

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF SCOTT

FIRST JUDICIAL DISTRICT

Mesenbrink Construction & Engineering,
Inc., Suarez Living Trust, Pee
Development, LLC, Paul and Eunice
Doelz, John and Mary Mesenbrink and
Marcos Gomes,

Court File No. 70-CV-24-2401

Plaintiffs,

vs.

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND ORDER**

City of Credit River,

Defendant.

INTRODUCTION

On July 16, 2025, the above-referenced matter came on before the Honorable Christian S. Wilton, Judge of District Court, for an in-person Motion Hearing. Mr. Jack Perry appeared on behalf of Plaintiffs (collectively “MC&E”). Mr. Jason Kuboushek appeared on behalf of Defendant (referred to herein as “City”). The parties presented two opposing dispositive motions for the Court’s determination: (1) MC&E argued on behalf of its Partial Dispositive Motion for Minn. R. Civ. P. 56.01 Partial Summary Judgment seeking a Declaratory Judgment, which the City opposed; and (2) the City argued on behalf of its Motion for Summary Judgment seeking dismissal of the remaining Count II Declaratory Judgment claim and affirmation of the City Council’s denial of MC&E’s land use applications, which MC&E opposed.

At the hearing, the Court heard arguments from the parties and then received subsequent proposed orders from Plaintiff on December 5, 2025, and Defendant on December 12, 2025, at which point the Court took this matter under advisement.

NOW, THEREFORE, based upon the administrative record, the parties' briefing, oral arguments, and the proposed orders, the Court hereby makes the following:

STATEMENTS OF MATERIAL FACT

A. Background

1. In May 2014, the Metropolitan Council ("Met. Council") adopted its most recent comprehensive development guide for the metropolitan area, Thrive MSP 2040 ("Thrive"). *See* Minn. Stat. § 473.145; Met. Council, Minn., Thrive MSP 2040 (May 2015).¹ Following Thrive's adoption, the Met. Council adopted its 2040 Transportation Policy Plan and 2040 Water Resources Policy Plan, as required by Minn. Stat. § 473.146; its 2040 Regional Parks Policy Plan, as required by Minn. Stat. § 473.147; and its 2040 Housing Policy Plan.

2. Upon completion of the Thrive development guide, and these regional system policy plans, the Met. Council began issuing system statements as required by Minn. Stat. § 473.856. On September 17, 2015, the Met. Council issued the 2015 system statement for Credit River Township (the "Town"). MET. COUNCIL MINN., 2015 SYSTEM STATEMENT FOR CREDIT RIVER TOWNSHIP ("2015 System Statement") (Sept. 17, 2015).²

3. Receipt of a system statement triggers a community's obligation to review and, as necessary, amend its comprehensive plan. Minn. Stat. § 473.856. At this time, Scott County completed all comprehensive planning governing the Town. *Admin. R.* 634. Since at least 2001, Scott County had guided the property near the intersection of County Roads 27 and 21 as "Urban Expansion." *See Admin. R.* 602–09.

¹ Available online at: [https://metro council.org/Planning/Publications-And-Resources/Thrive-MSP-2040-Plan-\(1\)/ThriveMSP2040.aspx](https://metro council.org/Planning/Publications-And-Resources/Thrive-MSP-2040-Plan-(1)/ThriveMSP2040.aspx)

² Available online at: https://metro council.org/Communities/Planning/Local-Planning-Assistance/System-Statements/System-Statements/00663886_CreditRiverTwp_2015SS.aspx

4. While Scott County completed all comprehensive planning for Credit River Township prior to 2020, this would, however, soon change as the Town prepared to transition to a city. *Admin. R.* 639.

5. Incorporated in 2021, Credit River is Minnesota's newest city. *Doc. #4* at 2 ¶1. In preparation for its incorporation, Credit River adopted its first comprehensive plan in 2020 ("Comprehensive Plan"). *Admin. R.* 634; TOWN OF CREDIT RIVER, MINN., 2040 COMPREHENSIVE PLAN ("Comp. Plan") (Sept. 9, 2020).³ The Town's Comprehensive Plan, its wastewater plan, and its comprehensive sewer plan, were all required to conform with the Met. Council's development guide and system plans. Minn. Stat. § 473.175, subd. 1; Minn. Stat. § 473.513; Minn. Stat. § 473.856; Minn. Stat. § 473.858, subd. 1. *See* MET. COUNCIL, MINN., 2040 WATER RESOURCES POLICY PLAN ("2040 WRPP") (2015, as amended 2018).⁴ Regarding this requirement, the 2015 system statement for the Township noted:

Your community is not provided centralized wastewater services through either a regional or centralized local wastewater system. . . . The Metropolitan Council has no immediate plans to provide regional wastewater services to Credit River Township. However, the northern portion of Credit River Township is located within the Council's long term wastewater service area, and as such the Township's land use plan will be expected to guide development within the future service area at densities appropriate for economical wastewater service.

2015 System Statement, at 22.

³ Available online at: <https://www.creditriver-mn.gov/home/showpublisheddocument/1820/638247629570570000>

⁴ Available online at: <https://metro council.org/Wastewater-Water/Planning/2040-Water-Resources-Policy-Plan/WATER-RESOURCES-POLICIES/Water-Resources-Policy-Plan.aspx>

6. The Met. Council's 2040 Water Resources Policy Plan included the northern portion of the Town as a Long-Term Service Area ("LTSA") to be served by the existing Seneca Wastewater Treatment Plant in Eagan at some future date. *See 2040 WRPP* at 100.

7. "*Long-term Wastewater Service Area* represents land that is planned to receive wastewater treatment service sometime after 2040." THRIVE MSP 2040, at 88. In fact, the Met. Council's 2040 Water Resources Policy Plan explains adopting "a general plan to serve the region's growth far beyond 2040" is unusual because it is a much "longer planning horizon than local comprehensive plans," but it owes to the reality "sewers have a long useful life." *2040 WRPP*, at 47.

8. In practical terms, the inclusion of a portion of the Town in the LTSA meant the Town—in developing the Comprehensive Plan—was required to adopt policies "for successful development and implementation of sustainable water supply to support planned sewer development[:]"

For long-term wastewater service areas, communities shall address the staging of sewer development through 2040 as well as protection of the remaining long-term service areas for economical future sewer development in their local comprehensive plan updates, surface water management plans, and water supply plans. The regional wastewater system will be expanded as necessary to facilitate development in communities consistent with their approved comprehensive sewer plans.

Id. Thrive further explained why this designation was important from a regional perspective:

The Council limits urbanization in rural areas to reduce development pressure on farmland and to avoid the premature extension of roads and sewers. Some of the region's agricultural lands are identified as part of the Council's Long-term Wastewater Service Area for sewer development only after 2040. This designation gives the Council greater authority to enable long-term agricultural uses and avoid premature development until urban densities are needed to accommodate regional growth.

THRIVE MSP 2040, at 29.

9. In order to limit urbanization in rural areas, reduce development pressure in agricultural areas, avoid the premature extension of roads and sewers, and “ensure efficient use of regional wastewater infrastructure,” the Met. Council limits density throughout the region. *Id.* at 88. The Met. Council defines “minimum residential density levels in areas planned for regional wastewater service by 2040,” and “maximum residential densities” for “areas planned for post-2040 regional wastewater service.” *Id.*

10. Whether Thrive guides an area for a minimum or maximum expected density depends on the community designation. THRIVE MSP 2040, at 116. Because no portion of the Town was expected to have regional wastewater service prior to 2040, the Town was subject to maximum expected density limits, but under two different designations. *See 2015 System Statement* at 5.

11. For the northern third of the Town included within the LTSA, the Met. Council designated this area as “Diversified Rural[:]”

Diversified Rural communities are home to a variety of farm and non-farm land uses including very large-lot residential, clustered housing, hobby farms and agricultural uses. Located adjacent to the Emerging Suburban Edge of the Metropolitan Urban Service Area, the Diversified Rural Area protects rural land for rural lifestyles today and potential urbanized levels of development sometime after 2040.

...

... Some Diversified Rural communities are also located within the Long-term Wastewater Service Area. These areas are designated to ensure land availability to accommodate growth post-2040 at the edge of the urbanizing area.

Id. at 106–07.

12. The Met. Council designated the remainder “Rural Residential[:] Rural Residential communities have residential patterns characterized by large lots” without “plans to provide urban infrastructure, such as centralized wastewater treatment.” *Id.*

13. With the adoption of its first Comprehensive Plan in 2020, the Town looked to its past and set the stage for its future. The Town's existing land use map acknowledged existing land uses in the Township are predominantly residential and agricultural, while parks, commercial, and industrial make up most of the remaining land. *Comp. Plan* at 26 (pg. 2–17).

14. The Comprehensive Plan carries forward the existing development patterns in the southern two thirds of the township, as the future land use map characterizes this area as predominantly rural residential, with wetlands and larger agricultural parcels, while allowing new development at maximum densities of four units per 10 acres. *Comp. Plan* at 18 (pg. 2–9), 26 (pg. 2–17).

15. While it was anticipated this area would “continue to develop as rural residential,” *Comp. Plan* at 50 (pg. 4-3), the Comprehensive Plan made good on the Met. Council's directive “to guide development within the future service area at densities appropriate for economical wastewater service.” *2015 System Statement*, at 22. The Comprehensive Plan did this by identifying the diversified rural portion located in the northern one third of the Township as a transitional area, which “will transition to a higher residential density with urban services.” *Comp. Plan* at 50 (pg. 4-3).

In the future, it is anticipated that Credit River will request the area currently shown as **Diversified Rural** to be redesignated to an **Emerging Suburban Edge** classification.

. . . As a result, this plan has been developed in a manner to meet the requirements of the Emerging Suburban Edge classification for the northern portion of Credit River that is currently designated Diversified Rural in order to preserve land for future urban development.

Comp. Plan at 18–21 (pgs. 2-9:2-12) (emphasis added).

16. Though the Met. Council sets different density limits for these two (diversified rural and emerging suburban edge) areas,⁵ the diversified rural area already includes low-density residential land uses consistent with the Met. Council's requirements for "Emerging Suburban Edge" communities. *Comp. Plan* at 18–21 (pgs. 2-9;2-12). Additionally, the diversified rural portion includes areas, which can be preserved so post-2040 growth can be provided with cost-effective and efficient urban infrastructure. *Id.* Thus, while the density requirements differ, the remaining policies are not contradictory:

The Metropolitan Council has established the following policies for Credit River to follow for the portions of the community that are designated as Diversified Rural:

...

- Preserve areas where post-2040 growth can be provided with cost-effective and efficient urban infrastructure.
- Manage land uses to prevent the premature demand for extension of urban services, and so that existing service levels (such as on-site wastewater management, gravel, and other local roads) will meet service needs.

...

The Metropolitan Council has established the following policies for communities to follow for the portions of the community that are designated as Emerging Suburban Edge:

...

- Identify and protect an adequate supply of land to support growth for future development beyond 2040, with regard to agricultural viability and natural and historic resources preservation.
- Incorporate best management practices for stormwater management and natural resources conservation and restoration in planning processes.
- Plan for local infrastructure needs including those needed to support future growth.

Id. The guiding principle in both areas is to manage land uses to prevent premature extension of urban services and preserve adequate land to support cost-effective and efficient post-2040 growth.

⁵ See THRIVE MSP 2040, at 116.

17. For the areas where existing uses are consistent with densities for the emerging suburban edge classification, the Comprehensive Plan's future land use map designates these areas as low-density residential land uses. *See Fig. 8*. The remaining areas, which can be preserved and managed for future urban growth, however, are guided "Urban Expansion Reserve." ("UER") *Id.* "This category provides for opportunity for future development or redevelopment with urban water and sanitary sewer services[,] and "[m]aximum density of one unit per 40 acres is permitted." *Comp. Plan* at 29 (pg. 2-20).

18. The Comprehensive Plan recognizes the following policy with regard to expansion of the urban services area: "The need for a municipal wastewater collection system is based on one or more of the following criteria: health and safety concerns, environmental concerns, or growth." *Comp. Plan* at 92 (pg. 6-1). While this policy would guide Credit River into the future, the Comprehensive Plan notes its immediate relevancy, as "there are several hundred homes with septic systems that are failing or are near failure." *Id.* at 92-93 (pgs. 6-2:6-3). These homes are located in four existing neighborhoods with "extremely small lots and failing septic systems." *Id.* at 31 (pg. 2-22). Therefore, "[i]n order to protect the health, safety and welfare of the community it will be necessary to extend municipal sanitary sewer and municipal water into Credit River Township within the planning period." *Id.* at 92-93 (pgs. 6-2:6-3). These areas, where urban service expansion is needed in the near-term, coincide with the areas guided as low-density residential land uses. *See Comp. Plan* at 92-113 (pgs. 6-1:7-4).

19. As for the areas guided medium and high-density residential, the Comprehensive Plan recognizes service expansion will need to occur in these areas in the near term as well, although the land remains undeveloped:

In order for Credit River to be able to provide service to these existing neighborhoods, it is necessary to provide municipal

services to other undeveloped properties nearby as it is not feasible to correct the septic situations in these existing neighborhoods without planning for logical and orderly growth of the surrounding area on municipal services.

Id. at 31 (pg. 2-22).

20. Although the Comprehensive Plan suggests a near-term connection is feasible, there are no regional sanitary sewer interceptors within the township, and the township is not currently served by the regional wastewater system. *Id.* at 92 (pg. 6-1). The Comprehensive Plan, however, outlines a schedule for constructing a public wastewater collection system, and requests Met. Council approval of a proposed interconnection with the regional sewer service through a neighboring community. *Id.* at 92, 104 (pgs. 6-1, 6-13). The City of Savage provided additional capacity within their local trunk sewer system—which ultimately discharges at the Seneca Wastewater Treatment Plant—to accommodate the anticipated ultimate sewer development within the Township. *Id.*

21. The Comprehensive Plan includes a “Development Staging Map,” *see id.* at 101 (pg. 6-10), as required by the Met. Council’s 2040 Water Resources Policy Plan. 2040 *WRPP*, at 47. Per the development staging map, the Comprehensive Plan requests an amendment to Thrive to re-designate the portions of diversified rural area that include low density, medium density, high density areas to emerging suburban edge in the northwestern corner of the Township, with the remainder managed to prevent premature demand for extension of urban services. *Comp. Plan* at 92-113 (pgs. 6-1:7-4). The Comprehensive Plan affirms this development staging by providing specific details as to when and how the Town plans to utilize the available 771 residential equivalent connection capacity at the at the Seneca Wastewater Treatment Plant. *Id.* at 99 (pg. 6-8). 443 existing households will connect to the Savage trunk sewer system by 2030, and the 17.5 acres guided medium-density residential, as well as the 18.6 acres guided high-density residential, will not utilize the remaining capacity until 2040. *Id.* at 24 (pg. 2-15), 99 (pg. 6-8), 101 (pg. 6-10).

22. Thus, while the Comprehensive Plan acknowledges the entirety of the diversified rural area will be redesignated in future comprehensive plans, it anticipates, “[b]etween 2021 and 2030, . . . water and sanitary sewer will be available to *certain portions* of Credit River,” and it proposes these “portion[s] of Credit River be designated Emerging Suburban Edge *at this time*.” *Id.* at 21 (pg. 2-12) (emphasis added). The remaining portion of the diversified rural portion “is proposed to be reclassified as Emerging Suburban Edge *with the next update* to the regional policy plans.” *Id.* (emphasis added). Stated differently, “Credit River anticipates that in *the 2050 Comprehensive Plan* it will be planning for urbanization of the [remainder of the] northern portion of the community that is currently classified as Diversified Rural.” *Id.* at 33 (pg. 2-24) (emphasis added).

23. With these details in mind, the Town exercised its legislative discretion to recognize 18 guiding land use and development goals and strategies, including 91 sub-goals and strategies, totaling more than 100 growth and development policies. *Comp. Plan* at 10-15 (pgs. 2-1:2-6).

24. The text of the 2040 Plan is critical to this dispute. It explicitly states that urban services (municipal sewer and water) are not anticipated for the LTSA until *after* the year 2040. The Plan’s specific land use policy for UER areas is to preserve large tracts of land for *future* orderly annexation and urbanization. This designation is intended to prevent premature fragmentation or interim development that would hinder future infrastructure extension. The Plan prioritizes “infill” development in areas already served by infrastructure before expanding into the UER.

B. PROCEDURAL HISTORY AND THE FIRST ORDER

25. MC&E previously challenged the City’s processing of their September 12, 2023 application. On February 13, 2025, this Court issued its Order granting partial mandamus relief. The Court found that the City had failed to conduct a substantive review of the application under

the 2040 Plan. The Court remanded the matter to the City Council with instructions to complete that review.

26. MC&E's current arguments suggest the Court's prior order is the "law of the case." MC&E's current arguments imply that the February 13, 2025 Order essentially directed the City to approve the project. This is incorrect. The Order was procedural, not substantive. In Footnote 9, the Court explicitly clarified the limited nature of its ruling:

In making this conclusion, the Court does not intend to indicate or compel City to conduct its review in a certain manner, just that it must complete its duty to review the September 12, 2023, Application in accordance with the requirements of the 2040 Plan. The Court similarly takes no position on what result City might reach after conducting the required review.

Admin. R. 785 n.9. Moreover, the doctrine of law of the case only "applies when an appellate court has ruled on a legal issue and remanded the case for further proceedings on other matters." *Sylvester Bros. Dev. Co. v. Great Cent. Ins. Co.*, 503 N.W.2d 793, 795 (Minn. Ct. App. 1993) (emphasis added). The doctrine does not preclude a district court from addressing the legal issues already decided by an earlier district court decision. *Loo v. Loo*, 520 N.W.2d 740, 744 n.1 (Minn. 1994).

C. THE APPLICATIONS AND REVIEW ON REMAND

27. On February 13, 2025, concurrent with the remand, Mesenbrink submitted updated materials for three distinct requests (the "Applications"):

a. Comprehensive Plan Amendment: To reguide the Property from "Urban Expansion Reserve" to "Commercial/Industrial." This was the threshold request; without it, the other applications could not legally proceed.

b. Rezoning Application: To rezone the property from its current rural district to a Commercial/Industrial district.

c. Preliminary Plat Application: To subdivide the land into lots for a commercial/industrial park.

Admin. R. 643–753. The proposed development did not include connection to municipal water or sewer. *Id.* Instead, it relied on interim solutions—specifically individual wells and septic systems—because municipal lines do not currently extend to the Property. *Id.*

28. On March 10, 2025, MC&E sent a letter to the City from Taft Law, addressing the remand proceedings to follow the Court’s February 13, 2025. *Admin. R.* 798–822. The letter sought to present the relevant factual background, address the limits on the City’s remand review, and argue the City was legally compelled to approve MC&E’s application. *Id.* This letter was followed by another on April 1, 2025, which again argued the City was legally compelled to approve MC&E’s application. *Admin. R.* 828–30.

29. In the lead up to the City of Credit River Planning Commission’s (the “Planning Commission”) public hearing on MC&E’s application, the City received comments from interested community members and other government entities. Six public comment letters were submitted to the City regarding the MC&E application, all of which were strongly opposed to the application. *Admin. R.* 823, 874–78. Community members expressed concerns regarding the necessity of more industrial facilities, the developer’s infrastructure maintenance, their willingness to control tenants, and the rushed decision-making process, when it would be more prudent to take time and comprehensively plan for the entire city, instead of making piecemeal decisions with undue developer influence over the outcome. *Id.* Foremost among these concerns was the effect this proposal would have on adjacent residential property. *Id.* Community members predicted this incompatible land use would result in property devaluation, noise pollution, traffic congestion, increased crime and safety issues, environmental impacts from the loss of wetlands and trees

providing wildlife habitat, and barriers from unwanted sound and light pollution; and a general disappointment this project would eliminate the area's current peaceful rural character. *Id.*

30. Regarding feedback from other government agencies, Scott County observed that MC&E's effort to demonstrate the inclusion of adequate facilities and supportive services in its proposed development was incomplete and insufficient. *Admin. R.* 837, 866–67. The Scott County Environmental Services Department reviewed the project plans for compliance with the Scott County Subsurface Sewage Treatment System Ordinance #4 and Minnesota Rules Chapter 7080, and found the application incomplete. *Admin. R.* 837. Notably, the Scott County Environmental Services Department found seven specific requirements absent, six of which specifically related to the suitability of the site for either individual or community septic and water. *Id.* Likewise, the Scott County Transportation Services Division's review resulted in a similar conclusion with regard to the plans for transportation infrastructure. *Admin. R.* 866–67.

31. City Planning Staff and the City Engineer reviewed the Applications on remand. The Staff Report identified fundamental conflicts with the 2040 Plan. *Admin. R.* 839–44. Staff further identified that the existing road network servicing the Property (e.g., 180th Street East, 175th Street East) consists of gravel or non-10-ton roads. These roads were deemed structurally inadequate to support the heavy truck traffic associated with a commercial/industrial park. *Admin. R.* 840–41. Not only did the proposal propose incompatible transportation infrastructure, but the proposed land use pattern would obstruct the logical future extension of utilities. While the City Engineer's report noted the property is within the MUSA boundary, it is not the current staging area, meaning urban services are not expected for several decades. To bridge the gap, MC&E proposed initial individual septic systems and a privately owned community water system. The City Engineer, however, expressed doubt as to the feasibility of this plan, as it would involve installation of a forcemain

sanitary sewer decades before being put into service, resulting in the deterioration of the unutilized infrastructure and the expiration of “a significant portion of the infrastructure’s useful life . . . before it is put into service.” *Admin. R.* 842. While the City Engineer recommended a gravity sanitary sewer design instead, he noted the forcemain sanitary sewer was proposed “to install this pipe for future connection to municipal sanitary sewer, at such time that it becomes available.” *Id.* Stated differently, the proposal could not be designed to cost-effectively and efficiently accept an extension of municipal urban services or infrastructure in the future, because the infrastructure needed will have either already deteriorated, requiring replacement, or will not exist, again requiring replacement. *Id.*

32. Moreover, the City Engineer noted, MC&E’s proposal would not protect natural features, preserve natural resources, or minimize the development’s impact on the natural environment. *Admin. R.* 843–44. The review highlights inconsistencies in the amount of impervious surfaces, requiring separate reports for pre-development and proposed-conditions; as well as significant reductions in drainage areas for Wetlands 4 and 6, without any associated native grass wetland buffers, requiring further hydrologic analysis to ensure WCA compliance. *Id.*

33. On April 10, 2025, the City’s Consulting City Planner Claire Stickler finalized the Staff Report to the Planning Commission regarding MC&E’s application for a Comprehensive Plan Amendment from Urban Expansion Reserve to Commercial. *Admin. R.* 845–54. Planner Stickler carefully analyzed MC&E’s application against the 2040 Comp. Plan’s goals and policies to ensure the application met all City standards, and her Staff Report noted several crucial inconsistencies.

34. Inadequate Infrastructure and Fiscal Irresponsibility: Planner Stickler’s Staff Report noted MC&E’s application is incompatible with 2040 Comp. Plan goals A and F because the proposed re-guiding could lead to significant infrastructure challenges and increased costs due to “leapfrog

development.” *Admin. R.* 849–53. MC&E failed to demonstrate adequate facilities and services exist, as existing roads (180th Street East, 175th Street East, Casey Parkway, Killarney Avenue, and Murphy Lake Boulevard) are not designed for increased commercial/industrial traffic. *Id.* Indeed, they would require significant unplanned improvements not accounted for in the city's Capital Improvement Plan. *Id.* Aside from achieving access through unimproved roads, the proposed uses would require access onto CSAH 21, a principal arterial, and MC&E has not provided information on how access would be limited to ensure safety and prevent congestion. *Id.* Additionally, MC&E failed to demonstrate its application is consistent with managing growth by utilizing available infrastructure (to promote fiscally responsible growth) and reject premature development. *Id.* The application does not contain any research or studies regarding the density implications of commercial/industrial development in this area, and is therefore deemed premature under the 2040 Comp. Plan policies as density implications have not been studied and existing infrastructure is insufficient. *Id.* While the City plans to conduct such studies, it will be doing so as part of the 2050 comprehensive planning process. *Id.*

35. Commercial and Industrial Development Incompatibility: Planner Stickler’s Staff Report noted MC&E’s application is incompatible with 2040 Comp. Plan goals C and K because the City's policies suggest reserving land for future commercial/industrial uses until urban services are extended, which the proposed re-guiding does not align with. *Admin. R.* 849–53. Most of the surrounding parcels (20 out of 24 abutting parcels) are designated Urban Expansion Reserve and are rural residential, making the proposed commercial use incompatible without proper transition and mitigation measures. *Id.* The application lacks sufficient information on how to assure compatibility or implement necessary measures like larger lot sizes or increased setbacks. *Id.*

36. Long-Term Planning and Density: Planner Stickler's Staff Report noted MC&E's application is incompatible with 2040 Comp. Plan goals G and I because the application is inconsistent with policies discouraging premature development obstructing future utility and roadway extensions. *Admin. R.* 849–53. The land use change is considered premature and not in the best long-term interest of the City, as it has not been fully vetted. *Id.* Commercial and industrial uses do not contribute to the City's required net density, which could force increased residential density elsewhere in areas not designated for it, impacting the City's overall planning goals. *Id.*

37. On April 17, 2025, MC&E appeared before the Planning Commission, in pursuit of its application for a 2040 Comp. Plan amendment. *Admin. R.* 883–974. While all five Planning Commissioners were present, at the beginning of the meeting Planning Commissioner David Martell recused himself from the proceedings because his “home is surrounded by the property in question tonight.” *Admin. R.* 885:3-7.

38. During the public hearing MC&E made no effort to show the proposed land use change was consistent with the goals and strategies adopted by the City to help guide land use and development in Chapter 2 of the 2040 Comp. Plan. *Admin. R.* 888:1-899:8. In contrast, City Planner Stickler noted MC&E failed to demonstrate adequate facilities and services exist, as existing roads are not designed for increased commercial/industrial traffic, but would require significant unplanned improvements not accounted for in the City's Capital Improvement Plan. *Admin. R.* 849–53. The City Engineer recognized the same problem, and further noted the proposal could not be designed to cost-effectively and efficiently accept an extension of municipal urban services or infrastructure in the future, because the infrastructure needed will have either already deteriorated, requiring replacement, or will not exist, again requiring replacement. *Admin. R.* 842.

39. Additionally, numerous residents voiced strong opposition to the proposed re-guidance. *Admin. R.* 904:12-964:20. This opposition was expressed through a varied range of concerns regarding MC&E's application, including concerns about property value, unclear building plans, water usage, hazardous materials, shallow wells, visual impacts, the inconsistency of the proposal with the long-term vision for the City of Credit River and its rural character, increased traffic, speeding, other safety concerns, "scope creep," the lack of a clear plan governing the area, and the incompatibility of commercial and industrial uses near existing residential areas. *Id.*

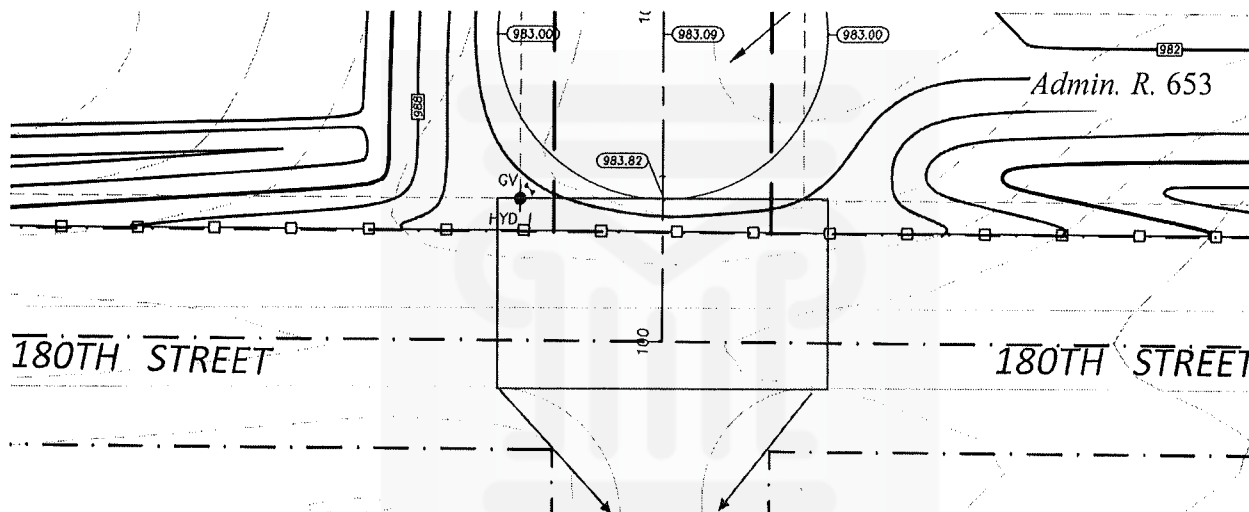
40. At the Planning Commission meeting on April 17, 2025, City Attorney Peter Mikhail stated, with regard to MC&E's plat application: "If the guiding is approved, if the zoning is approved, and if as Ms. Stickler reports this meets all of our standards, this needs to be approved." *Admin. R.* 954:15-17.

41. Ms. Stickler did not report MC&E's plat application met all City standards. *See Admin. R.* 952:22-25; *see also Admin. R.* 981 ("*Permanent [cul-de-sac]'s are not permitted in the City's Subdivision Ordinance*"); *Admin. R.* 985 ("The City's subdivision ordinance prohibits permanent cul-de-sacs unless they meet a very specific criteria," which was not met here.); *Admin. R.* 987 ("Planning staff recommends that the City of Credit River City Council . . . Deny the Preliminary Plat Request with the finding that the proposed plat is not in compliance with the City's subdivision regulations with the permanent" cul-de-sac).

42. MC&E labeled its proposed permanent cul-de-sac a "temporary" cul-de-sac on a civil plan sheet. *Admin. R.* 653. A temporary cul-de-sac is one which is created "where a street is terminated pending future extension in conjunction with future platting." City of Credit River, Minn., Subdivision Ordinance § 945.020, subd. 19(D).⁶

⁶ Available online at:

43. The cul-de-sac on *Admin. R. 653* was not terminated pending future extension in conjunction with future platting, as the adjacent extension, “Cleary Lake Court” already exists in conjunction with past platting of the Cleary Lake Estates subdivision in 1998.



See also Cleary Lake Estates Plat.⁷ Because this road was not terminated, and a cul-de-sac created pending future extension in conjunction with future platting, MC&E never objected to the City referring to it as a permanent cul-de-sac or in any way suggested it was in fact a temporary cul-de-sac. See generally *Admin. R. 696–1049*.

44. Upon the close of the public hearing, the Planning Commission considered MC&E’s application. *Admin. R. 921–42*. The primary point of contention among the Planning Commission was the application’s consistency with the Comp. Plan’s standards. Commissioner Tande felt the application was premature regarding infrastructure expansion, which he found especially concerning because MC&E’s failure to demonstrate adequate facilities and services would, or even could, exist mean it is an open question whether the financial responsibility for such expansion will fall on the taxpayers or MC&E. *Admin. R. 922–23*. This concern was clarified later in the

<https://www.creditriver-mn.gov/home/showpublisheddocument/1008/637885661282170000>

⁷ Available online at: <https://www2.co.scott.mn.us/landrecords/GetLandRecordImage.aspx?platid=04058>

meeting when Commissioners expressed concerns regarding whether adequate facilities and supportive services existed to accommodate MC&E's proposal. *Admin. R.* 965–74. These concerns focused mostly on the adequacy of the transportation infrastructure, or lack thereof. Commissioners noted the property could not support a through-road network due to inadequate surrounding roads for commercial/industrial traffic, nor could it rely on cul-de-sacs as City ordinances prohibit permanent cul-de-sacs. *Id.* Commissioners noted the traffic study submitted with the application did not accurately reflect existing conditions, and the proposal would not only result in congestion but “huge safety concern[s]” as “there’s going be a lot of U-turns” without transportation infrastructure. *Id.* Regarding whether MC&E's proposal would promote orderly growth and the provision of urban services in a fiscally responsible manner, Commissioners questioned who would bear responsibility for the infrastructure improvements. *Id.* City Planner Stickler clarified the developer would only be responsible for the cost of building new roads on the property and the construction of turn lanes on County Road 21, but the burden of the other necessary road improvements to accommodate MC&E's proposal would fall on the taxpayers. *Admin. R.* 970:23-971:4. Commissioner Tande also worried about the impact on adjacent property values and aesthetics, given new commercial and industrial uses on the property would not be compatible with adjacent land uses. *Admin. R.* 922–23.

45. Chair Olson agreed Commissioner Tande's concerns were an issue, and further noted he was applying the Comp. Plan's standards, without explicitly connecting the issues back to specific statements in the Comp. Plan. *Admin. R.* 923:17-924:5.

46. Commissioner Theberath acknowledged adequate facilities and supportive services did not exist to accommodate MC&E's proposal, and there was no guarantee they would. *Admin. R.* 925:10-930:6, 939:7-13. He further acknowledged, the new commercial and industrial uses would

be incompatible with adjacent land uses. *Id.* Nonetheless, he felt MC&E made a good faith effort to satisfy some of the Comp. Plan's standards, and the issues he acknowledged could potentially be addressed at some point down the road. *Id.*

47. Chair Olson continued grappling with balancing the Comp. Plan's competing, if not conflicting policies, in making a recommendation to the City Council, and noted: "[T]here are parts of this application that could be consistent with the policy statements that are outlined in the comprehensive plan for 2040 and there are others that are not[,] but 'it's those inconsistencies that I am wrestling with in terms of how we make this decision.'" *Admin. R.* 934:20-935:3.

48. Unlike the other Commissioners, Commissioner Casey's analysis did not connect back to the issues in the Comp. Plan. *Admin. R.* 940:14-22. Instead, he acknowledged he personally disliked the proposal, but he believed fairness dictated a property owner should be allowed to do what they want with their land within reason. *Id.*

49. Chair Olson and Commissioner Tande agreed with this general sentiment, but they did not agree with Commissioner Casey's conclusion.

50. Chair Olson concluded the application is inconsistent with the Comp. Plan policies, and though not inconsistent across the board, there are enough inconsistencies—particularly regarding compatible use and ensuring incompatible uses are not located close to one another—to cause her concern. *Admin. R.* 940:23-941:5. Likewise, based on a strict adherence to the Comp. Plan standards, as if they were a "City Bible" and his earlier expressed concerns, Commissioner Tande felt the inescapable conclusion was MC&E's proposal was premature. *Admin. R.* 941:6-21.

51. After initial motion to recommend denial resulted in a split vote, the Planning Commission entertained a motion to recommend approval, which likewise resulted in a tie. *Admin. R.* 880.

D. City Council Review

52. On May 6, 2025, the City Council considered the applications and conducted a detailed review of the 2040 Plan's goals and policies. *Admin. R.* 1020–33. City Planner Claire Stickler introduced the subject, explaining that MC&E sought to develop a “modern rural business center,” which MC&E hoped could be efficiently connected to municipal services in the future, but would be served by “independent utilities,” for the foreseeable future. *Admin. R.* 1017:4-1019:19. Planner Stickler explained the Comp. Plan limited development on the property to one unit per 40 acres under the existing zoning designation, however, a commercial designation would permit a mix of uses prior to the extension of municipal water and sewer services, provided the development satisfies development regulations and is designed to accept future extension of municipal services. *Id.* Despite this, Planner Strickler noted City planning staff found numerous inconsistencies with the Comp. Plan and recommended denial. *Id.*

53. Following Planner Stickler's introduction representatives from MC&E were invited to address the City Council, however, they declined to do so. *Admin. R.* 1020:1-2. Thereafter, Mayor Chris Kostik articulated his concerns regarding the proposal and his reasons for concluding “this is not consistent with our Comprehensive Plan at all and would give us a lot of problems in the future.” *Admin. R.* 1020:10–1021:18. Mayor Kostik highlighted his conclusion MC&E's application was inconsistent with Comp. Plan goals A and C, as well as strategies A.1.c-e, A.2.c and C.1. Mayor Kostik reasoned the proposal would not diversify the local tax base or maintain reasonable rates because it would be a “low density, low value type of development.” *Admin. R.* 1020:10–1021:18. Likewise, the proposal was not only inconsistent with the policy of managing growth by utilizing available infrastructure, but there was also no showing adequate facilities and supportive services exist to accommodate new development. *Id.* Thus, the City would directly contradict the Comp. Plan were it to allow the proposal to move forward. *Id.* Moreover, such a

decision would eliminate any flexibility in responding to market demands, because leapfrogging current development patterns would cause an issue with future services, pose significant infrastructure challenges, and force the City to incur increased cost for future urban expansion in the area. *Id.* Thus, MC&E's application was inconsistent with the City's goals to manage growth and development in a fiscally responsible manner, which will result in staging of infrastructure investments; promote compatible adjacent land uses and infrastructure, and reserve land for future commercial and industrial uses until urban service extension; and, to reject premature development. *Id.* Mayor Kostik further pointed out the proposal's inconsistency with Comp. Plan goal I strategy 8, because the application ignores city-wide net density and the fact this proposal would require an upward residential density shift elsewhere, which will be "very problematic for" the City, as it is struggling to meet the existing requirements as is. *Id.* Council Member Jay Saterbak immediately echoed these sentiments. *Admin. R.* 1021:19-20.

54. Following Mayor Kostik, Council Member Bill Markert provided an extensive and meticulous analysis, detailing numerous inconsistencies between MC&E's application and the standards in the Comp. Plan. *Admin. R.* 1021:22-1027:18. Council Member Markert firmly concluded MC&E's application should be denied based on the standards in Comp. Plan. Chapter 2, and outlined the reasoning, which led him to this conclusion. He cited the application's inconsistency with preventing undesirable development, maintaining quality of life, and promoting orderly growth; highlighted the lack of a fiscal impact analysis or plan identifying preferred sewer service areas; noted the business center would not improve environmental quality, preserve open space, or enhance park facilities, specifically lamenting the proximity to Clearly Lake Regional Park and a planned regional trail; expressed concern about outdoor storage facilities being an eyesore and property value decline for nearby homeowners, especially for one home surrounded

by the proposed center and those in Cleary Lake Estates; found the business center's adjacency to the historic Credit River Catholic Cemetery inconsistent with City goals; and questioned how the City Council could comply with its policy to value public participation and approve the application, given resident comments, alongside citizen input gathered over several years, confirmed Council Member Markert noted that these indicated “strong Citywide opposition to this application.” *Id.*

55. Based on this reasoning, Council Member Markert systematically listed specific goals and policies with which the application was inconsistent. *See* COMP. PLAN at 1-8; *see also, Admin. R.* 1021:22–1027:18. Aside from systemically applying the Comp. Plan’s growth and development policies to the application, Council Member Markert specifically challenged MC&E’s interpretation of the Comp. Plan’s Future Land Use Categories. Council Member Markert argued the minimum commercial requirements on Comp. Plan Chapter 2 page 22 meant while existing commercial parcels might develop without municipal sewer and water, this language did not permit changing Urban Expansion Reserve land to Commercial for development without those services. *Admin. R.* 1021:22–1027:18. He contrasted this language, which specifically notes there are already several parcels guided Commercial available in the City where development of commercial uses may occur prior to the extension of municipal water and sewer services, with the minimum requirements applicable to UER land, which unambiguously states the UER “provides for the opportunity for future development or redevelopment with urban water and sanitary sewer services,” and explicitly does not say “with or without.” *Id.* Buttredding his reading, Council Member Markert questioned how MC&E’s reading could be logical, much less reasonable, when residential development was prohibited without municipal services in the Long-Term Service Area under precisely identical conditions. *Id.* Council Member Markert concluded his remarks by

expressing concern about the potential that the northern section of the City would turn into a “non-sewered commercial and industrial hub[,]” which the Comp. Plan drafters never intended and the members of the community do not want. *Admin. R.* 1021:22–1027:18. In closing, Council Member Markert moved to deny MC&E’s Comp. Plan amendment application, which passed unanimously with a five-zero vote. *Admin. R.* 1027:13–1028:7.

56. On May 21, 2025, the City Council adopted Resolution 2025-21, which outlined the City’s findings of fact and reasons for denial, the majority of which related to inconsistency with the Comp. Plan, such as inadequate infrastructure (especially roads), premature development in the LTSA which would hinder future sewer extension, uncoordinated growth, lack of fiscal or density studies, traffic concerns on existing roads, negative environmental/quality of life impacts, and harmful impacts on a historical site. *Admin. R.* 1040–49.

57. Following the denial of the Comprehensive Plan Amendment Application, the City Council denied the Rezoning Application via Resolution 2025-17 and the Preliminary Plat via Resolution 2025-18. *Admin. R.* 1034–39. The Rezoning was denied because the proposed uses are not permitted in the UER district and are incompatible with surrounding uses. *Id.* The Plat was denied based on inconsistency with the Comp Plan and failure to comply with the Subdivision Ordinance regarding permanent cul-de-sacs. *Id.*

CONCLUSIONS OF LAW

I. SUMMARY JUDGMENT STANDARD

“The court shall grant summary judgment if the movant shows that there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law.” Minn. R. Civ. Proc. 56.01. A fact is only “‘material’ for purposes of summary judgment if its resolution will affect the outcome of the case.” *Sayer v. Minnesota Dep’t of Transp.*, 790 N.W.2d 151, 162 (Minn. 2010). Insufficient proof on essential element mandates judgment as a matter of law. *Lubbers v.*

Anderson, 539 N.W.2d 398, 401 (Minn. 1995); *Jane Doe 43C v. Diocese of New Ulm*, 787 N.W.2d 680, 686 (Minn. Ct. App. 2010).

“A decision regarding a proposed amendment to a city’s comprehensive plan is legislative in nature.” *Wensmann Realty, Inc. v. City of Eagan*, 734 N.W.2d 623, 630 (Minn. 2007) (citing *Mendota Golf, LLP v. City of Mendota Heights*, 708 N.W.2d 162, 179 (Minn. 2006)); accord *Concept Properties, LLP v. City of Minnetrista*, 694 N.W.2d 804, 814 (Minn. Ct. App. 2005) (A “municipality acts in a legislative capacity under its delegated police powers when it adopts or amends . . . a comprehensive plan.”). “Land-use decisions made during the creation of a comprehensive plan, like decisions to later grant or deny a proposed land use, are legislative actions entitled to judicial deference.” *Concept Properties, LLP*, 694 N.W.2d at 815.

“Accordingly, [the] standard of review is very narrow.” *Wensmann Realty*, 734 N.W.2d at 630. A party challenging a municipality’s legislative land-use decisions faces a “difficult standard” of review, *Concept Properties*, 694 N.W.2d at 814, because courts exercise the power to invalidate legislative determinations “most cautiously[.]” *Kayo Oil Co. v. City of Hopkins*, 397 N.W.2d 612, 614 (Minn. Ct. App. 1986), “and only when absolutely necessary.” *McCaughtry v. City of Red Wing*, 831 N.W.2d 518, 521–22 (Minn. 2013) (quotation omitted). Courts will not strike down a legislative decision when the facts, on which the legislative decision is based, could reasonably be conceived to be true by the governmental decisionmaker such that the question is at least debatable. *Fletcher Properties, Inc. v. City of Minneapolis*, 947 N.W.2d 1, 11 (Minn. 2020) (citing *Minnesota v. Clover Leaf Creamery Co.*, 449 U.S. 456, 464 (1981)). “In other words, the test is a ‘rational basis’ test.” *Honn v. City of Coon Rapids*, 313 N.W.2d 409, 414–15 (Minn. 1981).

The decision “must be upheld unless opponents prove” the decision “is unsupported by any rational basis related to promoting the public health, safety, morals, or general welfare.” *Id.*; see

also *Mendota Golf*, 708 N.W.2d at 180. A city's denial is not arbitrary when the evidence in the administrative record indicates at least one of the reasons given for the denial satisfies the rational basis test. *St. Croix Dev., Inc. v. City of Apple Valley*, 446 N.W.2d 392, 398 (Minn. Ct. App. 1989). So long as the "decision is debatable . . . the courts do not interfere." *Id.* A party challenging a municipality's legislative land-use decisions must prove "that it is not even debatable that the challenged" decision has "no substantial relationship to public health, safety, or general welfare." *Holt v. City of Sauk Rapids*, 559 N.W.2d 444, 445 (Minn. Ct. App. 1997). "Except in those rare cases" where a party meets this burden "it is the duty of the judiciary to exercise restraint and accord appropriate deference to civil authorities in the performance of their duties." *Wensmann Realty*, 734 N.W.2d at 630 (quotation and internal marks omitted).

II. RATIONAL BASIS FOR DENIAL

The City's denial of the Plan Application is supported by multiple rational bases found in the administrative record.

It is rational for the City to deny a comprehensive plan amendment for a development that precedes the planned extension of municipal services. In *Freundshuh v. City of Blaine*, the appellant brought a declaratory judgment action against the City of Blaine after the city denied his request for a legislative rezoning. 385 N.W.2d 6, 7 (Minn. Ct. App. 1986). In affirming the district court's grant of summary judgment in the city's favor, the Court of Appeals observed the city's "extensive findings explaining and justifying its decision...reinforce the city's growth and development policies as set forth in the [city's comprehensive] plan." *Freundshuh*, 385 N.W.2d at 9–10. There, the "city council specifically found that the proposed development was premature[,] because "the primary thrust of [the city's] comprehensive plan [was] not the mandatory extension of developed areas, but rather a program of staged growth." *Id.* This "provide[d] an ample basis"

to conclude “appellant’s rezoning application was unacceptable and should be denied.” *Id.* Therefore, despite city staff recommending approval, denial was “consistent with the urban expansion goals contained in the [comprehensive] plan,” and “[t]he refusal to rezone was not arbitrary or capricious.” *Id.* The City reasonably concluded that allowing dense commercial development on private septic systems in the LTSA would constitute leapfrog development and contradicts the Plan’s goal of reserving this land for future urbanized use.

It is rational for the City to deny development based on infrastructure deficiencies. The Court of Appeals’ decision in *Freundshuh* not only establishes that a City may reasonably rely on its legitimate interest in reinforcing its growth and development policies, but it also reveals how these policies are often tied directly to concerns regarding the existence of adequate supportive infrastructure. There, the city’s comprehensive “plan encourage[d] new developments where urban services such as major highways and sewer services [were] already available or [could] be easily extended.” *Freundshuh*, 385 N.W.2d at 9–10. Appellant’s application to re-guide the property, before completing a residential subdivision, raised issues regarding “the need for and the cost of an extension of adequate water and sewage lines to service the property if rezoning were granted.” *Id.* Appellant’s offer “to pay for the installation of the lift station and trunk line,” did not change the fact “adequate sewer and water lines are not presently available to service the property.” *Id.* at 9–10.

Therefore, the proposal for extending sewer lines contradicted the comprehensive plan’s terms, “because extension of the services would involve construction traversing several city blocks and substantial costs to both the city and adjoining property owners.” *Id.* Thus, the existence—or lack thereof—of adequate supportive infrastructure was one of the ample reasons the “application was unacceptable and should be denied[:.]”

[R]espondent's findings reflect a reasoned analysis of the rezoning request within the guidelines for staged growth established by the city's comprehensive plan. Respondent's reluctance to develop appellant's property into an urban subdivision at this time involves fiscal, ecological, and safety concerns. Respondent has not said that it will never permit the area to be developed as R-1, only that such development is premature.

Id. at 10–11. *Freundshuh* is not the only decision where there is a clear connection between a city's growth/development policies and its concerns regarding the existence of adequate supportive infrastructure. *See, e.g., Goerisch v. City of Brooklyn Park*, No. A09-2042, 2010 WL 2900248, at *4–7 (Minn. Ct. App. July 27, 2010).⁸ *Concept Properties* is another case where this connection is clear. 694 N.W.2d 804. *Concept Properties* involved a challenge to a city's decision to exclude a property from the metropolitan urban services area in its comprehensive plan and its subsequent decision to refuse proposed amendments regarding the same. 694 N.W.2d at 804–14. The metropolitan urban service area ("MUSA") "is the designated portion of the metropolitan area in which governmental agencies support urban development by providing necessary public facilities and services, including sewer service." *Id.* at 811. In upholding the city's decisions, the Court of Appeals found:

⁸ In *Goerisch*, a city's denial of a concept development plan "was supported in part by its reasoning that the property did not contain the water and sewer services necessary to support the rezoning." The city denied the plan because "the property [was] not scheduled to receive public utilities within at least the next 5 years;" "appellants' plan would require development outside of the city's staging plan; and" "because it is premature." 2010 WL 2900248, at *4. The court of appeals explained the "availability of utilities for a proposed development is a relevant consideration for a city." *Id.* at *7. In affirming the city's decision, the court of appeals observed "the property is in the fifth growth stage and is scheduled, under that plan, to receive municipal services last." *Id.* at *5. "[A]ppellants cannot dispute that the city's comprehensive plan does not provide for roadway improvements near the property for several years." *Id.* at *6. Thus, despite the fact "appellants offered to pay for the installation of utilities," the court found the city's decision reasonable because "conflict with a city's comprehensive plan provides a city with a rational basis to deny a development request[.]" and "[d]evelopment of the land now would require the city to take an action that is contrary to the comprehensive plan [by] allow[ing] development contrary to the order established by the city in its staged-growth plan." *Id.* at *4–7.

The City's comprehensive plan specifically placed the subject property in the urban reserve and zoned the property ["staged development district" (SDD)]. The comprehensive plan is "Minnetrista's official statement and document used to make short and long range planning decisions, including those related to subdivisions, zoning changes ... neighborhood and rural plans and amendments to the Plan itself." The plan makes clear that "growth and expansion of the MUSA shall be accomplished in accordance with the City's Growth Strategy—Staged Development Plan" and that extension of the MUSA will be allowed only "when the area can be served with sewer and the extension is consistent with the Growth Strategy." The plan also sets forth the City's land-use goals, including "[p]reserv[ing] Minnetrista's rural character" and "[p]rotect[ing] and preserv[ing] agriculture/rural qualities."

Both objectives sought by Concept Properties are inconsistent with the City's policies of preserving the City's rural character and preventing urban sprawl. As such, a legally sufficient rationale supports the City's denial of Concept Properties' application to amend the comprehensive plan and rezone the subject property.

Concept Properties, 694 N.W.2d at 818 (citing *Sun Oil Co. v. Vill. of New Hope*, 220 N.W.2d 256, 263 (1974); *Kehr v. City of Roseville*, 426 N.W.2d 233, 236 (Minn. Ct. App. 1988)).

The City's legislative decision here, to deny the proposed Comprehensive Plan amendment, was based, in part, on its legitimate interest in managing land use development to ensure the existence of adequate supportive infrastructure. The record shows that the existing road network (180th Street East, 175th Street East) consists of gravel roads not built to 10-ton standards. The City Engineer opined that improvements would need to be made to some of the streets included in the Comprehensive Plan amendment in order to accommodate commercial or industrial land uses. *Admin. R. 840*. However, these improvements are not currently part of the City's Capital Improvement Plan. *Admin. R. 849*. It is rational for the City to deny a proposal that would overburden this infrastructure or require the City to inherit potentially degraded private utility infrastructure in the future.

Finally, a city's legislative decision to deny a comprehensive plan amendment based upon the city's legitimate interest in reinforcing growth and development policies satisfies the rational basis standard. *Freundshuh*, 385 N.W.2d 6, 9–11 (Minn. Ct. App. 1986). “[A] policy determination to curtail urban sprawl” is a “reasonable bas[i]s on which to make land-use decisions.” *Concept Properties*, 694 N.W.2d at 815.

The City cited specific conflicts with the 2040 Plan, including Goal C (reserving land until urban services are extended) and Goal G (discouraging premature development), among many others. MC&E's argument the 2040 Plan provides for growth and therefore mandates approval of this specific project at this specific time is unpersuasive. The Court's prior Order compelled the City to *review* the application for consistency with the Plan, not to *approve* it. The City Council performed this duty on May 6, 2025, by evaluating the specific Goals and Policies of Chapter 2 of the 2040 Plan against the proposed development. A comprehensive plan is a guide for long-term growth; acknowledging that growth will eventually occur does not strip the City of the discretion to manage the timing, location, and infrastructure prerequisites of that growth. The City's determination that this specific proposal was premature and inconsistent with its long-term goals is legally sufficient. In fact, Goal C, Policy 1 of the 2040 Plan is to, “[p]romote new commercial and industrial uses where compatible with adjacent land uses and infrastructure. If necessary, land for future commercial and industrial uses should be reserved until urban services are extended to the area.” This allows the City to deny an application if urban services are not currently available in an area, which is the case with MC&E's property. The City Engineer noted that it is currently unknown when urban services will become available on MC&E's property. *Admin. R.* 841. Therefore, the City properly exercised its legislative discretion to determine that the proposal was inconsistent with the Plan's vision for orderly, serviced growth. “A municipality acts in a legislative

capacity . . . when it adopts or amends a comprehensive plan,” and the City is entitled to enforce the phasing and preservation policies it has adopted. *Concept Properties, LLP v. City of Minnetrista*, 694 N.W.2d 804, 814 (Minn. Ct. App. 2005).

III. DENIAL OF REZONING AND PRELIMINARY PLAT

Because the City properly denied the Comprehensive Plan Amendment, the property remains guided as Urban Expansion Reserve. Consequently, the Rezoning and Preliminary Plat applications—which sought Commercial/Industrial zoning and subdivision—were properly denied as being inconsistent with the Comprehensive Plan. *See Wensmann*, 734 N.W.2d at 630 (denial of rezoning is rational if inconsistent with comprehensive plan). Additionally, the City identified independent grounds for denying the Preliminary Plat, specifically the inclusion of a permanent cul-de-sac in violation of the City's Subdivision Ordinance. Because these decisions, respectively, have a rational basis and were reasonable, they are affirmed.

IV. CONCLUSION

In this Court's February 13, 2025 Order, the City was required to review Mesenbrink's application consistent with the City's 2040 Plan. The City has proven through the Administrative Record that it has reviewed the application as required. The reasons the City has presented for its denial meet the rational basis test. Therefore, the City's Motion for Summary Judgment on Count II is granted.

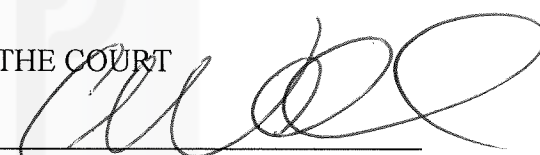
ORDER

1. Plaintiffs' Motion for Partial Summary Judgment is **DENIED**.
2. Defendant City's Motion for Summary Judgment as to Count II (Declaratory Judgment) is **GRANTED**.
3. Count II of the Amended Verified Petition is **DISMISSED WITH PREJUDICE**.
4. The parties shall submit a briefing schedule within 14 days of this Order regarding additional briefing on whether any further proceedings are necessary to determine the amount of mandamus damages, if any, in light of the City's compliance with the remand order and the subsequent lawful denial of the applications.

LET JUDGMENT BE ENTERED ACCORDINGLY

BY THE COURT

Dated: Feb 19, 2026


The Honorable Christian S. Wilton
Judge of District Court

MINNESOTA
JUDICIAL
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