UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF INDIANA, INDIANAPOLIS DIVISION

RealtyLink LLC, et al. v. City of Lebanon, et al.

RealtyLink · No. 1:24-cv-00989-SEB-TAB · Decided June 10, 2026

SUMMARY

The United States District Court for the Southern District of Indiana grants defendants' motion to dismiss, without prejudice, in a dispute arising from the City of Lebanon's withdrawal of promised economic development incentives for a proposed commercial and industrial development. The court concludes that plaintiffs have not plausibly alleged a protected property interest in the real property or incentives sufficient to support their procedural due process claim, including under a regulatory-takings or vested-rights theory. The document also addresses plaintiffs' related constitutional and Indiana state-law claims.

CASE DETAILS

COURT	United States District Court for the Southern District of Indiana, Indianapolis Division
WRITING FOR THE COURT	Sarah Evans Barker
JURISDICTION	United States District Court for the Southern District of Indiana, Indianapolis Division
DECIDED	June 10, 2026
DOCKET	1:24-cv-00989-SEB-TAB
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendants moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss the amended complaint asserting Fourteenth Amendment due process and equal protection claims under 42 U.S.C. § 1983, along with related state-law claims. The court granted the motion without prejudice and declined supplemental jurisdiction over the state-law claims.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and draws reasonable inferences in the nonmovant's favor, but the complaint must contain sufficient factual matter to state a facially plausible claim for relief. Municipal legislation subject to rational-basis review is presumed valid, and a class-of-one plaintiff must plead facts sufficient to overcome that presumption.

PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	RealtyLink LLC, In Lebanon John Shaw, LLC v. City of Lebanon, Lebanon City Council, Lebanon Municipal Utilities, Matthew T. Gentry, Dick Robertson, John Copeland, Keith Campbell, Mike Kincaid, Robert Hawkins, Sandra Jasionowski, Sierra Messenger

TOPICS

motions to dismiss · section 1983 · due process · equal protection · municipal law

PRACTICE AREAS

civil procedure · constitutional law · civil rights · municipal law · real estate · commercial litigation

QUESTIONS PRESENTED

1. Whether plaintiffs plausibly alleged a protected property interest in the real property or in the promised economic-development incentives sufficient to support a procedural due process claim.
2. Whether plaintiffs plausibly alleged that the City's repeal of the incentives constituted a regulatory taking by depriving them of all or a significant part of the property's economically beneficial use.
3. Whether plaintiffs plausibly alleged a class-of-one equal protection violation when the City repealed incentives for their project while continuing to support other development projects.
4. Whether plaintiffs could maintain a standalone claim under 42 U.S.C. § 1983 absent an adequately pleaded underlying constitutional violation.
5. Whether the court should exercise supplemental jurisdiction over the state-law claims after dismissing all federal claims.

HOLDINGS

1. Plaintiffs did not plausibly allege that the repeal of the incentives deprived them of all or a significant part of the property's economically beneficial use; the allegations showed at most the loss of a preferred or potentially most profitable use.
2. Plaintiffs did not plausibly allege a vested right in the incentives because the Indiana doctrine relied upon applies to zoning ordinances and land-use restrictions, not to the economic-development incentives and financing authorizations at issue.
3. Plaintiffs did not plausibly allege a property interest based on mutual understanding because the alleged promises were vague and were made by officials who lacked authority to bind the City, and the authorizing ordinance preserved the Council's discretion to repeal the authorization before bonds were issued.
4. Plaintiffs failed to state a class-of-one equal protection claim because their amended complaint revealed conceivable rational bases for repealing the incentives, including the City's water shortage and the project's utility-connection difficulties.

5. Plaintiffs could not maintain a standalone Section 1983 claim because Section 1983 supplies a vehicle for vindicating federal rights but does not itself create substantive rights, and plaintiffs adequately pleaded no underlying constitutional violation.
6. The court declined to exercise supplemental jurisdiction over the state-law claims after dismissing all claims within its original jurisdiction and dismissed those claims without prejudice.

KEY QUOTATIONS

> *“A protected property interest exists only when the state's discretion is 'clearly limited such that the plaintiff cannot be denied the interest unless specific conditions are met.'”*

> *“Because Plaintiffs have failed to adequately allege their Fourteenth Amendment due process and equal protection claims, there is nothing to hold Defendants liable for and thus no basis for a standalone Section 1983 claim.”*

FACTUAL BACKGROUND

RealtyLink sought to develop a commercial and industrial park in Lebanon, Indiana, and alleged that city officials repeatedly promised economic-development incentives, including tax abatements, tax-increment financing, bonds, and utility services. Relying on those representations, plaintiffs purchased part of the property, obtained financing, incurred development expenses, and pursued permits and utility easements. The City Council later repealed the authorizing ordinance before the bonds were issued, citing a purported construction-permit deadline and concerns about limited water capacity. Plaintiffs alleged that the repeal destroyed the project's viability and caused more than $25 million in damages.

PROCEDURAL HISTORY

Plaintiffs filed the original complaint on June 10, 2024, and an amended complaint on December 12, 2024. Defendants moved to dismiss, and the motion was fully briefed. The court dismissed the federal claims without prejudice and dismissed the supplemental state-law claims without prejudice, allowing plaintiffs forty days to file a further amended complaint.

DISPOSITION

dismissed

CASES CITED

- Lake v. Neal, 585 F.3d 1059, 1060 (7th Cir. 2009)
- Pisciotta v. Old Nat'l Bancorp, 499 F.3d 629, 633 (7th Cir. 2007)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Mathews v. Eldridge, 424 U.S. 319, 332-33 (1976)
- Michalowicz v. Vill. of Bedford Park, 528 F.3d 530, 534 (7th Cir. 2008)
- GEFT Outdoors, LLC v. City of Westfield, 922 F.3d 357, 365 (7th Cir. 2019)

- Kim Const. Co., Inc. v. Bd. of Trustees of Vill. of Mundelein, 14 F.3d 1243, 1245-46 (7th Cir. 1994)
- Bd. of Regents of State Colls. v. Roth, 408 U.S. 564, 577 (1972)
- Dibble v. Quinn, 793 F.3d 803, 808 (7th Cir. 2015)
- Booker-El v. Superintendent, Indiana State Prison, 668 F.3d 896, 900 (7th Cir. 2012)
- Nowlin v. Pritzker, 34 F.4th 629, 634-35 (7th Cir. 2022)
- Metropolitan Development Commission of Marion County v. Pinnacle Media, LLC, 836 N.E.2d 422, 425-26 (Ind. 2005)
- Pinnacle Media, LLC v. Metropolitan Development Commission of Marion County, 846 N.E.2d 654 (Ind. 2006)
- Pinnacle Media, LLC v. Metropolitan Development Commission of Marion County, 868 N.E.2d 894 (Ind. Ct. App. 2007)
- City of New Haven v. Flying J., Inc., 912 N.E.2d 420, 426 (Ind. Ct. App. 2009)
- BBL, Inc. v. City of Angola, No. 1:13-CV-76-RLM, 2014 WL 26093, at *29 (N.D. Ind. Jan. 2, 2014)
- Plaza Grp. Props., LLC v. Spencer Cnty. Plan Comm'n, 877 N.E.2d 877, 884 (Ind. Ct. App. 2007)
- Common v. Williams, 859 F.2d 467, 470 (7th Cir. 1988)
- Davis v. City of Chicago, 841 F.2d 186, 188 (7th Cir. 1988)
- Crull v. Sunderman, 384 F.3d 453, 464-65 (7th Cir. 2004)
- Lartnec Inv. Co. v. Fort Wayne-Allen Co. Convention & Tourism Auth., 603 F. Supp. 1210, 1220 (N.D. Ind. 1985)
- City of Cleburne v. Cleburne Living Ctr., 473 U.S. 432, 439 (1985)
- Geinosky v. City of Chicago, 675 F.3d 743, 747 (7th Cir. 2012)
- Village of Willowbrook v. Olech, 528 U.S. 562, 564 (2000)
- Miller v. City of Monona, 784 F.3d 1113, 1120-21 (7th Cir. 2015)
- Greenwald Family Ltd. P'ship v. Mukwonago, 100 F.4th 814, 823-24 (7th Cir. 2024)
- Goodpaster v. City of Indianapolis, 736 F.3d 1060, 1071 (7th Cir. 2013)
- D.B. v. Kopp, 725 F.3d 681, 686 (7th Cir. 2013)
- Srail v. Village of Lisle, Ill., 588 F.3d 940, 946-47 (7th Cir. 2009)
- 145 Fisk, LLC v. Nicklas, 986 F.3d 759, 771 (7th Cir. 2021)
- Flying J Inc. v. City of New Haven, 549 F.3d 538, 546-47 (7th Cir. 2008)
- Ledford v. Sullivan, 105 F.3d 354, 356 (7th Cir. 1997)
- Ratfield v. United States Drug Testing Lab'ys, Inc., 140 F.4th 849, 854 (7th Cir. 2025)
- Burritt v. Ditlefsen, 807 F.3d 239, 252 (7th Cir. 2015)
- Wright v. Associated Ins. Cos., 29 F.3d 1244, 1251 (7th Cir. 1994)