

SUPREME COURT OF OHIO

Village of Silver Lake v. Metro Regional Transit Authority

111 Ohio St. 3d 324 · Decided November 22, 2006

SUMMARY

The Ohio Supreme Court held that a regional transit authority had statutory authority to lease an acquired railroad line for operation of a dinner-excursion train while the line was being held for future transit use. The court concluded that Ohio Revised Code 306.35(G) and (J) independently authorized the lease and affirmed the court of appeals.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	O'Donnell, J.; Connor; Donnell; Lanzinger; Moyer; Pfeifer; Resnick; Stratton
JURISDICTION	Ohio
DECIDED	November 22, 2006
DISPOSITION	affirmed
PROCEDURAL POSTURE	The Village of Silver Lake appealed the Summit County Court of Appeals' reversal of a trial-court judgment granting injunctive and declaratory relief against Metro's lease of the Akron Secondary railroad track and right-of-way for operation of a dinner-excursion train. The Supreme Court of Ohio accepted discretionary review on the limited question of Metro's statutory authority to lease the property.
STANDARD OF REVIEW	De novo review of the statutory-authority issue, including interpretation of the governing statutes.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Village of Silver Lake v. Metro Regional Transit Authority

TOPICS

- municipal law
- public utilities
- statutory interpretation
- plain meaning rule
- legislative intent

PRACTICE AREAS

- municipal law
- public transportation law
- statutory interpretation

QUESTIONS PRESENTED

1. Whether R.C. 306.35(G) authorizes a regional transit authority to lease a rail line and right-of-way held for future transit use for operation of a dinner-excursion train.
2. Whether R.C. 306.35(J) independently authorizes a regional transit authority to lease its railroad real property for the protection, improvement, or access to transit facilities, or for any other necessary purpose.
3. Whether Metro's statutory authority to lease the Akron Secondary depends on the dinner train itself qualifying as a transit facility.

HOLDINGS

1. A regional transit authority may lease a transit facility held for future use when the lease is considered necessary to accomplish the purposes of the authority's organization. The Akron Secondary qualifies as a transit facility because it is a rail line acquired to preserve a potential future commuter rail line, even though it is not currently used for regularly scheduled mass movement of passengers.
2. Even if the Akron Secondary were not considered a transit facility, R.C. 306.35(J) independently authorizes Metro to lease the railroad right-of-way and rail line for the protection or improvement of, and access to, transit facilities, or for any other necessary purpose.
3. Metro's authority to lease the Akron Secondary was not restricted to property being used only as a transit facility for regularly scheduled mass passenger movement. The statutes independently authorized the lease for future-use purposes and for protection, improvement, access, or another necessary purpose.

KEY QUOTATIONS

“Where a regional transit authority acquires an existing rail line and right-of-way, R.C. 306.35(G) and (J) independently confer upon it the discretion to lease the rail line and right-of-way while it is being held for future use to accomplish the purposes of its organization, to make charges for the use of transit facilities, for the protection of or improvement and access to transit facilities, or for any other necessary purpose.” (at 328)

“When the language of a statute is plain and unambiguous and conveys a clear and definite meaning, there is no need for this court to apply the rules of statutory interpretation.” (at 326)

FACTUAL BACKGROUND

Metro Regional Transit Authority acquired the Akron Secondary railroad track and right-of-way with funding from the Federal Transit Administration and the Ohio Department of Transportation. The line was held for potential future freight, passenger, and commuter service. Metro solicited bids and leased the property for five years to the Cuyahoga Falls & Hudson Railway Company to operate a revenue-producing dinner-excursion train, with the lessee required to maintain and improve the railroad infrastructure.

PROCEDURAL HISTORY

Silver Lake sued Metro in the Summit County Court of Common Pleas, seeking to enjoin the lease and a declaration that Metro lacked statutory authority to lease its facilities for a dinner train. The trial court granted

both forms of relief, concluding that the proposed train threatened to violate the village zoning code and was not a transit facility. The Summit County Court of Appeals reversed, and the Supreme Court of Ohio affirmed the appellate judgment.

DISPOSITION

affirmed

CASES CITED

- Silver Lake v. Metro Regional Transit Auth., 106 Ohio St. 3d 1532, 2005-Ohio-5146, 835 N.E.2d 382
- Symmes Twp. Bd. of Trustees v. Smyth, 87 Ohio St. 3d 549, 553, 721 N.E.2d 1057 (2000)
- State v. Kreischer, 109 Ohio St. 3d 391, 2006-Ohio-2706, 848 N.E.2d 496

OPINION

Village of Silver Lake v. Metro Regional Transit Authority 111 Ohio St. 3d 324

DONNELL, J.

O'Donnell, J. {¶ 1} The village of Silver Lake appeals from a decision of the Summit County Court of Appeals, which reversed the judgment of the trial court and authorized the Metro Regional Transit Authority to lease the Akron Secondary railroad track which borders Silver Lake, to a subsidiary of the Adrian & Blissfield Railroad, known as the Cuyahoga Falls & Hudson Railway Company, for the operation of a dinner-excursion train. For the reasons that follow, we affirm that decision. {¶ 2} In 1972, the cities of Akron, Barberton, and Cuyahoga Falls each passed ordinances creating the Metro Regional Transit Authority for the purposes of preserving and maintaining the existing level of mass transit service in the area and providing the administrative and financial capability to upgrade that service in the future. In 1995, using funds from the Federal Transit Administration and the Ohio Department of Transportation, Metro purchased the tracks and right-of-way known as the Akron Secondary, from milepost 8.0 in Cuyahoga Falls north to milepost 1.45 in Hudson, from the Consolidated Rail Corporation. One and one-half miles of that track are located along the western border of Silver Lake and run parallel to State Route 8. Eight-tenths of a mile adjoin 33 homes in the village. In 2002, the Adrian & Blissfield Railroad contacted Metro regarding the possibility of operating a dinner-excursion train on the Akron Secondary. Metro invited public bidding for the venture and ultimately accepted a proposal submitted by the Cuyahoga Falls & Hudson Railway Company. Metro then leased the track and right-of-way to the Cuyahoga Falls & Hudson Railway for a period of five years for the operation of the dinner train. {¶ 3} The proposed dinner train was initially to consist of two dining cars, a kitchen car, and two locomotives, with passengers departing from and returning to Cuyahoga Falls. The parties anticipated the excursion train to be a revenue-producing project for Metro. In addition, pursuant to the terms of the lease, Cuyahoga Falls & Hudson Railway Company agreed to maintain and improve the

railroad infrastructure. {¶ 4} As a result of the proposed dinner train, the village of Silver Lake sued Metro in the Summit County Common Pleas Court to enjoin it from leasing the Akron Secondary, asserting that its zoning code does not permit the operation of a railroad for a commercial use and urging that a dinner-excursion train is not a transit facility. The village timely sought a judgment declaring that Metro lacked the statutory authority to lease its facilities to operate a dinner train. The trial court granted Silver Lake's request for both injunctive and declaratory relief, and found both that there was an "imminent threat" that the proposed dinner train would violate the Silver Lake zoning code and that the dinner train did not fit the definition of a transit facility; it therefore held that the lease exceeded the scope of Metro's statutory authority. {¶ 5} On appeal, the Summit County Court of Appeals reversed the trial court, determining that because the Akron Secondary had been excluded from any zoning designation in the Silver Lake zoning code, the dinner train would not violate any zoning code restrictions. It further held that Metro had the statutory authority to lease the Akron Secondary regardless of whether the dinner train itself was a transit facility. Silver Lake appealed to our court, and we granted discretionary review on the limited question of Metro's statutory authority to lease the Akron Secondary. *Silver Lake v. Metro Regional Transit Auth.*, 106 Ohio St.3d 1532, 2005-Ohio-5146, 835 N.E.2d 382. {¶ 6} Silver Lake asserts in our court that Metro exceeded its statutory authority in leasing the Akron Secondary to the Cuyahoga Falls & Hudson Railway Company to operate a dinner-excursion train, contending that a regional transit authority is confined to utilizing its property only for an activity in which the primary purpose is the regularly scheduled mass movement of passengers. {¶ 7} Metro, on the other hand, argues that the law permits a regional transit authority to lease transit facilities to accomplish the purposes of its organization and that the law authorizes a regional transit authority to lease real property to protect and improve its transit facilities or for any other necessary purpose. Therefore, Metro claims, it leased the Akron Secondary for the dinner-excursion train in accordance with its statutory authority, not only to generate revenue for Metro but also to obligate the railway to assume responsibility for the maintenance and improvement of the Akron Secondary until Metro can engage in the regularly scheduled mass movement of passengers on that line. {¶ 8} The issue then presented for our review concerns the scope of the statutory authority of a regional transit authority, specifically, whether the Metro Regional Transit Authority is authorized to lease the Akron Secondary to the Cuyahoga Falls & Hudson Railway Company on an interim basis for the operation of a dinner train until Metro can use the tracks for the mass movement of passengers, or whether Metro is restricted to leasing property that is only being utilized as a transit facility. {¶ 9} A transit facility is defined in R.C. 306.30: "As used in sections 306.30 to 306.53, inclusive, of the Revised Code, 'transit facility' means any: {¶ 10} "(A) Street railway * * * or other ground * * * transportation system having as its primary purpose the regularly scheduled mass movement of passengers between locations within the territorial boundaries of a regional transit authority, including all right-of-way * * * attendant thereto * * {¶ 11} Also relevant to this issue, however,

are subsections (G) and (J) of R.C. 306.35, which provide additional statutory authorization for a regional transit authority to lease transit facilities or to lease real property. Specifically, R.C. 306.35 provides: {¶ 12} “Upon the creation of a regional transit authority * * *, the authority shall exercise in its own name all the rights, powers, and duties vested in and conferred upon it by sections 306.30 to 306.53 of the Revised Code. Subject to any reservations, limitations, and qualifications that are set forth in those sections, the regional transit authority: {¶ 13} “* * * {¶ 14} “(G) May acquire, construct, improve, extend, repair, lease, operate, maintain, or manage transit facilities within or without its territorial boundaries, considered necessary to accomplish the purposes of its organization and make charges for the use of transit facilities; {¶ 15} “* * * {¶ 16} “(J) May * * * lease as lessee or lessor * * * real and personal property, or any interest or right in real and personal property, * * * for the location or protection of transit facilities and improvements and access to transit facilities * * * or for any other necessary purpose * * (Emphasis added.) {¶ 17} These foregoing subsections require no judicial interpretation: “When the language of a statute is plain and unambiguous and conveys a clear and definite meaning, there is no need for this court to apply the rules of statutory interpretation.” *Symmes Twp. Bd. of Trustees v. Smyth* (2000), 87 Ohio St.3d 549, 553, 721 N.E.2d 1057. “Statutory interpretation involves an examination of the words used by the legislature in a statute, and when the General Assembly has plainly and unambiguously conveyed its legislative intent, there is nothing for a court to interpret or construe, and therefore, the court applies the law as written.” *State v. Kreischer*, 109 Ohio St.3d 391, 2006-Ohio-2706, 848 N.E.2d 496.

*327{¶ 18} Thus, two bases exist that authorize the Metro Regional Transit Authority to lease the Akron Secondary to the Cuyahoga Falls & Hudson Railway Company for the operation of a dinner train. First, assuming that the Akron Secondary, consisting of a railroad right-of-way and six and one-half miles of railroad track, is a transit facility, Metro is authorized to lease it while it is being held for future use. Second, Metro is authorized to lease the Akron Secondary because it is owned by Metro and it consists of real property that may be leased for the protection of or improvement and access to transit facilities, or for any other necessary purpose.

R.C. 306.35(G): Lease of Transit Facilities {¶ 19} Consistent with R.C. 306.35(G), a regional transit authority is authorized to acquire or lease transit facilities “considered necessary to accomplish the purposes of its organization.” The ordinances of Akron, Barberton, and Cuyahoga Falls that created the Metro Regional Transit Authority set forth its purposes: to preserve and maintain the current level of mass transit service and to provide the administrative and financial capability to improve and upgrade mass transit service in the future. {¶ 20} In addition, the Ohio Department of Transportation provided partial funding for Metro’s purchase of the Akron Secondary to further the Department’s commitment to secure feasible transportation options for the future. The Department believed that retaining Conrail’s Akron-to-Hudson rail line for future rail freight, passenger, and commuter service is one action consistent with that goal. Further, Federal Transit Administration policies also encourage transit systems to participate in joint

development projects, including leases of real property “to secure a revenue stream for the transit system” while the property is held for a future use. Federal Transit Administration Policy on Transit Joint Development, 62 F.R. 12266-01. Therefore, although the Akron Secondary is not currently used by Metro for the regularly scheduled mass movement of passengers, it nonetheless constitutes a transit facility, as it is a rail line acquired with federal and state funds to preserve a potential future commuter rail line. Metro is thus authorized to lease the tracks to accomplish the goals of its organization, and the dinner-train lease will not only generate revenue for Metro but will also obligate the lessee, the Cuyahoga Falls & Hudson Railway Company, to maintain and improve the Akron Secondary. R.C. 306.35(J): Lease of Real Property {¶ 21} Even if the Akron Secondary is not considered to be a transit facility, the Metro Regional Transit Authority is nonetheless authorized to lease it because it is real property consisting of a railroad right-of-way and a rail line. The plain language of R.C. 306.35(J) authorizes Metro to lease the Akron Secondary for the protection of or improvement and access to transit facilities or for any other necessary purpose. The terms of the dinner-train lease provide that the Cuyahoga Falls & Hudson Railway Company will maintain and improve the rail line, and the anticipated revenue from the lease will provide the financial capability to improve transit facilities in the future. Conclusion {¶ 22} Where a regional transit authority acquires an existing rail line and right-of-way, R.C. 306.35(G) and (J) independently confer upon it the discretion to lease the rail line and right-of-way while it is being held for future use to accomplish the purposes of its organization, to make charges for the use of transit facilities, for the protection of or improvement and access to transit facilities, or for any other necessary purpose. {¶ 23} Here, the Metro Regional Transit Authority leased the Akron Secondary to the Cuyahoga Falls & Hudson Railway Company for the operation of a dinner train in accordance with this statutory authority. Therefore, we are compelled to affirm the judgment of the court of appeals. Judgment affirmed. Pfeifer, Lundberg Stratton and Lanzinger, JJ., concur. Moyer, C.J., Resnick and O’Connor, JJ., dissent.