JOVALCO, INC. : NUMBER: 537,442-B

VERSUS : FIRST JUDICIAL DISTRICT COURT

CITY OF SHREVEPORT : CADDO PARISH, LOUISIANA

 **REASONS FOR JUDGMENT**

Trial was held February 3, 2001. The Court heard testimony from Jim Holt, Dorothy Farrell, Hal Kelly and Joey Vallot. Numerous exhibits were admitted into evidence, notably a report by the City of Shreveport Department of Community Development, Bureau of Code Enforcement, (the City), photographs of 258 Vine Street, a Notice of Violation issued by the City and invoices pertaining to work on the Vine Street house. After thorough review of the evidence, applicable law and for reasons which follow, the Court concludes that Judgment should be rendered in favor of Jovalco, Inc. and against City of Shreveport with damages assessed in the amount of $9,500.00 and reasonable attorney’s fees as provided by statute.

**FACTUAL FINDINGS BY THE COURT**

Joey Vallot, through his corporation, Jovalco, Inc., was far less than fastidious in the manner in which he received the conveyance of property at 258 Vine Street, Shreveport, Louisiana, the manner in which he interacted with Jim Holt, Director of Property Standards, and the way in which he engaged in remedial work on the property. When he purchased the blighted property for the low amount of $3,000.00 from Kathy Slayton, he failed to record the deed with the Caddo Parish Clerk of Court. Notwithstanding Vallot’s mistake, when the City notified the record owner, Ms. Slayton, and left a notice tacked to the door of the house, Vallot expressed his anger to Dorothy Farrell, Assistant Director for Property Standards. She described Vallot as “irate, upset, mad”. That conversation was followed by an acrimonious meeting with Jim Holt. Although the notice letter by the City–which was the result of complaints by neighbors on Vine Street–was primarily concerning the exterior, Vallot proceeded to conduct the majority of his remedial work on the interior, with the exception being that a new metal roof was placed atop the structure (though not properly buckled and which flapped, creating noise) and windows obviously visible from the outside. From the fall of 2007 into 2008, there was evidence of work being done on the structure although it was slow and sporadic. Without further notice and unbeknownst to

Vallot, the house was demolished on or about January 15, 2009, a fact which Vallot discovered when he drove there during the latter part of January to show a trailer to a prospective buyer.

Two agents of the City had direct contact with Mr. Vallot, and at least one of them was provided with the recorded deed. At least two agents of the City knew that Vallot was engaged in performing work on the property. In particular, a property standards inspector for the City, Hal Kelly, drove by the property numerous times during this time frame and was aware rehabilitative work was being done on the interior in addition to the roof and window modifications. Mr. Kelly made formal inspections on March 11, October 15, November 19 and December 2008. No agent with the City contacted Mr. Vallot to advise (1) that exterior work needed to be done as contemplated by the notice letter; or (2) that the rehab work being performed was too slow and ineffective and not in full compliance with the notice letter.

**APPLICABLE LAW**

LSA R.S. 33:4762(A) provides:

Before the parish or municipal governing authority may condemn any building or structure, there must be submitted to it a written report recommending the demolition or removal of the building signed by some parish or city official or other person authorized to act in such matters for the parish or municipality. The parish president, police jury, mayor, or chief executive shall thereupon serve notice on the owner of the building or structure requiring him to show cause at a meeting of the governing authority, regular or special, why the building or structure should not be condemned. The date and hour of the meeting shall be stated in the notice which shall be served at least ten days prior to the date of the hearing, except in case of grave public emergency as hereinafter provided. The notice may be served by registered or certified mail, postage prepaid, addressed to the owner at his last known address. The notice may also be served by the marshal of the municipality or by any sheriff or deputy sheriff or constable having jurisdiction and power to serve legal process where the owner of the building or structure is found in the state of Louisiana, and the officer shall make return of the service as in ordinary cases.

LSA R.S. 33:4765(C) provides:

Prior to the demolition or removal of the building or structure by the parish or municipality, the parish president, police jury, mayor, or some official designated by the appropriate authority shall serve notice on the owner, or his agent, and on the occupant of the building, if any there be, or upon the attorney at law appointed to represent the minor, interdict, or absentee owner, giving the time when work will begin upon the demolition or removal of the building, structure, or public nuisance.

Thus, R.S. 33:4762(A) provides for a show cause meeting, and R.S. 33:4765(C) requires notice to the owner of the time when work will begin upon the demolition or removal of the building. Neither was done in this case.

**CONCLUSIONS OF LAW**

Notwithstanding the fact that Mr. Vallot presented himself in an unfavorable manner to the property standards division of the City, and despite the fact that there was no appeal taken of the demolition order, the City had actual knowledge of rehabilitation work being conducted on the property. Despite this knowledge, Jovalco, Inc. and/or Mr. Vallot were not notified of the January 15, 2009 demolition in violation of R.S. 33:4765(C). In her post trial brief, Jovalco’s counsel has written “in this particular case, the City gave Jovalco, Inc. an informal extension of time and then failed to notify it that the extension was over”. The Court believes that statement is correct. Because of the serious due process implications of this failure to notify Jovalco, Inc. of the “time when work (would) begin upon the demolition or removal of the building”, the Court feels that there is no choice but to conclude that the City is liable to Jovalco, Inc.

**QUANTUM**

In her post trial brief, Jovalco’s counsel has asserted that damages should be set at $50,000.00 plus lost rental income at $800.00 per month (apparently for some indefinite term). The Court believes that the only measure of damages in this case is the amount paid for the house and lot and the amount expended to work on it. There was zero competent evidence of lost future rent. Although the condition of the house did not constitue a “grave public emergency”, as contemplated by R.S. 33:4762, the photographs demonstrate that the house was in ruin and uninhabitable as of late 2008. It was certainly not a house which Vallot could honestly expect $800.00 per month in rent, which is what he speculated in court. On the date of demolition, the house was far worse than just merely-and politely described by Ms. Warner as - “not yet market ready”. Furthermore, the invoices submitted by Mr. Vallot include discrepancies making complete reliance thereon difficult. After a thorough review, the Court does believe that Jovalco, Inc. has proven damages of $9,500.00.

**ATTORNEY’S FEES**

R.S. 13:5111 provides, in pertinent part:

A. A court of Louisiana rendering a judgment for the plaintiff, in a proceeding brought against the state of Louisiana, a parish, or municipality or other political subdivision or an agency of any of them, for compensation for the taking of property by the defendant, other than through an expropriation proceeding, shall determine and award to the plaintiff, as a part of the costs of court, such sum as will, in the opinion of the court, compensate for reasonable attorney fees actually incurred because of such proceeding. Any settlement of such claim, not reduced to judgment, shall include such reasonable attorney, engineering, and appraisal fees as are actually incurred because of such proceeding. Actions for compensation for property taken by the state, a parish, municipality, or other political subdivision or any one of their respective agencies shall prescribe three years from the date of such taking.

Considering the nature of the case, its lack of complexity but noting the excellent work done by counsel for Jovalco, Inc., Vicki Warner, the Court sets attorney’s fees in the amount of $5,000.00.

**CONCLUSION**

For the assigned reasons, the Court will render Judgment in favor of Jovalco, Inc. and against City of Shreveport in the amount of $9,500.00 plus attorney’s fees in the amount of $5,000.00 and all costs of this proceeding. Counsel shall submit a formal judgment in accordance with La. Dist. Ct. R. 9.4.

Signed this 14th day of February, 2011 in Shreveport, Caddo Parish, Louisiana.

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 SCOTT J. CRICHTON

 DISTRICT JUDGE

DISTRIBUTION:

Vicki C. Warner, Counsel for Jovalco, Inc.

Joseph W. Greenwald, Jr., Counsel for City of Shreveport