

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 OPPOSITION TO
DEFENDANT'S MOTION TO
DISMISS**

INTRODUCTION

Plaintiffs allege three counts in its Amended Complaint: breach of contract based on a contract titled the Orderly Annexation Agreement (or "OAA") (Count I) and two counts to determine that the Defendant's decision to rezone the property that is the subject of this dispute was arbitrary, capricious, and unreasonable (Counts II-III). Defendant moved to dismiss Plaintiffs' Amended Complaint for lack of subject matter jurisdiction under Minn. R. Civ. P. 12.02(a). Tellingly, Defendant did not move to dismiss for lack of standing under Minn. R. Civ. P. 12.02(e). Standing and subject-matter jurisdiction are different, distinct concepts that Defendant improperly confuses in its motion. In its memorandum of law, Defendant makes only one argument that the Amended Complaint should be dismissed:

Plaintiffs are not intended third-party beneficiaries according to the Orderly Annexation Agreement.

As explained below, Defendant's motion should be denied for numerous reasons. First, in its memorandum, Defendant fails to cite any binding legal authority to establish that the Court lacks subject-matter jurisdiction over Plaintiffs' claims under Minn. R. Civ. P. 12.02(a). Defendant bears the burden on its own motion and, since it cannot point to any legal authority warranting dismissal on those grounds, its motion should be denied. Second, Plaintiffs' have alleged enough facts that, if assumed true, establish jurisdiction and that Plaintiffs are intended third-party beneficiaries. Indeed, the contract at issue expressly says that it benefits landowners and residents. Last, Defendant failed to brief how the Court lacks subject-matter jurisdiction over Plaintiffs' remaining two counts to address whether Defendant's zoning decision was arbitrary and capricious. The motion to dismiss Counts II and III is not properly before the Court and should therefore be denied. Counts II and III are not based on a contract and, instead, follow the procedure established by statute and the Minnesota Supreme Court. Thus, Defendant's motion should be denied in its entirety.

FACTS

Plaintiff Coalition for Responsible Data Center Development is a nonprofit entity comprised of residents of the City of Farmington and Castle Rock Township in Dakota County, Minnesota. (Pl.s' Am. Compl., Index No. 10 ("Am. Compl."), ¶ 2.) The remaining

Plaintiffs are residents living 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”). Parcel 1, Parcel 2, and Parcel 3 are collectively referred to herein as the “Subject Property.” (Am. Compl. ¶ 13.)

The Orderly Annexation Agreement

In 2006, Defendant and the Township of Castle Rock 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.)

The Orderly Annexation Agreement also provides that, “**WHEREAS**, the establishment of a process of orderly annexation of said lands is beneficial to the residents and owners of said lands, and permit the City to extend municipal services in a planned and efficient manner.” (Justin Templin Aff., Ex. A. at PDF page 3) (emphasis added.) The OAA, by design, creates or recognizes rights and duties regarding land owned by Plaintiffs. ***Defendant modifies the Comprehensive Plan in violation of the OAA***

In September 2024, Defendant announced that it intended to modify Defendant’s Comprehensive Plan. (Am. Compl. ¶ 22.) Castle Rock Township objected to the proposed changes to Defendant’s Comprehensive Plan. (*Id.* ¶ 23.) Although Defendant did not have Castle Rock Township’s consent to modify the Comprehensive Plan, Defendant voted to amend the Comprehensive Plan regardless in November 2024. (*Id.* ¶ 24.)

Shortly after this amendment, Defendant approved a developmental contract 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 under the Orderly Annexation Agreement; (2) declaratory judgment; and (3) judicial review of zoning decision under Minn. Stat. § 462.361. (*Id.* ¶¶ 1, 44-62.) Defendant moves to dismiss Plaintiffs' claims for Defendant breaching the OAA.

(Index Nos. 15-18.)

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.) Plaintiffs in this matter have moved to consolidate this lawsuit with the Castle Rock Action if Plaintiffs’ Amended Complaint survives Defendant’s motion to dismiss.

DEFENDANT’S MOTION TO DISMISS SHOULD BE DENIED.

I. DEFENDANT CONFLATES STANDING WITH SUBJECT-MATTER JURISDICTION.

Defendant moves to dismiss Plaintiffs’ Amended Complaint under Minn. R. Civ. P. 12.02(a).¹ A party may move to dismiss a claim if the district court lacks subject-matter jurisdiction. *Brenny v. Bd. of Regents of Univ. of Minnesota*, 813 N.W.2d 417, 420 (Minn. Ct. App. 2012) (citing Minn. R. Civ. P. 12.02(a)). In ruling on a motion to dismiss, the district

¹ Defendant does not move to dismiss Plaintiffs’ Complaint for lack of standing under Minn. R. Civ. P. 12.02(e).

court must accept all facts alleged in the complaint as true and construe all reasonable inferences in favor of the non-moving party. *In re Individual 35W Bridge Litig.*, 806 N.W.2d 820, 826–27 (Minn. 2011). Dismissal is permitted under rule 12.02, “only if it appears to a certainty that no facts, which could be introduced consistent with the pleading, exist which would support granting the relief demanded.” *Bahr v. Capella Univ.*, 788 N.W.2d 76, 80 (Minn. 2010) (quotation omitted).

Subject-matter jurisdiction governs a court's authority to consider and decide the issue in controversy. *In re Rosckes v. Cnty. of Carver*, 783 N.W.2d 220, 223 (Minn. Ct. App. 2010) (citing *Robinette v. Price*, 8 N.W.2d 800, 804 (Minn. 1943)). “The critical question in determining subject-matter jurisdiction is whether the court has the power to decide an issue, **not whether the present case was properly brought.**” *In re Rosckes*, 783 N.W.2d at 223 citing *In re Civil Commitment of Giem*, 742 N.W.2d 422, 430 (Minn. 2007) (emphasis added).

Standing and subject-matter jurisdiction are two distinct concepts. *See Forster v. Theis*, 906 N.W.2d 846, 854 (Minn. Ct. App. 2017) (explaining the difference between standing and subject matter jurisdiction). Subject matter jurisdiction “governs a court’s authority to consider an issue and *standing* implicates a party’s ability to bring a particular cause of action.” *Fin Ag, Inc. v. Hufnagle, Inc.*, 700 N.W.2d 510, 515 (Minn. Ct. App. 2005) (emphasis added). Minnesota courts are “hesitant to deny standing under circumstances which would prejudice the party whose standing would be found lacking.” *CW Cap. Asset Mgmt.-Northtown Ctr. v. Cnty. of Anoka*, No. 02-CV-19-2185, 2021 WL 358643, at *3 (Minn. Tax Jan.

29, 2021) (citing *Wessin v. Archives Corp.*, 592 N.W.2d 460, 467 (Minn. 1999), *Lampert Lumber Co. v. Joyce*, 405 N.W.2d 423, 426 (Minn. 1987))), and *Firoved v. Gen. Motors Corp.*, 277 N.W.2d 364, 368 (Minn. 1967)). Defendant's arguments can more appropriately be described as the assertion that Plaintiffs are the wrong parties to have brought suit—not that the Court lacks authority to decide the dispute on the merits. For the reasons below, the Court should deny Defendant's motion to dismiss.

Defendant's motion primarily argues that Plaintiffs lack *standing* because they are not an intended beneficiary of the Annexation Agreement at issue in Plaintiffs' first two claims. (Def.'s Mem., at 3-4.) In doing so, Defendant relies heavily on *Caldas v. Affordable Granite & Stone, Inc.*, 820 N.W.2d 826, 832 (Minn. 2012). *Caldas* is distinguishable for two reasons. *Id.* First, *Caldas* was not decided at the motion to dismiss stage; it was decided at summary judgment, which is not the standard before the Court on this motion. *See id.* Second, *Caldas* has nothing to do with subject-matter jurisdiction. Indeed, *Caldas* does not mention Minn. R. Civ. P. 12.02(a) or the words "subject matter jurisdiction" in the entire decision. *Id.* Although *Caldas* may be relevant at the summary judgment stage in this matter, it is not relevant and does not support Defendant's argument that this Court lacks subject-matter jurisdiction under Minn. R. Civ. P. 12.02(a). *Caldas* can be disregarded.

II. PLAINTIFFS ALLEGE SUFFICIENT FACTS TO ESTABLISH A VIABLE BREACH OF CONTRACT CLAIM (COUNT I) AS THIRD-PARTY BENEFICIARIES.

Defendant does not analyze how Plaintiffs' status as a third-party beneficiary under the Annexation Agreement deprives them of subject-matter jurisdiction under Minn. R. Civ. P. 12.02(a). Accordingly, this issue has no bearing on whether the Court has authority to adjudicate this matter on the merits. Nonetheless, at this early stage, Plaintiffs have alleged enough facts that, if taken as true, could establish that they are intended third-party beneficiaries. "A third-party beneficiary of a contract may be intended or incidental; an intended third-party beneficiary has legal rights under a contract; an incidental third-party beneficiary does not." *Kruger v. Lely N. Am., Inc.*, 518 F. Supp. 3d 1281, 1289 (D. Minn. 2021) (citations omitted).² Minnesota courts have adopted the intended beneficiary approach of the Restatement (Second) of Contracts:

Under section 302, a third party can recover as an intended beneficiary where: (1) recognition of third-party beneficiary rights is appropriate and (2) a duty is owed to the beneficiary or the promisee intends to benefit the beneficiary.

Concordia Coll. Corp. of Moorhead, Minn. v. Salvation Army, Verona, N.J., 470 N.W.2d 542, 545 (Minn. Ct. App. 1991); *see also Hickman v. SAFECO Ins. Co. of Am.*, 695 N.W.2d 365, 369 (Minn. 2005). Put more simply, "[a] third-party is an intended beneficiary of a contract when the parties to the contract intended to give the third-party a right to performance, and the

² In *Kruger*, the court analyzed whether a party was a third-party beneficiary under a contract according to Fed. R. Civ. P. 12(b)(6)—which is the federal counterpart of Minn. R. Civ. P. 12.02(e).

contract satisfies either the duty-owed test or the intent-to-benefit test.” *Kruger*, 518 F. Supp., at 1289 citing *Minn. Laborers Health & Welfare Fund v. Granite RE, Inc.*, 826 N.W.2d 210, 214 (Minn. Ct. App. 2012). The intent-to-benefit test is satisfied when the circumstances indicate that the promisee intends to give the beneficiary the benefit of the promised performance. *Kruger*, 518 F. Supp. At 1289. “Any intent to benefit the third party must be found in the contract as read in light of all the circumstances at the time of contracting.” *Concordia Coll. Corp. of Moorhead, Minn. v. Salvation Army, Verona, N.J.*, 470 N.W.2d 542, 545 (Minn. Ct. App. 1991) (citing *Twin City Constr. Co. v. ITT Indus. Credit Co.*, 358 N.W.2d 716, 718 (Minn. Ct. App. 1984)).

The duty-owed test is inapplicable here; but Plaintiffs satisfy the intent-to-benefit test. To meet the intent-to-benefit test, the contract must express some intent by the parties to benefit the third party through contractual performance. *Cretex Cos. v. Constr. Leaders, Inc.*, 342 N.W.2d 135, 138 (Minn. 1984). The requisite intent must be found in the contract as read in light of all the surrounding circumstances. *Buchman Plumbing Co. v. Regents of the Univ. of Minn.*, 215 N.W.2d 479, 483 (Minn. 1974). Plaintiffs have alleged sufficient facts that, if accepted as true, establish that the Court has subject matter jurisdiction and, further, that the Orderly Annexation Agreement is intended to benefit them:

- “This Court is vested with subject-matter jurisdiction pursuant to Minn. Const. art. VI § 3 and Minn. Stat. § 484.0-1, subd. 1” (Am. Compl. ¶ 10);

- Defendant and Castle Rock Township entered into the Orderly Annexation Agreement (*Id.* ¶ 15);
- The property that is the subject of this lawsuit is covered by the Annexation Agreement (*Id.* ¶ 16);
- Defendant cannot modify the Annexation Agreement without the Town’s “reasonable advance notice of, and a reasonable opportunity to comment on such adoption, modification, change or alteration” (*Id.* ¶ 17);
- If the parties are unable to resolve the dispute, they must meet with one another at a mutually convenient time and place to attempt to resolve the dispute, through mediation, and/or through a court of competent jurisdiction (*Id.* ¶ 18);
- The Orderly Annexation Agreement is intended to protect residents of Castle Rock Township (*Id.* ¶ 42); and
- “Plaintiffs, as residents of Castle Rock Township and/or the City of Farmington are third-party beneficiaries under the OAA.” (*Id.* ¶ 46.)
- The Orderly Annexation Agreement is “**beneficial to the residents** and owners of said lands....” (Justin Templin Aff., Ex. A. at PDF page 3) (emphasis added.)

Indeed, the Annexation Agreement explicitly states that the Annexation Agreement is beneficial to residents and landowners. (*Id.*) Accordingly, these facts, if assumed true, establish that Plaintiffs have stated sufficient facts to overcome Defendant’s motion to dismiss for lack of subject matter jurisdiction. Defendant has failed to prove that “no facts,

which could be introduced consistent with the pleading” exist. *See Bahr*, 788 N.W.2d at 80. Discovery will reveal the surrounding circumstances necessary to determine why the Annexation Agreement was entered, who it was intended to benefit, and who has the right to enforce it. Thus, the Court should deny Defendant’s motion in its entirety.

There are limited on-point decisions analyzing a breach of contract claim involving the “third party beneficiary” doctrine in the context of a motion to dismiss, so it is necessary to refer to jurisprudence outside of this jurisdiction. In *Weatherspoon v. Univ. of Arkansas Bd. of Trustees*, No. 4:08CV00635 JLH, 2009 WL 3765916, at *6 (E.D. Ark. Nov. 10, 2009), the plaintiff sued under a public contract alleging that he was an intended third-party beneficiary. The defendants moved to dismiss, claiming that the plaintiff was not an intended beneficiary. *See generally, id.* The court denied the motion to dismiss under Fed. R. Civ. P. 12(b)(6) (for failure to state a claim) because plaintiff had met his burden of making a “short and plain statement” to put the defendants on notice of his claims. *Id.* at *6. In this case, Plaintiffs have likewise met their burden at the pleading stage. *See* Minn. R. Civ. P. 8.01 (“A pleading... shall contain a short and plain statement of the claim showing that the pleader is entitled to relief....”) (*see also* Pls.’ Am. Compl. ¶¶ 15-18, 42, 46, Templ. Aff., Ex. A.) Accordingly, since Plaintiffs have made sufficient allegations to establish that the Court has subject matter jurisdiction over this dispute, Defendant’s motion should be denied.

There is sufficient evidence, at this stage, that the intent of the OAA is to preserve the property value of land that could be negatively affected by changes in the Comprehensive

Plan. Plaintiffs have alleged that the changes in the Comprehensive Plan have wrongfully occurred in a manner that defeats the benefit they were intended to receive under the OAA. This is a sufficient prima facie case of a breach of contract for a third-party beneficiary, and as such Defendant's motion should be denied.

Defendant argues that, according to *Caldas*, a government contract requires Plaintiffs to meet a heightened burden to demonstrate that they are intended beneficiaries. (Def.'s Mem., at 3-4) (citing *Caldas*, 820 N.W.2d at 832-34.) But, in addition to the other reasons why *Caldas* is distinguishable, the contract at issue in this matter – and the facts and circumstances surrounding who it was intended to benefit – is different from the contract at issue in *Caldas* or the cases on which *Caldas* relies. *See id.* Further, the cases that *Caldas* relies on were not decided according to Minnesota law. Plaintiffs have alleged enough facts to invoke the Court's subject matter jurisdiction and Defendant's motion should be denied.

III. DEFENDANT FAILS TO MOVE TO DISMISS COUNTS II OR III.

In addition to Plaintiffs' breach of contract claim (Count I), Plaintiffs also allege a count for Declaratory Judgment (Count II) on the basis that Defendant's decision to change the Comprehensive Plan was arbitrary and capricious. (Am. Compl. ¶¶ 55-57.) Plaintiffs also allege that the Court should review Defendant's decision to change the Comprehensive Plan to determine whether it was arbitrary or capricious under Minn. Stat. § 462.361 (Count III). (Am. Compl. ¶¶ 58-62.) For the reasons below, Counts II and III are independent of

Plaintiffs' claim for breach of contract, and Defendant's motion to dismiss these claims on lack of subject-matter jurisdiction grounds should be dismissed.

First, as an initial matter, Defendant only makes essentially one argument in its motion to dismiss: Plaintiffs lack standing because they are not intended third-party beneficiaries under the Annexation Agreement. (Def.'s Mem., at 1 (Plaintiffs are not "intended third-party beneficiaries to the OAA. Consequently, they have no standing to assert the rights they claim.")). Defendant fails to brief why the Court lacks subject-matter jurisdiction over Plaintiffs' remaining counts, which are independent of the breach of contract claim. (*See* Am. Compl. ¶¶ 55-57, 58-62.) Accordingly, since Defendant does not brief this, those arguments are waived, and there is no motion properly before the Court to dismiss these counts. *Bemidji Twp. v. City of Bemidji*, A14-2041, 2015 WL 4393490, at *5 (Minn. Ct. App. July 20, 2015) ("[A] moving party may not make an argument for relief for the first time in a reply memorandum of law.") citing Minn. Gen. R. Prac. 115.03(c) ("The moving party may submit a reply memorandum, limited to new legal or factual matters raised by an opposing party's response to a motion."); *see also* Minn. R. Civ. P. 7 (motions must "state with particularity the grounds... set forth the relief or order sought."). If a party fails to comply with the requirements of Minn. Gen. R. Prac. 115, the hearing may be canceled by the Court or the Court may refuse to permit oral argument or even grant reasonable attorney fees. *See* Minn. Gen. R. Prac. 115.06. Since Defendant fails to properly move to

dismiss Counts II and III, the Court must deny Defendant's motion with respect to these claims.

Second, even if Defendant's motion to dismiss Counts II and III was properly before the Court – it is not – Defendant's motion would still fail. The proper remedy to review a zoning decision is by declaratory judgment action to determine whether the zoning decision was arbitrary and capricious. *Honn v. City of Coon Rapids*, 313 N.W.2d 409, 413, 415 (Minn. 1981) (explaining that a declaratory judgment action seeking review of a zoning decision is the appropriate remedy); *see also Mendota Golf, LLP v. City of Mendota Heights*, 708 N.W.2d 162, 170 (Minn. 2006) (review of “any zoning matter, whether legislative or quasi-judicial,” should be obtained by a declaratory judgment action in the district court.”); *see also Swanson v. City of Bloomington*, 421 N.W.2d 307, 313 (Minn. 1988) (analyzing whether a city's zoning decision was arbitrary and capricious). This caselaw establishes that the Court has subject-matter authority to review a municipality's zoning decision. This is precisely at the heart of what Counts II and III seek to accomplish. Plaintiffs have sufficiently alleged they were injured due to this decision, and as such seek review. Accordingly, these counts cannot be dismissed for lack of subject-matter jurisdiction.

Third, Minn. Stat. § 462.361 establishes that this Court has subject-matter jurisdiction to decide Counts II and III:

Subdivision 1. **Review of action.** Any person aggrieved by an ordinance, rule, regulation, decision or order of a governing body or board of adjustments and appeals acting pursuant to sections 462.351 to 462.364 may have such

ordinance, rule, regulation, decision or order, reviewed by an appropriate remedy in the district court, subject to the provisions of this section.

Minn. Stat. § 462.361, subd. 1 (2024). Defendant makes no argument as to how the Court lacks subject-matter jurisdiction over Counts II and III. No plausible argument exists—the Minnesota Legislature and the Minnesota Supreme Court have made it abundantly clear that courts have jurisdiction to review precisely what Plaintiffs ask this Court to review. Defendant might attempt to raise a new argument for the first time in its reply, that Counts II and III are actually claims for breach of contract. Defendant would be mistaken to do so—Counts II and III make clear that the real issue is that Defendant’s decision to change the Comprehensive Plan is arbitrary and capricious, which is independent of the OAA. Naturally, Defendant’s decision to clearly and unequivocally breach a contract when it decided to do so is relevant to the “arbitrary and capricious analysis”, but it is not essential to the claim. Accordingly, Counts II and III cannot be dismissed.

Last, Defendant may attempt to raise a new argument in its reply that Plaintiffs lack standing or the Court lacks subject-matter jurisdiction with respect to Counts II and III, which would be improper. Defendant would be mistaken. Minn. Stat. § 462.361 establishes that any “aggrieved person” has standing. *HFC, LLP v. City of Minneapolis*, No. CX-02-788, 2003 WL 139550, at *1 (Minn. Ct. App. Jan. 21, 2003) (citing *Stansell v. City of Northfield*, 618 N.W.2d 814, 819 (Minn. Ct. App. 2000)). “Aggrieved person” is construed to confer “standing to a person when a municipality adversely ‘operates on his rights of property or bears directly upon his personal interest.’” *HFC, LLP*, 2003 WL 139550, at *1 quoting *Stansell*,

618 N.W.2d at 819. In *HFC, LLP*, the court denied a motion to dismiss for “failure to state a claim upon which relief can be granted” under Minn. R. Civ. P. 12.02(a) where residents sought judicial review of a zoning decision while alleging the zoning decision will, among other things, be injurious to neighboring property, and increase congestion. *HFC, LLP*, 2003 WL 139550, at *1. The court, based on these facts, established that Plaintiffs stated a viable claim to overcome the defendant’s motion to dismiss. *Id.* at *2.

Here, as in *HFC, LLP*, the Court has subject-matter jurisdiction over Plaintiffs’ claims to review Defendant’s zoning decision and these claims should proceed to discovery. Plaintiffs alleged more than enough facts to invoke the Court’s subject-matter jurisdiction on these claims:

- “Multiple residents... including... Plaintiffs, have residences on property adjacent to or in close proximity to... the Subject Property.” (Am. Compl. ¶ 14.)
- Defendant’s zoning decision will strain Farmington’s resources and would “reduce property values for neighboring property owners, including Plaintiffs.” (*Id.* ¶ 37.)
- Defendant’s zoning decision will cause impacts that “will fall acutely and disproportionately on Plaintiffs and other residents of Castle Rock Township... Farmington residents will also be impacted by these environmental and public health risks.” (*Id.* ¶ 42.)
- Defendant’s zoning decision at issue “failed to sufficiently consider expert recommendations....” (*Id.* ¶ 43);

- Defendant's "decision to amend the Comprehensive Plan is arbitrary, capricious, unreasonable, and otherwise unlawful." (*Id.* ¶¶ 56, 61);
- Defendant's "zoning designation of the Subject Property... is inappropriate to the scale and use intended by the Data Center." (*Id.* ¶ 60.)

Thus, these facts, when assumed as true, invoke the Court's subject-matter jurisdiction.

CONCLUSION

The Court should deny Defendant's motion. Plaintiffs' claims can continue to the discovery phase once consolidated with the companion Castle Rock lawsuit.

CHESTNUT CAMBRONNE PA

Dated: March 19, 2025

By: /s/ Charles R. Shafer

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ATTORNEYS FOR PLAINTIFFS

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 19, 2025

By: /s/ Charles R. Shafer
Charles R. Shafer (#401080)

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