

**Legal Actions Involving Mendocino Railway, Georgia-Pacific, City of Fort Bragg,
California Coastal Commission**

Current Status of Eminent Domain Lawsuits

May 12, 2023

❖ **Mendocino Railway (MR) v. Lorena Ruth Shea, filed November 18, 2020**

- MR filed an eminent domain lawsuit to take the property at 476 Alger St., Fort Bragg (1+ acre) in Mendocino County Superior Court
- MR claimed it had the power of eminent domain as a railroad under state and federal law
- MR claimed it needed the property for railroad purposes
- Lorena Shea failed to appear and failed to file any defense to the taking
- Her default was entered in the court records
- Judgment of eminent domain taking by MR was entered June 7, 2021
- Condemnation amount paid by MR: \$155,000

CURRENT LEGAL STATUS: CASE CLOSED

❖ **Mendocino Railway v. John Meyer, filed December 22, 2020**

- MR filed an eminent domain suit to take John Meyer's 20 acres 1+ miles west of Willits, in Mendocino County Superior Court
- MR claimed to have the power of eminent domain as a railroad and claimed it needed the Meyer property for railroad purposes
- John Meyer answered claiming MR did not have eminent domain power
- Trial was held in Mendocino County Superior Court in January, 2023
- The case was submitted to the court for decision on or about February 8, 2023
- On April 19, 2023, the Mendocino County Superior Court issued its written decision ruling in favor of John Meyer and against Mendocino Railway. The court's decision states in part:
- "The court concludes that MR has failed to meet its burden of establishing that its attempt to acquire Meyer's property through eminent domain is supported by constitutional and statutory powers. The court finds in favor of Meyer."
- On April 27, 2023, MR filed a request that the court make written findings explaining further the factual and legal basis for its decision. Specific findings for the court were suggested by MR.
- On May 1, 2023, Meyer filed a reply to MR's request for specific findings, claiming the court's decision included findings on the principal controverted issues in the case. Meyer also suggested specific findings for the court.

CURRENT LEGAL STATUS: THE COURT WILL HOLD A HEARING OR OTHERWISE DECIDE WHAT FURTHER FINDINGS, IF ANY, WILL BE MADE BY THE COURT. AFTER MOTIONS ARE HEARD AND RESOLVED, A FINAL JUDGMENT MAY BE ENTERED. THE FINAL JUDGMENT MAY THEN BE APPEALED TO THE FIRST DISTRICT COURT OF APPEAL OF THE STATE OF CALIFORNIA. A DISCRETIONARY REVIEW MAY FOLLOW BY THE CALIFORNIA SUPREME COURT. THE MENDOCINO COUNTY SUPERIOR COURT JUDGMENT IS NOT FINAL UNTIL ALL APPEALS ARE FINAL

❖ **Mendocino Railway v. Georgia-Pacific et.al. filed August 11, 2021**

- MR filed an eminent domain suit to take 209 acres of the GP mill site and 70 acres along Pudding Creek in Fort Bragg
- MR claimed the power of eminent domain as a public utility common carrier railroad to take GP's property
- MR claimed it needed the property for railroad purposes
- GP withdrew all defenses to the lawsuit
- MR and GP agreed MR could take the property by eminent domain for \$1,230,000.
- MR agreed to pay for cleanup of toxic contamination on the GP property
- MR agreed to indemnify GP against any future cost or expense for mill site toxic cleanup.
- A stipulated (agreed) judgment of eminent domain awarding the property to MR was entered November 17, 2021 in the Mendocino County Official Records.

CURRENT LEGAL STATUS: CASE CLOSED

❖ **City of Fort Bragg v. Mendocino Railway, filed October 28, 2021**

- City of Fort Bragg (CFB) sued MR in Mendocino County Superior Court seeking a court declaration and injunction that MR is not a public utility and must comply with city regulations and ordinances
- CFB claims Mendocino Railway only operates excursions out and back, is not a common carrier, and does not provide transportation, i.e., the moving of goods or passengers from one location to another for money
- MR filed a demurrer and motion to strike the city's complaint on the ground the city had not pleaded a lawful case against MR and the case should be dismissed
- The demurrer and motion to strike the complaint were denied by the Ten Mile Superior Court in Fort Bragg on April 28, 2022
- MR then sought an emergency writ from the First District Court of Appeal in San Francisco seeking to overturn the Superior Court ruling. The Court of Appeal

denied the writ and said the case did not warrant extraordinary writ review. MR then sought relief from the Supreme Court of California which upheld the Mendocino County Superior Court.

- MR filed an answer to the complaint on June 24, 2022, claiming it is exempt from various city and state regulations and land use laws as a public utility common carrier railroad engaged in interstate commerce under federal law.
 - On September 8, 2022, the California Coastal Commission (CC) filed a motion to intervene on the ground MR was violating the law by doing construction work without permits from local authorities and without a Coastal Development permit.
 - On October 20, 2022, the Coastal Commission was granted permission to intervene and filed its complaint in intervention siding with the City of Fort Bragg
- CURRENT LEGAL STATUS:** Trial is pending in Mendocino County Superior Court, as the federal district court ruled on May 11, 2023 that jurisdiction is in Mendocino County Superior Court and not federal court.

❖ **Federal Court: Mendocino Railway’s request to remove City of Fort Bragg and California Coastal Commission v. Mendocino Railway, to the U.S. District Court for the Northern District of California (22-cv-06317-JST)**



- On October 20, 2022, MR filed a Notice of Removal seeking to remove the Mendocino County Superior Court case to federal court, claiming federal courts have jurisdiction over MR claims to federal exemption rights.
- On November 21, 2022, City of Fort Bragg and California Coast Commission filed a motion in U.S. District court in Eureka to remand the case to Mendocino County Superior Court, claiming MR is not entitled to federal railroad exemption because MR is not engaged in interstate commerce.
- On May 11, 2023, the U.S. District Court for the Northern District of California issued its ruling remanding the case to the Superior Court of the State of California for the County of Mendocino.
- The federal court ruling states: “...the (federal) court lacks federal question jurisdiction over the claims asserted in this case ...the City’s and Commission’s motions are granted. This case is remanded to the Superior Court of Mendocino County.”

Federal Court: Mendocino Railway vs. California Coastal Commission and the City of Fort Bragg lawsuit filed August 9, 2022, in Federal District Court for Northern California.

- MR claims federal courts, not California courts, have jurisdiction over MR claims to exemption from local laws as a railroad under federal law.
- CFB and CCC moved to dismiss this case in federal court and remand the case to Mendocino County Superior Court.
- A federal case management conference is set for July 18, 2023 in U.S. District Court.
- No trial date has been set.

CURRENT LEGAL STATUS: This case appears to be subject to dismissal in federal court as it raises the same issues of federal jurisdiction and preemption MR raised in the CFB, CCC v. MR case, where the federal court on May 11, 2023, ruled against MR saying jurisdiction is with the Mendocino County Superior Court, not federal court. Both cases involve the same parties and the same questions concerning the preemptive effect, if any, of MR's claimed federal-railroad status on the Commission's and City's power to oversee.