

Verdicts & settlements

EMINENT DOMAIN

SHA must pay double its offer for Route 50 land

BY BRENDAN KEARNEY

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A Queen Anne's County jury has set the fair market value of two acres east of the Queenstown outlet shopping center on Md. Route 50 at \$1.9 million, more than double the appraisal of the State Highway Administration.

The land currently houses a motorcycle sales and service business. The owner, Eastern Shore Joint Ventures LLC, sought to convert the property into a gas station. However, in February 2006 the State Highway Administration put a hold on Eastern Shore's permits and moved to condemn the property, offering \$926,000 — \$10 per square foot — in order to expand the highway.

The property owner's appraiser put the value at \$20 per square foot, said Walter A. Reiter III, attorney for Eastern Shore Joint Ventures.

By state law, appraisers in such eminent

domain cases are required to determine the value of a property without regard to the effect the contemplated government project will have on its value, for better or worse.

"Highway frontage on 50 doesn't come cheap," said Reiter. "I think we convinced the jury that the state's appraisal didn't ignore the [highway expansion] project."

Neither George H. White, special counsel for the state, nor Janet Bush Handy, deputy counsel for the SHA, returned calls for comment Friday.

The jury adopted the plaintiff's appraisal after a two-day trial before Queen Anne's County Circuit Judge Thomas G. Ross, which featured testimony from the state appraiser Thomas Herbert and the defendants' appraiser, FitzHugh Turner.

Michael Steiner and Jerry Dever bought Eastern Shore Joint Ventures in January 2005, said Reiter, relying upon an October 2004 letter to the previous owner from an SHA official in which the state expressed in-

terest in buying the property but said it had no plans to seize it.

In February 2006, the men obtained permits to install underground fuel tanks, build canopies for the gasoline and diesel pumps, and convert the motorcycle showroom into a cashier area.

They upgraded the private septic system and received approval from the county director of environmental health services.

A gas station had previously existed on the property but had closed in 1988.

The property is a wedge in between Route 50 and Route 456 with access to both roads. The SHA put a hold on the permit process, Reiter said, in order to later take the property to prevent development.

Reiter said a gas station adjacent to the highway would be a move in the opposite direction from state plans to make Route 50 a controlled-access freeway.

Ruling

State Roads Commission of the SHA v. Eastern Shore Joint Venture LLC

Court: Queen Anne's Circuit

Case Number: 17-C-06-011855

Proceedings: Jury trial

Judge: Thomas G. Ross

Outcome: Defendant

Dates: Incident: Mar. 8, 2006

Suit filed: Aug. 25, 2006

Disposition: Sept. 12, 2007

Plaintiff's Attorney: Walter A. Reiter III of Rich & Henderson P.C.

Defense Attorney: George H. White, solo practitioner, and Janet Bush Handy, deputy counsel State Highway Administration

Award: \$1.9 million