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FOR IMMEDIATE RELEASE:

**APPELLATE DIVISION AFFIRMS JUDGMENT AGAINST MTA,
ORDERING IT TO PAY \$35 MILLION, ATTORNEYS' FEES
AND EXPENSES FOR CONDEMNED PROPERTY**

Rosenberg & Estis, P.C. Represented Property Owner
Before NYS Supreme Court and Appellate Division

The Appellate Division, First Department, of the New York State Supreme Court unanimously affirmed an earlier State Supreme Court judgment that the Metropolitan Transportation Authority must pay DLR Properties LLC, an affiliate of the Riese Organization, \$35.2 million for 194 Broadway, a property in Lower Manhattan that the MTA took through eminent domain to develop the Fulton Street Transit Center.

The Appellate Division affirmed the August 2009 ruling by State Supreme Court Justice Walter Tolub that the Metropolitan Transportation Authority undervalued 194 Broadway by millions of dollars and ordered it to pay \$35.2 million to the property owner.

The Appellate Division also affirmed the Supreme Court's ruling that the MTA is required to pay post-judgment interest at the rate of nine percent per year. The MTA had argued that the interest rate should be only four percent per year.

In addition, the Appellate Division unanimously affirmed a prior State Supreme Court ruling that the MTA is liable to the claimant for its attorneys' fees and expenses in connection with the condemnation of 194 Broadway.

The Eminent Domain Procedure Law allows property owners to seek reimbursement for attorneys' fees, costs and expenses when the court's condemnation award is substantially in excess of the condemnor's initial valuation. The Appellate Division affirmed Justice Tolub's ruling that the condemnation award substantially exceeded the MTA's initial valuation, entitling the claimant to recover attorneys' fees and expenses incurred in the condemnation.

Warren A. Estis, founding partner of Rosenberg & Estis, P.C., and Michael E. Feinstein, a partner in the firm, represented the claimant. The Riese Organization operates numerous restaurants including TGI Fridays and Kentucky Fried Chicken.

According to Warren Estis, lead counsel for the claimant: “The law provides that a property owner is entitled to receive just compensation when its property is taken in condemnation proceedings. The MTA had initially low-balled the property owner and after the claimant rejected the MTA’s offer and proceeded to trial, the trial court awarded the claimant millions more than the MTA had offered. In addition, because the trial court had awarded the claimant so much more than the MTA’s valuation, the court also awarded the claimant its attorneys’ fees and expenses. We are pleased that the Appellate Division has confirmed these rulings.”

Founded in 1979, Rosenberg & Estis, P.C. is widely recognized as one of New York City’s pre-eminent real estate law firms. Rosenberg & Estis, P.C. represents clients in all aspects of real estate development, transactions, financing, litigation, rent regulation and governmental affairs.

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