

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1590**

Minnesota Department of Natural Resources,
Appellant,

vs.

Murray County Board of Adjustment,
Respondent,

Edgewater Bay, LLC, et al.,
Respondents.

**Filed April 20, 2026
Reversed and remanded
Florey, Judge***

Murray County District Court
File No. 51-CV-25-8

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Considered and decided by Bentley, Presiding Judge; Beane, Judge; and Florey, Judge.

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

NONPRECEDENTIAL OPINION

FLOREY, Judge

Appellant challenges the district court's order granting respondents' motion to dismiss, arguing that the district court erred because the complaint was sufficient to appeal the variance decision and to state a claim upon which relief may be granted. We agree and reverse and remand.

FACTS

Respondent Jeffrey Barstad (Barstad) owns a parcel of real property on Lake Shetek (the lake) in Murray County. Respondent Edgewater Bay Marine LLC (Edgewater Marine) has operated a marina on Barstad's property for around 25 years. In 1998, appellant Minnesota Department of Natural Resources (DNR) permitted expansion of the marina, but restricted further expansion without approval. The permitted expansion included installation of a dock with boat slips.

In 2024, Edgewater Marine replaced the existing dock with slips for 78 boats. After receiving a complaint that the marina had expanded beyond its approved scope, the DNR served Barstad with a restoration order. That matter is currently moving through a separate appeal process.

Respondent Edgewater Bay, LLC (Edgewater Bay) is a separate company from Edgewater Marine. Edgewater Bay owns five parcels of real property located on or near the lake and operates a campground on the property. The campground is adjacent to Barstad's property. Barstad had conditionally agreed to allow Edgewater Bay to purchase his property and use the marina's dock and boat slips in connection with the campground.

Murray County has a zoning ordinance that limits the number of boat slips for a campground. The campground had nine allowable dwelling units, so its maximum number of boat slips is nine. On November 12, 2024, Edgewater Bay and Barstad submitted a variance application to respondent Murray County Board of Adjustment (board), seeking to expand the number of boat slips for the campground to 80.

The DNR recommended denying the variance. At the conclusion of a public hearing on December 12, 2024, the board approved the variance.

On January 17, 2025, the DNR filed a complaint against the board, Edgewater Bay, Edgewater Marine, Barstad, and respondent Dylan Barstad. The DNR sought a “declaratory judgment finding the [b]oard’s decision to grant an after the fact variance request . . . arbitrary, capricious, unreasonable, unsupported by substantial evidence, and/or based on errors of law.” The complaint stated:

The DNR brings this declaratory judgment action based on violations of applicable state and county laws that protect shorelands from improper development. The DNR challenges the Board’s decision to grant an after the fact variance to Edgewater Bay . . . to expand Barstad’s existing marina from 9 mooring spaces (the maximum number of mooring spaces under the County’s shoreland ordinance) to 80 mooring spaces—an increase of 71 mooring spaces (a 789% increase).

Count I of the complaint is for a declaratory judgment—improper grant of an after-the-fact variance. Count II of the complaint is for a declaratory judgment—government action, in violation of the Minnesota Environmental Policy Act (MEPA), Minn. Stat. §§ 116D.01-.11 (2024). The complaint invoked Murray County Zoning Ordinance § 3212, and Minn. Stat. §§ 394.27, 555.01 (2024). The DNR requested

declarations that the board's approval of the variance "was arbitrary, capricious, unreasonable, unsupported by substantial evidence, and based on an error of law" and that the board "failed to comply with the mandatory requirements of MEPA."

Respondents moved to dismiss, pursuant to Minn. R. Civ. P. 12.02, claiming that, under Minn. Stat. § 394.27, subd. 9, the board's variance decision had to be appealed by direct appeal to the district court. But instead, the DNR commenced the declaratory-judgment action.

On August 21, 2025, the district court granted respondents' motion to dismiss. The district court stated that an appeal filed under section 394.27, subdivision 9, is distinct from a declaratory-judgment action. The DNR was required to file an appeal with "detailed notice specifying the judgment or order appealed from and the ground for appeal." The district court determined that the DNR failed to ensure that the appeal "had enough specifics in order for the court to make a determination on the merits" because the complaint "does not contain specific legal errors." This appeal followed.

DECISION

The district court granted respondents' motion to dismiss under Minn. R. Civ. P. 12.02(e). This court reviews de novo a district court's grant of a motion to dismiss pursuant to rule 12.02(e). *DeRosa v. McKenzie*, 936 N.W.2d 342, 346 (Minn. 2019).

A district court may grant a motion to dismiss when the complaint "fail[s] to state a claim upon which relief can be granted." Minn. R. Civ. P. 12.02(e). To state a claim upon which relief can be granted, a complaint must "contain a short and plain statement of the claim showing that the pleader is entitled to relief." Minn. R. Civ. P. 8.01. A claim will

survive a motion to dismiss for failure to state a claim “if it is possible on any evidence which might be produced, consistent with the pleader’s theory, to grant the relief demanded.” *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 603 (Minn. 2014). In considering whether to grant a motion to dismiss under rule 12.02(e), a court views “only the facts alleged in the complaint, accepting those facts as true,” and construes all “reasonable inferences in favor of the nonmoving party.” *Finn v. All. Bank*, 860 N.W.2d 638, 653 (Minn. 2015) (quotation omitted).

Respondents argue that the district court properly dismissed the complaint because the DNR commenced a declaratory-judgment action when the proper means to obtain judicial review of the variance decision was a direct appeal to the district court. The DNR argues that the district court erred by dismissing its complaint because the complaint meets Minnesota’s pleading requirements and the statute does not specify the procedure for appealing a variance decision. We agree with the DNR.

Under the applicable statute,

All decisions by the board of adjustment in granting variances or in hearing appeals from any administrative order, requirement, decision, or determination shall be final except that any aggrieved person or persons, or any department, board or commission of the jurisdiction or of the state shall have the right to appeal within 30 days, after receipt of notice of the decision, to the district court in the county in which the land is located on questions of law and fact.

Minn. Stat. § 394.27, subd. 9. The applicable ordinance for challenging a variance decision provides similar language:

All decisions of the [board] shall be final except that any aggrieved person or persons, or any department, board of commission of the jurisdiction or of the state shall have the right to appeal within thirty (30) days, after receipt of notice of the decision, to the district court in the county in which the land is located on questions of law and fact.

Murray County, Minn., Zoning Ordinance § 3212 (2020).

Neither the statute nor the ordinance specifies the procedure for appealing to the district court. As the DNR asserts, the Minnesota Rules of Civil Procedure apply. *See In re Application of Skyline Materials, Ltd.*, 819 N.W.2d 183, 185 (Minn. App. 2012) (stating that, “[b]ecause Minn. Stat. § 394.27, subd. 9, does not specify the procedure by which a notice of appeal is to be served,” the rules of civil procedure are to be followed), *rev’d on other grounds*, 835 N.W.2d 472 (Minn. 2013). A summons initiates an action, and shall, among other things, “state the name of the court and the names of the parties, . . . state the time within which these rules require the defendant to serve an answer, and notify the defendant that if the defendant fails to do so judgment by default will be rendered.” Minn. R. Civ. P. 4.01. And a pleading is sufficiently detailed when it gives “fair notice to the adverse party of the incident giving rise to the suit with sufficient clarity to disclose the pleader’s theory upon which his claim for relief is based.” *Halva v. Minn. State Colls. & Univs.*, 953 N.W.2d 496, 503 (Minn. 2021) (quotation omitted).

The DNR timely initiated its appeal. And the DNR’s complaint sufficiently detailed the incident to meet the pleading standards. The complaint identifies the parties and decision challenged, which is the board’s decision to grant a variance to expand the marina

from nine boat slip spaces to 80. In the complaint, the DNR stated that the district court's jurisdiction arose, in part, from Minn. Stat. § 394.27. The DNR stated the basis for appealing the variance decision is that the board failed to provide sufficient factual findings that meet variance legal requirements. The DNR also alleged, and provided specific examples, as to why the board's decision was "arbitrary, capricious, unreasonable, and unsupported by substantial evidence, and/or based on errors of law." The pleadings were sufficient to survive the granting of a rule 12 motion.

Respondents claim that the declaratory-judgment action is inappropriate because such an action is considered a new action and foresees the development of a new record that would include evidence that was not considered by the board. A direct appeal, respondents contend, would limit the district court's review to the record that was in front of the board. But although the DNR filed an action captioned as a declaratory-judgment action, it provided a legally sufficient claim for relief. It provided fair notice to respondents that it was appealing the grant of the variance on the basis that the board failed to provide sufficient facts to meet the requirements for a variance and that the board's decision was arbitrary and capricious or contrary to law.

Respondents' argument advances form over substance. The "inartful" captioning, as the DNR has described its drafting of the complaint, however, does not lead to automatic dismissal when it has otherwise met the requirements of an appeal. In this case, the DNR's summons and complaint were adequate to put respondents on notice that it was appealing the board's variance decision because it believed that the decision was arbitrary, capricious,

and not supported by sufficient evidence or contrary to law. On remand, the record before the district court is limited to the record that was before the board.¹

Reversed and remanded.

¹ Count II in the DNR's complaint separately alleging a MEPA violation is not properly before the district court in the DNR's appeal of the board's variance decision. But this does not preclude the DNR from arguing to the district court that the board's variance decision was contrary to law because the board failed to comply with the requirements of MEPA.