

COMMERCIAL REAL ESTATE

Connecticut Homeowners Say Eminent

By **FERRY PRISTIN**

NEW LONDON, Conn. — On a quiet peninsula that juts out into the Thames River of Connecticut, weeds and wildflowers cover the empty lots where 90 homes and small businesses once stood — among them the eight houses that used to separate Susette J. Kelo's tidy pink cottage from the blue house that Wilhelmina Dery's grandmother bought in 1901 and where Mrs. Dery and her husband, Charles, still live.

Ms. Kelo and the Derys are among seven property owners who refused

to budge after city officials approved an economic development plan to upgrade their 90-acre waterfront neighborhood, known as Fort Trumbull, by creating prime office space, a hotel, 80 units of housing and a Coast Guard museum.

Because these people would not sell their property, the New London Development Corporation took title to it through eminent domain, a decision upheld in March on a 4-to-3 vote by the Connecticut Supreme Court. The Fifth Amendment allows governments to take private property through eminent domain in exchange for "just compensation," but only

when it is for "public use."

Ms. Kelo, a nurse, who bought her two-bedroom house in 1997, said she and her neighbors were being swept aside so that wealthier people might replace them. She and Matthew R. Dery, a newspaper executive who lives next door to his parents, said real estate agents had appeared on their doorstep and told them they would have to sell their homes or lose them through eminent domain.

"How come someone else can live here, and we can't?" Ms. Kelo asked as sea gulls circled overhead and ferry boats to Block Island, R.I., and Orient Point, N.Y., were visible in the distance. "I'm being penalized for being a good resident."

But New London city authorities said the condemnations were justified because the city, one of Connecticut's poorest, had endured three decades of economic decline, including the recent loss of 1,900 government jobs, and had few options for increasing its tax base to help pay for schools and services. After officials persuaded Pfizer, the drug company, to open a \$270 million research building on the site of a former linoleum plant, the adjacent Fort Trumbull neighborhood seemed ideally suited to attract additional investment, they say.

The neighborhood was already zoned for industrial and commercial use and had a sewage treatment plant, which was covered at Pfizer's request but still gives off odors. The United States Naval Undersea Warfare Center, which occupied 32 acres,

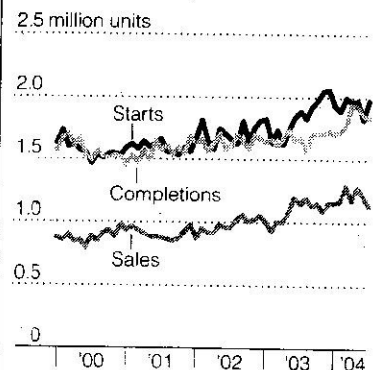
135 West 50th Owner LLC
 an affiliate of
Murray Hill Properties
Real Estate Investment, L.P.
 is pleased to announce
 the purchase of 135 West 50th Street

Murray Hill Properties LLC
 represented the buyer

Eastdil Realty Company, L.L.C.
 represented the seller

Data Update

National housing starts, sales and completions, seasonally adjusted annual rates through July.



Source: Census Bureau, Construction Statistics Division