

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF DAKOTA

FIRST JUDICIAL DISTRICT

Case Type: Other Civil

Coalition for Responsible Data Center
Development, Drea Doffing, Brian
Haskin, Gary Johnson, Cathy Johnson,
Mark Pearson, Terrie Pearson, Catherine
Peregrino, and Jeff Schottler,

Plaintiffs,

vs.

City of Farmington, Minnesota,

Defendant.

Court File No. 19HA-CV-24-5838

**PLAINTIFFS' MEMORANDUM OF
LAW IN SUPPORT OF MOTION
TO CONSOLIDATE**

INTRODUCTION

Plaintiffs commenced this lawsuit to address Defendant's breach of a contract and to challenge Defendant's decision to change the zoning classification of certain properties located in Farmington, Minnesota, which effectively allows a large-scale industrial data center to be built over the objection of residents, neighbors, and the neighboring Castle Rock Township. Shortly after Plaintiffs commenced this lawsuit, Castle Rock Township also commenced a lawsuit to challenge Defendant's attempt to re-zone the property and to halt development of the data center. The complaints in the two lawsuits are nearly identical, involve the same facts, and include essentially the same causes of action.

Plaintiffs now move to consolidate this lawsuit with the Castle Rock Township lawsuit according to Minn. R. Civ. P. 42. For the reasons below, Plaintiffs' motion should be granted, and this matter should be consolidated with the Castle Rock Township lawsuit captioned *Castle Rock Township v. City of Farmington, et al.*, Court File No. 19HA-CV-25-992.

FACTS

Plaintiff Coalition for Responsible Data Center Development is a nonprofit organized comprised of residents of the City of Farmington and Castle Rock Township in Dakota County, Minnesota. (Pls' Am. Compl., Index No. 10, ¶ 2.) The other Plaintiffs are residents that live near or adjacent to the properties that form the subject matter of this lawsuit. (Am. Compl. ¶¶ 3-8, 14.) Defendant is a municipality. (*Id.* ¶ 9.)

There are three parcels of property at issue in this litigation: Parcel ID 140050001012, which had been used as a golf course commonly known as Fountain Valley Golf Club (hereinafter "Parcel 1"); Parcel ID #07-00500-76-012 that was owned by Farmington School District – ISD 192 Farmington (hereinafter "Parcel 2"); and Parcel #07-00500-76-011 that was also owned by Farmington School District – ISD 192 Farmington (hereinafter "Parcel 3"). (Am. Compl. ¶ 13.) Parcel 1, Parcel 2, and Parcel 3 are collectively referred to herein as the "Subject Property." (*Id.*)

The Orderly Annexation Agreement

In 2006, Defendant and Castle Rock Township entered into an orderly annexation agreement ("OAA"). (Am. Compl. ¶ 15.) The Subject Property is subject to the OAA. (*Id.* ¶

16.) The OAA provides, in part, at §§ 3.2 and 3.3:

- 3.2 Except as provided in in Sections 3.3 or 3.4, the Planning Commission and/or the City Council of the City shall not adopt an initial Comprehensive Plan designation for any property located within the Annexation Area, or subsequently modify, change, or alter in any way that initial Comprehensive Plan designation, without providing the Town reasonable advance notice of, and a reasonable opportunity to comment on such adoption, modification, change or alteration.
- 3.3 With regard to any proposed industrial or commercial use of property, the Planning Commission and/or the City Council of the City of Farmington shall not adopt an initial Comprehensive Plan designation for any property located within the Annexation Area, or subsequently modify, change or alter in any way that initial Comprehensive Plan designation, without the consent of the Town Board, which consent may not be unreasonably withheld.

(Am. Compl. ¶ 17.)

The OAA also provides, in part, at § 10 that there are a number of processes that must be followed when there is a dispute under the OAA, including but not limited to: first, meeting with one another at a mutually convenient time and place to attempt to resolve the dispute through negotiation; second, if unresolved through negotiations, then the parties may attempt mediation; and third, if still unresolved than through a court of competent jurisdiction. (*Id.* ¶ 18.)

Defendant modifies the Comprehensive Plan in violation of the OAA

In September 2024, Defendant announced that it intended to modify Defendant's Comprehensive Plan. (*Id.* ¶ 22.) Castle Rock Township objected to the proposed changes to Defendant's Comprehensive Plan. (*Id.* ¶ 23.) In November 2024, although Defendant did

not have Castle Rock Township's consent to modify the Comprehensive Plan, Defendant voted to amend the Comprehensive Plan regardless. (*Id.* ¶ 24.)

Shortly after this amendment, Defendant approved a developmental contract with a developer to develop a large-scale data center on the Subject Property. (*Id.* ¶¶ 27-30.) The data center will consist of twelve (12) 80' fall buildings with limited setbacks for residential property. (*Id.* ¶ 30.) The data center will require 700 megawatts of electricity, which will strain Defendant's power infrastructure, strain Defendant's resources, and will decrease the property values for neighboring property owners. (*Id.* ¶¶ 36-28.)

Prior to Defendant's amendment to the Comprehensive Plan, the data center was not a permitted use according to the Subject Property's zoning designations. (*Id.* ¶ 21.) After amending the Comprehensive Plan, the data center became a permitted use. (*Id.* ¶¶ 31-33.)

Procedural Posture

Plaintiffs commenced this lawsuit in early December 2024. (*See* Index Nos. 1-8.) Plaintiffs filed the Amended Complaint on December 16, 2024. (*See* Index No. 10.) In this lawsuit, Plaintiffs allege that Defendant modified Defendant's Comprehensive Plan without following the proper procedure under the OAA—namely, obtaining Castle Rock Township's consent to modify the Comprehensive Plan. (*See* Am. Compl. ¶¶ 21-22.) Additionally, Plaintiffs allege that the Defendant's modification of the Comprehensive Plan is arbitrary and capricious or otherwise improper. (*Id.* ¶¶ 1, 44-62.) Plaintiffs allege claims for: (1) breach of contract; (2) declaratory judgment; and (3) judicial review of zoning

decision under Minn. Stat. § 462.361. (*Id.* ¶¶ 1, 44-62.) Defendant has since moved to dismiss Plaintiffs' claims for Defendant breaching the OAA. (Index Nos. 15-18.) Defendant has not moved to dismiss the third count of Plaintiffs' Complaint. That hearing is set to be heard on April 2, 2025 at 11:00 a.m. via Zoom. (Index Nos. 15, 19.)

On or about February 11, 2025, Castle Rock Township also commenced suit against Defendant, in addition to the developer, and other entities or individuals involved with the development or the sale of the Subject Property in a lawsuit captioned *Castle Rock Township v. City of Farmington, et al.*, Court File No. 19HA-CV-25-992 ("Castle Rock Action"). The allegations and causes of action in the Castle Rock Action are nearly identical and, as in this lawsuit, seek to address issues regarding the OAA and the Subject Property. (Shafer Decl., Ex. 1.) In the Castle Rock Action, Castle Rock Township has filed a motion for a temporary restraining order which is set to be heard by the court in that matter on April 7, 2025. (*See* Castle Rock Action Docket, Index No. 27.)

Since the Castle Rock Action and this lawsuit involve common questions of law or fact, Plaintiffs seek to consolidate this lawsuit with the Castle Rock Action. Counsel for Castle Rock Township has indicated that Castle Rock agrees to consolidation of the two matters. (Shafer Decl.)

ARGUMENT

I. **This matter should be consolidated with *Castle Rock Township v. City of Farmington, et al.*, Ct. File No. 19HA-CV-25-992.**

This lawsuit should be consolidated with the Castle Rock Township Action according to Minn. R. Civ. P. 42.01, which provides that:

When actions involving a common question of law or fact are pending before the court, it may order a joint hearing or trial of any or all the matters in issue in the actions; it may order all the actions consolidated; and it may make such orders concerning proceedings therein as may tend to avoid unnecessary costs or delay

Minn. R. Civ. P. 42.01. When issues in two actions are identical, consolidation should be ordered. *See Simchuck v. Fullerton*, 216 N.W.2d 683 (Minn. 1974) (affirming consolidation of two similar actions); *see also Minnesota Personal Injury Asbestos Cases v. Keene Corp.*, 481 N.W.2d 24 (Minn. 1992) (consolidating eleven asbestos lawsuits). “The fact that the dimensions of the separate actions may not be in all respects the same does not prevent consolidation if there exists between them the ‘common question of law or fact.’” *Shacter v. Richter*, 135 N.W.2d 66, 69 (Minn. 1965). The court must not consolidate matters where the convenience and judicial economy sacrifices a fair trial. *Bucko v. First Minnesota Sav. Bank, F.B.S.*, 471 N.W.2d 95, 98 (Minn. 1991).

This lawsuit and the Castle Rock Action involve the same real properties, the same agreement that Defendant allegedly breached, and similar legal questions. (*See Am. Compl.; See Shafer Decl., Ex. 1.*) Between the two matters, the court must decide whether Defendant violated the OAA, whether Defendant’s decision to amend the Comprehensive Plan was

appropriate or lawful, and whether the data center should be allowed to proceed. Since the two lawsuits involve both the same questions of law and fact, consolidation is appropriate. Further, no party in either action will be prejudiced if these matters are consolidated; instead, the opposite is true. Consolidation will conserve the parties' and the Court's time and resources to efficiently address the issues in these two lawsuits. The two lawsuits will proceed at the same time and according to the same deadlines, which should also streamline discovery, dispositive motions, and a trial in this matter. By consolidating these two matters, no party will be deprived of a fair trial. Thus, these two lawsuits should be consolidated.

CONCLUSION

This lawsuit, and the Castle Rock Action, are nearly identical. Thus, the two actions should be consolidated according to Minn. R. Civ. P. 42.

CHESTNUT CAMBRONNE PA

Dated: March 12, 2025

By: /s/ Charles R. Shafer

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ACKNOWLEDGEMENT REGARDING SANCTIONS

Pursuant to Minn. Stat. § 549.211, Subd. 1, the undersigned acknowledges that non-monetary sanctions and monetary sanctions, such as costs, disbursements, and reasonable attorney and witness fees, may be imposed under Minn. Stat. § 549.211, Subd. 3.

CHESTNUT CAMBRONNE PA

Dated: March 12, 2025

By: /s/ Charles R. Shafer

Charles R. Shafer (#0401080)

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