations among those to whom a gift or loan of the city's money or property was banned. Furthermore, the city's action did not constitute a gift or loan of its credit.

The promised payments depended upon two contingencies: the existence of deficits in the authority's funds and the existence of net revenues from the city's parking meters. Neither the construction nor the statutes prohibited such gifts. In the event of such payment, the bonds would remain no less the bonds of the authority nor become no more the bonds or obligation of the city because of such promise. While the court found it arguable that the pledge was in the interest of the bondholders, it was abundantly clear that the city was a direct beneficiary of its own pledge by reason of the assurance to it of clear title to the parking project when the bonds were paid in full.

The court did not consider the agreement as to the continued existence of street meters an illegal surrender of the city's governmental function and power. Such meters existed by virtue of a delegated police power for the control of highway traffic. Here there was no agreement not to exercise such power but, rather, to continue to exercise a power of traffic regulation which, by reason of the constant increase of automotive traffic, would be no less necessary in any reasonably foreseeable future.

The court concluded that the city's actions were permissible under the constitution and the statute. In so doing, the court took judicial recognition of the problems facing all cities by reason of ever increasing traffic congestion.

This decision was affirmed by the state court of appeals in a decision handed down on February 24, 1955, (125 N.E. (2d) 241).

The System Concept

The provision of a coordinated system of municipal parking facilities, by means of which both curb and off-street accommodations are integrated into a single chain of facilities, is becoming increasingly popular. Legislation permitting the adoption of such a plan exists in a number of states, including Florida.

A special act (Ch 24611 Sp. Laws of Florida 1947, as amended by Ch 27635, Sp. Laws of 1951) authorized the City of Jacksonville to acquire an off-street-parking system and issue bonds in connection therewith. The validity of these acts was upheld by the Circuit Court of Duval County and the decision was appealed to the state supreme court. The high court held that in view of the traffic congestion and other problems created by insufficiency of "downtown" parking space, the acquisition of an off-street-parking system was the acquisition of property for a public and municipal purpose (Gate City Garage Inc. et al. v. City of Jacksonville, 66 So. (2d) 653, July 10, 1953).

Under the special law passed in 1947, and amended in 1951, the City of Jacksonville
is authorized to issue bonds, provide for the
payment of principal and interest of such
bonds, to acquire property and maintain
off-street-parking facilities as a part of the
plan or system. In passing the law, the
legislature declared that excessive parking
of motor vehicles on roads and streets in
the city, and the lack of adequate off-street-
parking facilities obstructed the free circu-
lation of traffic, diminished property values,
and endangered the health, safety and gen-
eral welfare of its citizens The provision
of conveniently located off-street-parking
facilities, attractive in cost, and the simul-
taneous control of curb parking by said city
were necessary to alleviate such conditions.
The establishment of off-street automobile-
parking facilities was deemed to be a proper
public or municipal purpose.

The supreme court stated that, although
the legislative determination that the en-
tire plan, including the taking of property
by eminent domain, was for a public pur-
pose might not be conclusive upon the
courts, such a declaration was very persua-
sive. When taken in connection with the
purpose sought to be accomplished, condi-
tions as they actually existed, of which the
court would take judicial notice, or facts
and conditions shown to exist by the plead-
ings and the facts contained in the record,
the court might readily determine that the
primary purpose, aim, and objective of the
plan was to serve a public and municipal
purpose.

In the present case, the legislature had
made a finding and determination of fact
that the primary purpose of the undertak-
ing was a public and municipal purpose.
The city council had made a similar deter-
mination in passing an ordinance imple-
menting the law The circuit court, having
considered the pleadings, answers, the evi-
dence, and matters of which it could prop-
erly take judicial notice, had also deter-
mined that the undertaking would serve a
public and municipal purpose. Previous de-
cisions of the supreme court had substan-
tiated this finding (State v. City of Miami
Beach, 47 So. (2d) 805, 1950; Chase v. City
of Sanford, 54 So. (2d) 370, 1951). The
supreme court concluded that the primary
aim, objective, and purpose of the present
undertaking was to serve a public and
municipal purpose.\footnote{See Memorandum 76, May 1954, Committee on Land
Acquisition and Control of Highway Access and Adjacent
Areas, Highway Research Correlation Service, Circular 242.}

Advertising Signs on Parking Meters

In October of 1952, the City of Philadel-
phia enacted an ordinance authorizing the
attachment of advertising signs on parking
meters owned and operated by the city.
Pursuant to this ordinance the city entered
into a contract for the attachment of adver-
tising signs to parking meters in the busi-
ness sections of Chestnut Hill and Mt. Airy.
Certain abutting land owners protested the
city’s action, and in a subsequent adjudica-
tion of the facts in the case by Common
Pleas Court No. 1 of Philadelphia County,
the ordinance in question was declared void
(Chestnut Hill and Mt. Airy Business
Men’s Association et al. v. The City of
Philadelphia et al., Common Pleas Court
No. 1, No. 2119, as reported in The Legal
Intelligencer, Philadelphia, January 13,
1954).

At issue in this case was the matter of
whether the legal rights of the abutting
landowners had been impaired by the con-
tract entered into by the city with the City
Meter-Ad Corporation, under which the lat-
ter corporation proposed to place advertis-
ing signs upon parking meter stanchions
owned and operated by the city and erected
on the sidewalks of the premises involved.

Relevant facts upon which the legal rights
of the parties were to be adjudicated were
not in dispute. They were as follows: (1)
The advertising, for the promotion of which
the defendants propose to make use of the
city’s parking meters, is commercial in char-
acter and bears no relation to the pub-
lic safety, health, morals or general wel-
fare. (2) The plaintiffs are the owners in
fee of the premises upon the sidewalks of which the parking meter stanchions are erected. (3) The parking meter stanchions on which the city proposes to affix the devices of advertising are the property of the city. (4) The parking meter stanchions are now legally located upon the sidewalks of plaintiffs and have been located thereon by the city for the purpose of regulating traffic. (5) The affixing of commercial advertising signs on the parking meter stanchions will not obstruct or interfere with pedestrians or vehicular traffic and will not constitute a private or public nuisance. (6) No compensation will be made to plaintiffs for the attachment of the advertising signs upon the parking meter stanchions.

The protesting landowners asserted that the city, in the exercise of its police power, had the right to regulate and control sidewalks for public uses only and that the private use which was proposed to be made of said sidewalks could constitute a trespass thereon and would result in the taking of their property without due process of law.

Counsel for the city, on the other hand, argued that the city, having a home-rule charter, had a right to franchise the use of parking-meter stanchions for commercial advertising where such use would not add any burden to the traveling public or interfere with any special rights of abutting owners and where such use was not inconsistent with the primary purpose for which the parking meters were originally installed.

The court answered the city's assertion with regard to its authority under the home-rule charter by stating that, since the city had been delegated power to regulate and control public highways of the city as fully and completely as such power could have been exercised by the state prior to adoption of the home-rule charter, it did not acquire any greater rights in and to the public highways of the city than it had theretofore possessed and exercised. The home-rule charter, therefore, had nothing to do with the determination of the issues raised in the present proceeding.

The city conceded that it was not acting under any of what the court referred to as the three lawful methods of taking or using private property, i.e., its taxing power, its police power, or its power of eminent domain, but explained that its action was based on a power of the sovereign to franchise a use of the streets, which neither conflicts with the primary purpose of streets nor is prohibited by the constitution of the state or of the United States.

The soundness of the city's theory supporting the legality of the ordinance, said the court, must be tested by the principle of whether the object and purpose of the ordinance was to benefit the public rather than to procure revenue. Any exercise of power by a municipality, continued the court, must serve a public or municipal purpose in order to be legal.

Counsel for the city cited a line of authorities in Pennsylvania and other jurisdictions which gave municipalities broad rights in and authority over their public highways; but in each case, the purposes indicated were found by the present court to be public in purpose. The city had made no attempt in the present case to argue that the business of private advertising had any relation to the public health, safety, or general welfare.

A further argument advanced by the city was that if it were conceded that under ordinary circumstances the city would have no legal right to make use of or to franchise the use of sidewalks of public highways for the sole purpose of promoting the business of private advertising, nevertheless, by reason of the fact that, in the instant case, the proposed advertising signs were to be affixed to parking meter stanchions owned by the city and lawfully located upon the pavements of the public highways, the city, under these circumstances, had the right to attach the proposed advertising signs to the parking meters. Such use, the city con-
tended, would not be inconsistent with the primary public purpose for which the parking meters were installed and did not add any undue burden upon the abutting property owners or the public. This the city designated as the "incidental-use" theory. That is, the city might lawfully make such incidental use of its own property for private use, provided that such private use did not limit the use of such property for public purposes.

Two cases were cited by the city to substantiate this theory. In one, Clarey v. City of Philadelphia, 311 Pa. 11, it was held that the City of Philadelphia had the power to lease its convention hall for the conduct of sporting events privately conducted for gain or profit, provided that such private use did not interfere with the use of the hall for the public purpose for which it was owned and dedicated. In the other case (James Rees and Sons v. Pittsburgh, 316 Pa. 356), it was held that the City of Pittsburgh had the power to permit the use of a public wharf owned by it as a public parking space and make a charge for the storing of automobiles therein, so long as such use did not interfere with its use for landing and wharf purposes.

The city attempted to draw an analogy between the incidental-use principle enunciated in these cases and the present case. This argument the court found fallacious, inasmuch as the convention hall and the public wharf were erected upon property owned by the city for public use and purpose, whereas parking meters were erected upon the private property of abutting owners. Their maintenance thereon was justified only by the public easement which the city held in its highways for the purpose of regulating traffic under the police power. Ownership by a municipality of a public convention hall or a public wharf involved huge expenditures for maintenance, and the courts had held that, in the interest of the taxpayers, a municipality might obtain revenue to support them by permitting an incidental use thereof for private purposes, provided that such use did not interfere with the public use for which the property was originally dedicated. Additionally, said the court, in the cited cases, the rights of owners of private property were not involved, as in the instant case.

The court then pointed out that it had been firmly established in the law of real property in the state that an easement could not lawfully be used for a purpose different from that for which it was dedicated. Therefore, while abutting owners must submit to parking meters on their sidewalks by virtue of a valid exercise of the city's police power, the public easement could not be enlarged and extended to encompass an additional use which was private in nature and bore no relation to the public health, safety, or welfare.

The court concluded that the ordinance in question was void.27

**Financing of Municipal Parking Facilities**

In at least three states, Michigan, Missouri, and Texas, the authority of cities to finance municipal parking facilities was litigated in the courts during the year; in all three, the city's authority to do so was upheld.

**Michigan.** An injunction was sought to prevent the City of Pontiac from appropriating and expending $157,890 for the acquisition and development of city-owned and-operated parking lots. The supreme court denied the injunction on the grounds that the ordinance amendment appropriating the money was an ordinance required by law and, therefore, was not subject to initiative and referendum, even though the city charter provided that the city commission "shall" pass an annual appropriation ordinance not later than one month after the beginning of the fiscal year and "may"

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amend the appropriation ordinance after one week's notice in a newspaper.

The high court, in so doing, affirmed the judgment of the trial court to the effect that the amended ordinance was an ordinance required by law and the charter in the same sense as the original ordinance and, as such, was not subject to the provisions of the charter covering the subject of initiative and referendum (Stolorow v. City of Pontiac, 63 N.W. (2d) 611, April 5, 1954).

The supreme court also affirmed the determination of the trial court that a petition for the adoption of an ordinance prohibiting the city from using public funds for the acquisition and development of parking facilities was void and of no legal effect. The proposed ordinance provided that:

No city official, employee, officer or agent shall expend, disburse or commit any public funds, revenues or income of the City of Pontiac, regardless of the source from which received, for the acquisition, development, maintenance or operation of facilities or areas for the off-street parking of automobiles or vehicles, other than those owned by the city.

The court was of the opinion that such an ordinance, if adopted, would prohibit not only present but also future city officials from expending, disbursing, or committing any funds of the city for purposes expressly authorized by both the charter and state law. The court also called attention to the fact that it had held that the municipal operation of parking lots had a definite bearing on public safety in the use of public streets and, as such, constituted the lawful exercise of the police powers and powers expressly conferred by Michigan's constitution.

Missouri. The right of the City of St. Louis to issue bonds in the amount of $500,000 to be used to acquire land and to install or equip buildings and facilities thereon for parking purposes was contested on the ground that the ordinance authorizing the bonds violated the city charter. The contention was that the provision of off-street parking facilities was not named as one of the purposes for which the city charter authorized the issuance of bonds.

The supreme court, however, called attention to the fact that the charter also provided that "the authority to issue bonds for any of the purposes aforesaid is cumulative and shall not be construed to impair any authority to make any public improvements under any provisions of this charter or of any law." Since the state legislature had, by Sections 82.470 and 82.480 (Revised Stats. of Missouri), expressly authorized the city to acquire land and to construct and equip buildings and facilities thereon for parking purposes and to issue bonds in payment thereof, the court held that the proposed bond issue did not violate the city charter.

Another argument against the bond issue was to the effect that the city charter provided that no bonds of the city, except bonds for paying, refunding, or renewing bonded indebtedness and bonds payable only from proceeds of special assessments for local improvements, should be issued without the assent of two thirds of the voters of the city, voting at an election to be held for that purpose. The court stated that such limitations had, as a rule, been construed to apply to an indebtedness incurred by a city, which was to be paid from funds raised through taxation, and were for the purpose of providing protection for the taxpayer. In this particular instance the principal and interest on the bonds were to be paid solely from revenues derived from the leasing of the parking facilities. Consequently, if the taxpayer of the city could not be taxed to pay the bonds, the constitutional limitation did not apply.

It was further claimed that the ordinance went beyond the authority granted by the enabling statute, in that the city was to operate and maintain the parking facilities. The court interpreted the ordinance as authorizing the city to do so only in the event no bids were received for the rental of the
facilities or the bids were so low that insufficient revenue would be supplied to take care of the bonds. The authority for the city to operate the facilities in case the property could not be profitably leased was, of necessity, implied, since the city must assume the obligation to assure the operation of the parking facilities. The validity of the ordinance was thus upheld by the court (Petition of City of St. Louis, 266 S.W. (2d) 753, March 8, 1954).

Texas. The Texas Court of Civil Appeals for El Paso upheld the validity of a proposed bond issue to finance off-street-parking facilities in El Paso in a decision handed down on October 27, 1954 (Amstater v. Andreas, 273 S.W. (2d) 95). The proposed bonds were to be paid from taxes on property in the downtown business district of the city, where the parking facilities were to be located. An improvement district was created by ordinance, and the bonds were approved by a vote of a majority of the taxing residents of the district.

A lower court held the bonds invalid on the ground that there was neither express nor implied authority for the city's action. The appeals courts, although it could find no statutory authority authorizing home-rule cities to issue bonds for off-street parking, called attention to a charter provision authorizing the city council to borrow money on the credit of an improvement district and issue bonds for permanent public improvements, subject to the approval of qualified taxpaying voters living and owning property in the district and to other qualifying provisions.

Another charter provision authorized the city to borrow money upon the credit of the city for the purpose of permanently improving the streets; erecting public buildings; constructing or acquiring canals for supplying the city with water, providing waterworks and other permanent improvements; and to issue bonds therefor.

The court was of the opinion that off-street-parking facilities constituted permanent public improvements, citing cases in other jurisdictions substantiating this view. The court also considered that off-street-parking lots, which were available to anyone who desired to use them and who could pay the fee the city demanded, were clearly for public use, especially so when the purpose of such lots was to relieve congestion of traffic on the streets. The court cited an impressive list of cases supporting this contention.

The argument that the bonds were invalid because the parking lots for which they were to be used would compete with private business was answered by the court by a citation to a previous Texas case, Town of Ascarate v. Villalobos, 223 S.W. (2d) 945, October 19, 1949:

Since the very foundation of the police power is the control of private interests for the public welfare, a statute or ordinance is not rendered unconstitutional by the mere fact that private rights of person or property are subjected to restraint or that loss will result to individuals from its enforcement.

Parking Facilities and Zoning Regulations

The courts of at least three States, Georgia, Maryland, and Pennsylvania, handed down decisions during the year concerning the provision of off-street-parking facilities as affected by zoning ordinances or regulations.

Georgia. The supreme court ruled against an attempt on the part of the City of Atlanta to rezone by ordinance a portion of a lot in a residential area in order to permit off-street parking (Orr v. Hapeville Realty Investments, 85 S.E. (2d) 20, November 8, 1954).

Certain property owners in Atlanta asked for an injunction to prevent the construction of an office building and a two-story parking structure on property adjoining their own land. They further asked that the Planning Board of the City of Atlanta
be restrained from proceeding with any re-
 zoning of the property in question. The
landowners' property was zoned for dwell-
ing house uses, and the property in contro-
versy was restricted to apartment uses.

The supreme court cited provisions of
zoning enabling legislation enacted in 1946,
under which the governing authority of a
municipality might, from time to time,
amend the number, shape, boundary, or
area of any district or districts or any regu-
lation of or within such district or districts
or any other provisions of any zoning regu-
lations. These provisions, the court said,
did not confer upon Atlanta any power to
“spot” zone by ordinance and remove a
small tract for business or commercial pur-
poses from a district zoned for residences;
nor did any other provision of this act con-
fer this power. The two ordinances pur-
porting to rezone a part of the property in
question to “business and open air parking
districts” were void, no such power having
been conferred upon the city.

**Maryland.** The controversy in this case
centered around a garage built and put
in operation in 1920 in a residential neigh-
borhood of Baltimore.

In 1931, when the Baltimore City Zoning
Ordinance became effective, the neighbor-
hood was classified as a residential use dis-
trict, and the garage operations continued
without change. In 1950, the garage oper-
ator made a contract with Nash-Kelvinator
Company to use the open space in front of
the garage for the storage of new cars, pre-
liminary to distribution to local Nash
dealers. In January, 1953, the owner of
property diagonally across the street from
the garage complained to the Bureau of
Building Inspection that the open space
was being used, in violation of the law, for
the storage of up to 50 new cars. The garage
owner then attempted to establish on the
record that there existed a nonconforming
use as to the whole lot of ground owned by
him. He also applied for a permit to con-
tinue the use of the open space for the
parking, storage and washing of motor ve-
hicles and for the sale of gasoline and
accessories.

The application was denied, and an ap-
peal was taken to the Board of Municipal
and Zoning Appeals. The board held that
the garage owner had a nonconforming use
for the sale of gasoline and accessories and
for the parking and storage of vehicles, but
the board restricted the use of the open
area in front of the garage to the extent
of the use in 1931 and held that not more
than 10 vehicles could be stored at any
one time on the lot.

Upon appeal, the Baltimore City Court
upheld the board’s action in finding that
the nonconforming use existed. The court,
however, found the board’s restriction as to
the number of vehicles which might be
stored improper as a matter of law, since
it amounted to an attempted prohibition
of a legally valid intensification of use.

The court of appeals, in a decision handed
down on June 25, 1954, *(Nyburg v. Solm-
son, 106 A. (2d) 483)* agreed with the lower
court’s finding that the appellee had a non-
conforming use as to the whole lot owned
by him, including the open space in front
of the garage. Evidence fully supported a
finding that the use was continuous, sub-
stantial, and commercial from 1925 on. The
use met the test adopted in a previous case
*(Chayt v. Board of Zoning Appeals, 9 A.
(2d) 747, December 13, 1939)* for an exist-
ing use.

The protesting landowner also sought to
show that the use of the property for the
unloading and distribution of cars consti-
tuted a nuisance because of noise, dust, and
fumes. Testimony from a number of neigh-
bors indicated that this claim was either
greatly exaggerated or inaccurate. The
court stated that if any of the activities of
the garage operator violated the laws of
the state or the city because of the time at
which or the manner in which they were
carried out; the protesting landowners had
remedies provided for the violation of such laws.

The court of appeals further held that, although the garage owner’s nonconforming use of open space in front of his garage for parking cars increased when the owner entered into contract with the automobile manufacturer to use the open space for storage of new automobiles, such use did not amount to an extension of a nonconforming use but was merely an intensification of a long continued use. The Board of Municipal and Zoning Appeals could not, therefore, properly restrict the use of the open space to the parking and storage of not more than 10 automobiles at one time.

_Pennsylvania._ In this case the supreme court of the state upheld an extension of a nonconforming use consisting of the operation of a parking lot in a residential district in Philadelphia *(Philadelphia Art Alliance v. Zoning Board of Adjustment, 104 A. (2d) 492, April 1, 1954).*

In 1926, prior to the adoption of the Philadelphia Zoning Ordinance, the Philadelphia Art Alliance purchased a site for its main building and seven adjoining lots. The buildings standing on six of the lots were demolished and the area converted into a single public parking lot. The building on the remaining lot was allowed to remain and was used at various times as a residence, dance studio, art gallery, and experimental theater. When the Philadelphia Zoning Ordinance was adopted in 1933, the property was included in a residential district, and the parking lot became a nonconforming use.

In 1952, the Art Alliance applied for a variance to extend the parking lot to include the one lot not previously included, to which it claimed it was entitled under the provision of the zoning ordinance which empowered the zoning board:

...to authorize, upon appeal, in specific cases, such variance from the terms of the ordinance as will not be contrary to the public interest, where, owing to special conditions, a literal enforcement of the provisions of the ordinance will result in unnecessary hardship, and so that the spirit of the ordinance shall be observed and substantial justice done.

The Art Alliance also claimed it was entitled to the permit as a matter of constitutional right by reason of the nonconforming use already existing upon the adjoining lots which had been acquired by the same deed.

The appeals board denied the application for a variance, but upon appeal, the trial court reversed the board’s holding on the ground that the permit should have been granted as a proper extension of a nonconforming use in existence at the time of enactment of the zoning ordinance.

The supreme court affirmed the action of the trial court on the basis of a provision of the zoning ordinance permitting extensions of nonconforming buildings and uses therein to the extent of 25 percent of the area constituting the nonconforming use. Although the ordinance provision did not specifically mention vacant land, the court found no reason to believe that the framers of the ordinance intentionally sought to arbitrarily discriminate against users of vacant land by prohibiting them from extending a nonconforming use. The court concluded that such an extension was permissible. In the instant case, the extension sought amounted to only 16.6 percent of the original parking area. The proposal of the Art Alliance did not initiate an entirely new nonconforming use for which a variance would be required; only the question of extension was involved. The court concluded that the extension was properly allowed.

**Restrictive Covenants Prohibiting Use of Land for Parking**

Decisions involving attempts to prevent the parking of motor vehicles in areas covered by restrictive covenants were handed down by the courts of Maryland and New York during 1954.
Maryland. The court of appeals held that restrictions in a deed, which provided that not more than one dwelling house with necessary out-buildings should be built on lots and that dwelling houses should be used for residence purposes only, precluded use of the lots for an open-air parking lot (Martin v. Weinberg, 109 A. 2d) 576, December 8, 1954).

The restrictive covenants were included in exchange deeds recorded in 1914 by heirs of one James Murray for a number of lots located in Murray Hill in Annapolis. The case came before the courts when purchasers of two of the lots attempted to operate a parking lot thereon. The deed to one of these lots contained the provision, “subject to restrictions of record pertaining to this development.” The new owners contended that the deed restrictions were ineffective, because they did not bind the grantor’s heirs and assigns.

The court of appeals held that the restrictions were effective, since no purchaser from any of the heirs could take title to any lot except by assignment from a grantee. Acceptance of the exchange deeds by the heirs amounted to promises by grantees, their heirs and assigns to abide by restrictions in the deeds. The court stated that, although it had frequently stated and applied the rule of strict construction in favor of the unrestricted use of property, this did not mean that language must be so narrowly construed as to defeat its general purpose.

Literally, the words “shall not build or erect . . . more than one dwelling house” did not refer to the land itself. But, obviously, said the court, a use of the land for “open-air” parking or other commercial use, virtually unknown at the time the restrictions were drafted in 1914, would defeat the general purpose to limit the use the dwellings contemplated to residence purposes. It might well be that the improvements necessary to render the land suitable for such a use would constitute “building.”

New York. The court of appeals held that, under a restrictive covenant prohibiting the use of property for a commercial garage or automobile parking lot, the use of vacant portions of a tract of land on which the owners operated a refreshment stand for customer parking did not constitute a violation of the covenant (Premium Point Park Association v. Polar Bar, 119 N.E. 360, April 15, 1954).

The Polar Bar plot was located in the Premium Point Park Development in New Rochelle, first laid out in 1905, and was originally subject to the same highly restrictive covenant as the rest of the area. But the plot fronted on the Boston Post Road, which had changed radically in character. In 1940, the land bordering upon it was zoned as “Class C, Business,” the lots by that time having lost whatever attraction they might have had for homeowners. In 1946, in recognition of that fact, an agreement was drawn up between the then owner of the property and the Premium Point Park Association permitting the lots to be used for business purposes.

The restrictive covenant, as modified, provided that no part of the land between the Boston Post Road and the screening strip, land conveyed to the association to serve as a screen for the development, should be used for: (1) a commercial garage, or automobile parking lot; (2) a public garage or public automobile filling station; (3) commercial bottling of non-alcoholic beverages; . . . (5) clubs, lodges, and social buildings in which dancing or bowling may be an incidental use; . . .
any use prohibited by the said zoning ordinance in the City of New Rochelle in a Class C business district.

The court considered that the parking lot prohibited by Item 1 was one conducted and operated in and of itself as a commercial venture, as an independent enterprise, apart from the business of selling commodities. The covenant permitted the conduct of the business itself, and the conclusion was almost inescapable that it permitted whatever is customarily and necessarily incidental thereto. Subdivision (5) specifically banned "clubs, lodges, and social buildings in which dancing or bowling may be an incidental use." The court thought it reasonable to conclude that the association, having failed to prohibit parking lots for incidental use, did not have in mind preventing them.

The court pointed out that the law favors the free and unobstructed use of property. If a restrictive covenant is capable of more than one interpretation, it would be construed against the party endeavoring to extend it.

**Provision of Parking Facilities Through Zoning.**

A religious corporation requested permission from the Zoning Board of Appeals of the Town of Irondequoit, New York, to construct a temple. The area involved was zoned residential, but churches and schools were permitted uses, if permitted by the Zoning Board of Appeals, "subject to such terms and conditions as might be appropriate in the particular case and in conformity with the following general provisions. . . ." The provisions listed related to size of lot, setback lines, and height of buildings.

The zoning board of appeals granted the permit subject to certain conditions among which was the following:

That adequate off-street parking shall be provided in the immediate vicinity of such property for automobiles of worshipers at such Temple Emanu-El and for persons using such premises, and that no part of the said premises known as 2956 St. Paul Boulevard shall be used for the parking of automobiles except that portion thereof on which the present driveway is now located.

Neighboring property owners objected to the board's action on the ground that such use would create parking problems and traffic hazards and that the condition imposed was not adequate to protect them and others from these traffic problems. The petitioners did not object to the use of the premises for religious or educational purposes.

The religious corporation obtained consent to use a parking lot located on the opposite side of the street on its property whenever necessary. The property owners claimed that this permission was merely a revocable permit and that, in any event, the parking facilities available would not be adequate to meet the needs of the church.

The supreme court of Monroe County held that no power or authority was granted the board of appeals to condition the granting of such a permit upon considerations of traffic hazards or parking facilities. The legislative body of the town had undoubted power to delegate to the board discretionary power to grant or refuse a permit, provided such legislative body formulated a standard or policy reasonably clear to govern the board in the exercise of such discretion. Had the ordinance provided that one of the standards to be applied in granting or refusing the permit was that suitable parking facilities be provided, such a provision would have been a valid delegation of authority. Since the ordinance provided no such standard, the board had exceeded the authority conferred upon it by the ordinance. However, the religious corporation had not complained about the condition so imposed and had agreed to abide thereby. The petitioners could hardly complain or ask that the determination of the board be set aside, said the court, because such board exceeded its authority by imposing conditions favorable to them.

The court held that while the zoning board had no authority to impose such a
condition, its action would not be overruled in the absence of a complaint by the religious corporation. The condition protected the property owners to the full extent that they could expect (Titus St. Paul Property Owners Association v. Board of Zoning Appeals of Town of Irondequoit, 132 N.Y.S. (2d) 148, July 7, 1954).

Parking Ordinances

An ordinance of the Town of Leesburg, Virginia, reserved a certain area on Market Street for the purpose of parking motor vehicles operated as common carriers of passengers while discharging or receiving passengers. A suit was filed to test the validity of the ordinance by a lessee of a building adjacent to the reserved area. Tavenner, the lessee, charged that enactment of the ordinance was beyond the powers of the municipality and that it was unreasonable, discriminatory, and void.

The court called attention to a provision of the town's charter, granting the town council the following powers, among others:

... to regulate the use of all such highways, parks, streets, alleys, parkways. To exercise full police powers; ... To do all things whatsoever necessary, expedient or lawful for promoting or maintaining the general welfare, comfort, education, morals, peace, government, health, trade, commerce, or industries of the town or its inhabitants.

In addition, statutory authority existed under which “the council or other governing body of any city or town may, by a general ordinance, provide for the regulation of parking within its limits, ... determine the time during which a vehicle may be parked ..., including specifically the right and authority to classify vehicles with reference to parking and to designate the time, place and manner such vehicles may be allowed to park on city or town streets. ...” (Virginia Code of 1950, Sec. 46-259).

The court held that the ordinance was enacted under the police power delegated to the town by the legislature and was for the public benefit. It gave all common carriers of passengers operating within the town the same rights and privileges. It also allowed other motor vehicles to park in the specified area while loading and unloading merchandise, if such activity did not interfere with the use of the area by a common carrier of passengers. These classifications were natural, reasonable, and appropriate to the purposes sought to be accomplished. The fact that the classifications were objectionable to one who conducted a private enterprise and might cause him inconvenience and incidental loss did not render the ordinance unreasonable and discriminatory (Town of Leesburg v. Tavenner, 82 S.E. (2d) 597, June 21, 1954).

Leasing Space in Parking Facilities for Nonparking Commercial Use

Courts in 1954 generally sanctioned the leasing of portions of municipal off-street-parking facilities for nonparking commercial uses, if the terms of the lease are reasonable. Thus in three states, Delaware, Florida and Kansas, the right to lease space in such facilities was affirmed by the courts. However, the Kansas court refused to approve the particular contract in controversy, which it considered an unreasonable abuse of the city's authority, inasmuch as it attempted to bind succeeding governing bodies to lease parking facilities not yet in contemplation.

Delaware. As previously noted, the Delaware Supreme Court, in a decision handed down on June 3, 1954, held that, to the extent private leasing of a public facility was necessary to finance the erection and maintenance of the facility, it was lawful and did not offend the principle of constitutional law forbidding the state to engage in private business with public funds. However, the court held the lease entered into by the Wilmington Parking Authority invalid because of failure to comply with

 Wilmington Parking Authority v. Banken, 105 A. (2d) 614, (see page 87).
statutory requirements respecting competitive bidding.

Florida. The same question was answered by the Florida Supreme Court in the case of *Gate City Garage, Inc. v. City of Jacksonville* (66 So. (2d) 653) in which the main point of controversy related to the validity of state statutes authorizing the acquisition of an off-street parking system.29

Another point of contention in this case centered on the city's authority to lease a filling station on the property. This, the plaintiffs claimed, was the equivalent of taking one man's property by public authority and leasing it to another for private gain. The supreme court found no merit in this contention, stating that although a city could not exercise the power of eminent domain for the primary purpose of acquiring private property for a private use for some other person, constructing and leasing a filling station on an off-street parking lot acquired by the city by its power of eminent domain was, when the filling station occupied but a small part of the area contemplated for parking purposes, a mere incident of the primary purpose.

The court noted that in many municipal and county buildings, space was leased or concessions were granted to private individuals for various purposes which were mere incidents of the main or primary purpose of the building but which were for the convenience of those using the building or facilities for a public purpose. Such leasing, the court concluded, did not amount to an exercise of the power of eminent domain for the purpose of acquiring private property for a private use for some other person.30

Kansas. In upholding the constitutionality of a state statute authorizing first class cities to condemn real estate for off-street-parking facilities, the Kansas Supreme Court, nevertheless, held invalid a contract entered into by the City of Topeka to lease the facilities to a private corporation.31 In so doing, the court announced that, although cities generally had authority to lease municipally owned property for public use, the present contract was an unreasonable abuse of the city’s statutory authority.

The contract with Park and Shop, Inc., a private corporation, provided that the lease was to run for 30 years, or until the retirement of the revenue bonds. At the termination of the lease, other than by forfeiture, Park and Shop was to have the first right to re-lease the facilities under the same terms and conditions which the city would be willing to lease to any other tenant or operator. Park and Shop was to have the option to lease any additional facilities acquired or built by the city. Enabling statutes authorizing the city to lease parking facilities, said the court, did not purport to authorize the city to lease all parking facilities to be acquired in the future. Cities might exercise only powers conferred by law. For the present governing body to agree to lease to Park and Shop all future acquired parking facilities constituted an unreasonable abuse of authority.

Under the enabling statute, the city was authorized to establish rates and fees to be charged for the use of off-street-parking facilities and the method of operation. The contract entered into by the city, however, provided that “hours of operation and fee schedules, as well as all rules and regulations governing the conduct or operation of each site, shall be mutually agreed upon in writing by the parties hereto.” The court found this provision an unlawful delegation of the city’s power, since nowhere in the statute was the city given authority to delegate any of its duties to a private individual or corporation.

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29 See page 41
30 See Memorandum 76, May 1954, Committee on Land Acquisition and Control of Highway Access and Adjacent Areas, Highway Research Correlation Service, Circular 242 (see page 30).
31 *State v. City of Topeka*, 270 P. (2d) 270, May 8, 1954 (see page 30).
The court also denied the city's authority to contract to rebuild or restore any facilities totally destroyed or damaged beyond use. This provision was unreasonable in that, should the property be destroyed at some future date, it would require the city to rebuild or repair, even though subsequent governing bodies might determine that it could no longer serve a public use. The present governing body was without authority to bind future bodies with the advisability of rebuilding or repairing such structures.

Finally, the court declared a provision giving Park and Shop the right to approve plans and specifications for the improvements, as well as contracts, to be a direct violation of the power conferred by the legislature, since these duties were an obligation of the city and could not be delegated to an individual or private corporation.