STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1093

City of Oakdale, Minnesota,
Respondent,

vs.

Oakdale Marketplace, LLC, et al.,
Appellants.

Filed February 17, 2026
Reversed and remanded
Ross, Judge

Washington County District Court
File No. 82-CV-24-5537

James J. Thomson, Michelle E. Weinberg, Alemayehu Z. Ditamo, Kennedy & Graven, Chartered, Minneapolis, Minnesota (for respondent)

Jack Y. Perry, Scott M. Flaherty, Brayanna J. Smith, Taft Stettinius & Hollister LLP, Minneapolis, Minnesota (for appellants)

Considered and decided by Johnson, Presiding Judge; Ross, Judge; and Ede, Judge.

NONPRECEDENTIAL OPINION

ROSS, Judge

A land developer and the City of Oakdale 20 years ago entered into a planned-use-development agreement that established a developer's lot for specified commercial-use development and that protected the development from the effect of any future change in the city's regulations, comprehensive plan, or official controls unless and until the city and developer agreed to amend the agreement. The city contemporaneously passed an ordinance approving the planned-use development, and the developer properly recorded the agreement and, over time, expended substantial funds to develop the land. When the developer recently sought to convey part of the land for use as a tire center, however, the city indicated that it prefers a different use (a restaurant), passed a moratorium on the development activity, and asked the district court for a judgment declaring the official-control-protection provision to be void. The district court granted summary judgment to the city, reasoning that the provision is void *ab initio* as an invalid delegation of the city's zoning authority. Because Minnesota law allows a city to agree to protect city-approved planned developments from the effect of any later amendment to the city's comprehensive plan or official controls for any period the city deems reasonable, we reverse the district court's decision that the agreement to do so in this case constituted an unlawful delegation of the city's authority, and we remand for further proceedings.

FACTS

We are asked in this case to determine the validity of the City of Oakdale's indeterminate promise to a planned-unit developer not to enforce any future changes in the city's land-use controls on the developer's property. Put in practical terms, having entered into (and received the benefit of) a planned-unit development (PUD) agreement with a developer that then expended $13,000,000 to complete the development project, the city asks us 20 years later to deem unlawful a key promise that it made to the developer to procure the agreement. This appeal reaches us after the district court granted summary judgment against entities who invested in a development project eventually called "Oakdale Marketplace" and whom we refer to collectively as the "developer." We recount the facts in the light most favorable to the developer, against whom the district court entered summary judgment. *See* Minn. R. Civ. P. 56.01; *STAR Ctrs., Inc. v. Faegre & Benson, L.L.P.*, 644 N.W.2d 72, 76–77 (Minn. 2002).

The Avalon Real Estate Group LLC in 2004 presented to the Oakdale City Council and Planning and Park Commission a concept plan for a commercial development on a 58-acre parcel in the city. Avalon pitched the city on a nearly 400,000-square-foot commercial complex anchored by a Super Target store. But the parcel fell within a section of the city zoned as "Office / Industrial," meaning that it would have to be rezoned for the project to occur. City staff favored the plan and therefore asked Avalon to submit a PUD application to the city for approval. Avalon submitted its PUD application to the city council, outlining the project's specifics. The application asked the council to rezone the site for mixed use and adopt certain waivers in a PUD agreement to facilitate development. Avalon attached the required PUD-application and preliminary-plat-application forms.

The city council reviewed and approved Avalon's application by adopting Ordinance No. 634, which rezoned the property as a PUD subject to conditions. Condition 17 required "Developer [to] enter into the appropriate Development Agreement with City to [ensure] the project is constructed according to the approved plans and with proper financial guarantees." Oakdale's city attorney then negotiated with Avalon's legal representatives concerning the final development agreement.

During those negotiations, Target informed Avalon that it could commit to placing a regular Target store, but not a Super Target, in the Oakdale Marketplace. Avalon submitted an amended PUD application, downsizing the footprint of the store and altering architectural details. The amended application noted that "the proposed development will be in compliance with all of the 2004 City approvals for the original PUD[,]" aside from the stated changes. The city council met and adopted Ordinance No. 648, which approved Avalon's amendments subject to the prior approval's conditions. The ordinance specified that these conditions included the "execution of the Development Agreement between Avalon . . . and the City of Oakdale."

The city and Oakdale Marketplace LLC—Avalon's subsidiary—executed a Planned Unit Development Agreement on May 31, 2005. The agreement states that the PUD will be zoned as a "C-2, community commercial zoning district," with stated exceptions. A key provision—paragraph 11(b)—protected the PUD property from any land-use restrictions or changes the city might make or later enact:

> No change in City regulations, comprehensive plan, or official controls shall affect or restrict the regulations or rights of the Developer or the owner of Lot 1, Block 2, Oakdale Market Place as to the Property after the effective date of this Agreement.

The agreement includes a provision stating that its "terms and provisions . . . shall be binding upon, and inure to the benefit of the heirs, representatives, successors and assigns of the parties" and apply to "all future owners of . . . any part of the Property and shall be deemed covenants running with the land." It also requires a jointly signed writing to amend its terms. Oakdale's mayor and city administrator signed the agreement on behalf of the city, and Oakdale Marketplace and another entity representative signed as the developer. The developer recorded the agreement in Washington County.

Over the next two decades, the developer constructed the necessary infrastructure, took other steps to develop the land for productive use, and found commercial clients for Oakdale Marketplace. The developer conveyed part of the property to Launch Properties LLC, which leased it to the Les Schwab company to operate a tire center. Les Schwab applied to the city in June 2024 to use its leased property for that purpose. But city council members had questioned whether the city might instead prefer that a restaurant operate in that location and had indicated that the city might enact a development moratorium to effectuate its preference. Les Schwab's attorneys therefore wrote to the city attorney emphasizing that the PUD agreement barred the city from restricting the development.

A week later the city council enacted a six-month moratorium ordinance that prohibited development in Oakdale Marketplace while the city explored authorizing a study into the property's optimal uses. Oakdale's city planner also informed Les Schwab that the city would not review its pending land-use application, which it deemed incomplete. And the city sued the developer, seeking a judgment declaring that the PUD agreement's paragraph 11 is void and that the city may unilaterally amend the land-use regulations impacting the PUD. The city council meanwhile amended the PUD's land-use regulations, restricting Les Schwab's parcel specifically to be used "for a Restaurant or a Convenience-Food Restaurant[.]"

Deciding cross-motions for summary judgment, the district court concluded that the PUD agreement's paragraph 11(b) was void *ab initio*, reasoning that by agreeing to that provision, the city unlawfully surrendered its future zoning power. The developer appeals.

DECISION

The developer appeals from the judgment resulting from the district court's summary-judgment decision favoring the city. We review *de novo* the district court's legal rationale and its decision that no genuine, material fact dispute precludes summary judgment. *STAR Ctrs., Inc.*, 644 N.W.2d at 76–77. The developer argues that the district court erroneously concluded that the city lacked the authority to enter an agreement which, according to the developer, the legislature authorizes the city to enter. The city responds not only by defending the district court's rationale but also by raising two arguments that it presented to the district court but that the district court did not address: that the PUD agreement's paragraph 11(b) is invalid because the city council never expressly authorized it and that the paragraph is void because it constitutes impermissible contract zoning. For the following reasons, we reverse and remand for further proceedings.

I

The city argues that we should affirm the district court's conclusion that paragraph 11(b) is unenforceable because it agreed to this term without city council authorization, rendering it invalid. It is true that we may affirm summary judgment on any viable ground presented to the district court. *Doe v. Archdiocese of St. Paul*, 817 N.W.2d 150, 163 (Minn. 2012); *see also BFI Waste Sys. of N. Am., LLC v. Bishop*, 927 N.W.2d 314, 325 (Minn. App. 2019). But we can affirm summary judgment on our *de novo* review only if the undisputed facts allow for judgment as a matter of law. Minn. R. Civ. P. 56.01. The city's no-authority argument for judgment as a matter of law is unconvincing. It relies on Minnesota Statutes section 412.201 (2024), which provides that "[e]very contract, conveyance, license, or other written instrument shall be executed on behalf of the city by the mayor and clerk, with the corporate seal affixed, and only pursuant to authority from the council." We think the city reads more into this statute than the legislature intended.

The statute teaches generally that a city council executes written agreements and other instruments through city officials (the mayor and city clerk) and that those officials may so execute agreements only under the city council's authority. And in this case, both the mayor and a city clerk—specifically, the city administrator—executed the PUD agreement on the city's behalf. The city had previously directed the developer that the PUD building-permit process could not be completed until after "the City Council shall require the developer to sign an agreement with the city," ensuring that the developer would carry out the details in the development plan. Without dispute, the city council conditioned its 2005 ordinance approving the developer's amended PUD plan on the "execution of the Development Agreement between [the developer] . . . and the City of Oakdale." Using the statutory language, the record strongly indicates that the PUD "contract" was "executed on behalf of the city by the mayor and clerk" and that they so executed the contract "pursuant to authority from the council." *Id.* This seems to meet the statutory obligation, preventing us from affirming summary judgment on this ground.

The city would have us believe instead that the statutory phrase in section 412.201, "pursuant to authority from the council," requires not only that "[e]very contract" be executed pursuant to the council's authority, but that every term of every contract be expressly considered and voted on for approval by the council. The city cites no case interpreting the statute to require this sort of granular city-council management of the details in city contracts, and we are aware of at least one case calling that interpretation into question. *Cf. Semler Constr., Inc. v. City of Hanover*, 667 N.W.2d 457, 464 (Minn. App. 2003) ("The city argues it only authorized the mayor and city administrator to enter into the master subdivision agreement, apparently suggesting that it was not bound by the provision in the master subdivision agreement providing for the eight-year exemption. We do not understand the argument."), *rev. denied* (Minn. Oct. 29, 2003). The district court did not grant summary judgment to the city based on section 412.201, and we likewise do not affirm summary judgment on that statutory ground.

II

The developer argues that the district court erroneously determined that the city lacked the power to agree that no future changes to its comprehensive plan or official controls would apply to restrict the developer's rights stated in the development agreement. The district court reasoned that the legislature has afforded the city sole authority over its zoning decisions, that the city cannot surrender that authority even by contract except to any extent the legislature has allowed it to do so, and that no statute affords the city that authority in this circumstance. The district court's first two premises are correct, but not its third.

The district court correctly observed that land-use regulation is a field that the state legislature has delegated to local authority. "The Minnesota legislature has delegated to municipalities the power to determine and plan the use of land within their boundaries." *VanLandschoot v. City of Mendota Heights*, 336 N.W.2d 503, 507 (Minn. 1983); *see also* Minn. Stat. §§ 462.353, subd. 1 (authorizing municipalities to engage in comprehensive planning for development and improvement), 462.357, subd. 1 (authorizing municipalities to establish land-use controls through zoning ordinances) (2024). The district court also correctly recognized the long-standing principle that a city's power to contract does not include the power to "cede away . . . legislative or governmental powers, or render [it] unable in the future to control any municipal matter over which it has legislative control." *State ex rel. City of St. Paul v. Minn. Transfer Ry. Co.*, 83 N.W. 32, 35 (Minn. 1900). And finally, the district court also correctly recognized the similarly settled exception to this principle, which is that a city can cede even its exclusive power if the legislature has expressly stated that it can. *See id.* (reflecting that "a municipal corporation [e]ntrusted with power of control over public streets cannot, by contract or otherwise, irrevocably surrender any part of such power, *without the explicit consent of the legislature*" (emphasis added)). The district court and the parties direct our attention to Minnesota Statutes section 462.358, subdivision 3c (2024), which, according to the developer, granted the city that authority.

Our decision turns on the meaning of the disputed statute, subjecting the question to our *de novo* review. *Dukowitz v. Hannon Sec. Servs.*, 841 N.W.2d 147, 155 (Minn. 2014). We must decide whether the statute, presented here in full, grants the city the authority to agree that its future zoning changes will not restrict the developer's land-use rights outlined in the development agreement:

> For one year following preliminary [subdivision] approval and for two years following final approval, unless the subdivider and the municipality agree otherwise, no amendment to a comprehensive plan or official control shall apply to or affect the use, development density, lot size, lot

> layout, or dedication or platting required or permitted by the approved application. Thereafter, pursuant to its regulations, the municipality may extend the period by agreement with the subdivider and subject to all applicable performance conditions and requirements, or it may require submission of a new application unless substantial physical activity and investment has occurred in reasonable reliance on the approved application and the subdivider will suffer substantial financial damage as a consequence of a requirement to submit a new application. In connection with a subdivision involving planned and staged development, a municipality may by resolution or agreement grant the rights referred to herein for such periods of time longer than two years which it determines to be reasonable and appropriate.

Minn. Stat. § 462.358, subd. 3c. The statute first provides *automatic* protection for one year after a city's preliminary subdivision-application approval, and for two years after a city's final subdivision-application approval, shielding the developer's property from the effect of any future land-use amendment that would otherwise restrict the uses contemplated by the approved development application. The statute next provides for *agreed upon* protection for any extended period of time that the city determines to be reasonable, beyond the two years afforded by the automatic protection. This much, the parties generally agree, is not in dispute.

The point of conflict is what "period" means. According to the district court, "period" means only a period of time with an expressly defined length, having a predetermined ending. On this idea, the district court concluded that, as a matter of law, "the statute does not allow for an undefined, indefinite extension." The district court did not look to any provision of statute, arriving at this conclusion based only on a 2024 edition of *Black's Law Dictionary*. The city urges us to follow this same reasoning. We believe the reasoning is incomplete.

We agree that, in circumstances like this one where the legislature does not expressly define a term, referring to a common English dictionary to determine a word's ordinary meaning can be useful. *See Laymon v. Minn. Premier Props., LLC*, 913 N.W.2d 449, 453 (Minn. 2018) (permitting courts to consult dictionaries to discern a statutorily undefined word's meaning). But for four reasons, we think the city led the district court to reach too narrow a meaning.

The city's first mistake is to accept only one meaning of "period" when the definition it relies on indicates that the word carries at least two meanings. *Black's Law Dictionary* defines "period" as a "length or portion of time[, especially a] fixed length of time during which an action or event is expected to be completed or has already been completed." *Black's Law Dictionary* 1373 (12th ed. 2024). The city admits that the word "especially" in the definition signals merely the primary legal meaning (a definite length of time), not the only legal meaning, but it fails to explain why we should conclude as a matter of law that the legislature meant to exclude the implied secondary meaning (an indefinite length of time). We cannot imagine that Bryan Garner, author of the *Dictionary of Modern Legal Usage* (5th ed. 2022) and principal editor of *Black's Law Dictionary*, intends dictionary readers to take the word "especially" to mean "exclusively."

The city's second mistake is to build its argument only on a modern dictionary edition rather than consider an edition contemporaneous with the statute's enactment. The better approach is to focus on the contemporaneous dictionary definition of a disputed statutory term. *See Corner Post, Inc. v. Bd. of Governors of the Fed. Rsrv. Sys.*, 603 U.S. 799, 810–11 (2024); *see also In re SIRS Appeal by Nobility Home Health Care, Inc.*, 999 N.W.2d 843, 856–57 (Minn. 2024) (looking to both contemporary and historical dictionaries in statutory interpretation); *In re Tr. of James Bernard Spencer Irrevocable Tr.*, 825 N.W.2d 753, 758 (Minn. App. 2012) (relying on 1946 English dictionary to interpret a term the legislature used in a statute drafted in that period), *rev. denied* (Minn. Feb. 27, 2013). The disputed statute here, section 462.358, subdivision 3c, was enacted as part of the 1980 amendments to the Municipal Planning Act (MPA). 1980 Minn. Laws ch. 566, § 30, at 882. Unlike the modern edition of *Black's Law Dictionary*, the editions immediately preceding and contemporaneous with the statute's drafting neither include the phrase "fixed length of time" nor refer to a period that is definite rather than indefinite. The 1968 edition defines "period" as, "Any point, space, or division of time." *Black's Law Dictionary* 1297 (4th rev. ed. 1968). This edition adds a case quotation, "It may mean any portion of complete time . . . and when used to designate an act to be done or to be begun, *though its completion may take an uncertain time* . . . it must mean the day on which [the act] commences[.]" *Id.* (emphasis added) (citing *Sampson v. Peaslee*, 61 U.S. 571, 579 (1857)). The 1979 edition provides the same definition. *Black's Law Dictionary* 1025 (5th ed. 1979). And the 1989 edition of the *Oxford English Dictionary* defines "period" as, "A course or extent of time." *Oxford English Dictionary, Volume XI*, 558 (2d ed. 1989). These contemporaneous definitions do not suggest that the 1980 Minnesota legislature wrote the subdivision intending it to mean only definite periods but not indefinite periods.

The city's third mistake was to overlook the fact that the legislature routinely adds additional language when it aims to specify that a statutory "period" is to last only a fixed rather than open span of time. *See, e.g.*, Minn. Stat. § 260B.335, subd. 3(d) (2024) (specifying "a fixed period of time, not to exceed one year"); Minn. Stat. § 260C.148, subd. 2(c) (2024) (specifying "a fixed period not to exceed 14 days"); Minn. Stat. § 9.031, subd. 8 (2024) (specifying "a definite period"); Minn. Stat. § 47.206, subd. 1(d) (2024) (referencing "a specific period of time"); Minn. Stat. § 80C.01, subds. 4(a)(1), (2), (4) (2024) (mentioning either "a definite or indefinite period"). Even specifically in the MPA, other provisions that establish limited periods do so explicitly. *See, e.g.*, Minn. Stat. § 462.358, subd. 2a (2024) (specifying a "30-day period"); Minn. Stat. § 462.355, subd. 4(a) (2024) (specifying "a period not to exceed one year from the date it is effective"). As the legislature clearly understands how to announce that it intends for a period to be definite rather than indefinite and how to write a definite period into a statute, the city asks too much of us to read into the statute a significant limitation the legislature presumably chose not to include. We are guided by the admonition not to add words when construing a statute, even if we might suppose the legislature has omitted them unintentionally. *Martinco v. Hastings*, 122 N.W.2d 631, 638 (Minn. 1963) ("[C]ourts cannot supply that which the legislature purposely omits or inadvertently overlooks."). We decline the invitation to add "fixed" or "definite" as adjectives modifying "period" here.

And the city's fourth mistake is its failure to account for the fact that the only limitation the legislature put on the definition of period in subdivision 3c is whatever the contracting city "determines to be reasonable and appropriate," Minn. Stat. § 462.358, subd. 3c, which the city here implicitly determined to be a period of indefinite duration. Although the law rather than practicality drives our decision, we also have not missed the practicality here. A developer in unique circumstances might believe the risk of a long-term development project is too great without an offsetting indeterminate period of protection from potential zoning changes, and a city might correspondingly so value the proposed development that it finds it reasonable to agree to the extended protection. The public policy behind allowing this type of agreement is self-evident. Our holding nevertheless rests only on our understanding of the statute on its plain terms.

In sum, we disagree with the city's form-over-substance interpretation. Its argument accepts that we could hold paragraph 11(b) of the PUD agreement valid if the agreement specified a 50-year or a 100-year or even 1,000-year protection period. These parameters would have the same practical effect as the indefinite period that began when the parties executed their agreement.

We are not persuaded otherwise by the city's argument that the statute's phrase, "such periods of time longer than two years," is modified by the first sentence's designation of "one year" and "two year" periods, Minn. Stat. § 462.358, subd. 3c, suggesting that the agreed-upon period must similarly include a defined term. The argument fails for the same reason the city's primary argument fails. The only limiting factor the legislature included is the requirement that the contracting city deem the agreed-upon period "reasonable and appropriate." *Id.* The city's grammatical argument asks us to stretch "such" beyond what its context requires.

Because the contested statute expressly authorizes cities to enter into an agreement that, for a defined or undefined period, future land-use amendments will not restrict the developer's existing land-use rights, the district court wrongly granted the city summary judgment.

III

Our reasoning and holding also disposes of the city's remaining arguments about unlawful delegation of its zoning powers and contract zoning. If, as we have held, Minnesota Statutes section 462.358, subdivision 3c, authorizes the city to agree to the indeterminate period of land-use protection, the city's action here cannot constitute either an unlawful delegation of its zoning power or unlawful contract zoning. The city's presentation of legal treatises and out-of-state authorities on the doctrine of contract zoning do not advance the city's position, as they specify that contract zoning occurs in the absence of "valid legislative authorization[.]" 83 Am. Jur. 2d *Zoning and Planning* § 38 (2025). As we have said, that is not the circumstance presented here.

Reversed and remanded.