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Rochester City Lines, Co. v. City of Rochester

Court of Appeals of Minnesota - April 7, 2014 - N.W.2d - 2014 WL 1344320

Rochester City Lines (RCL) operated a fixed-route transit service in respondent City of Rochester since 1966. In 1975, RCL began receiving subsidies from the city. In 1977, the city began receiving federal transit financial assistance. In 2010, however, the Federal Transit Administration (FTA) determined that the contract between RCL and the city needed to be competitively bid to comply with federal transit aid requirements.

The city received responsive bids from four companies, including RCL. After reviewing the proposals, the city determined that First Transit's proposal represented the "best-value" for the city and awarded it the contract.

The Court of Appeals held that:

- The city did not take RCL's property without just compensation;
- The bidding process was not unfair, prejudicially biased, and infected with organizational conflicts of interest;
- The bidding process did not violate RCL's due-process rights; and
- RCL had not been defamed by a city council member.