STATE OF MINNESOTA
IN COURT OF APPEALS
A21-0895

Almir Puce,
Appellant,

vs.

City of Burnsville, MN.,
Respondent.

Filed February 7, 2022
Reversed
Johnson, Judge

Dakota County District Court
File No. 19HA-CV-19-2127

Stephen W. Cooper, Stacey R. Everson, The Cooper Law Firm, Chartered, Minneapolis, Minnesota (for appellant)

Paul D. Reuvers, Aaron M. Bostrom, Iverson Reuvers, Bloomington, Minnesota (for respondent)

Considered and decided by Reilly, Presiding Judge; Johnson, Judge; and Jesson, Judge.

SYLLABUS

1. To comply with section 462.358, subdivision 2b, of the Minnesota Statutes, a municipality may impose a park-dedication fee only if the municipality reasonably determines that it will need to acquire and develop or improve a reasonable portion of land as a result of the municipality's approval of a subdivision.

2. To comply with section 462.358, subdivision 2c(a), of the Minnesota Statutes, a municipality may impose a park-dedication fee on a subdivision only if there is

a rough proportionality between the fee and the need for the acquisition and development or improvement of parkland created by the proposed development, as demonstrated by an individualized determination that the fee is related both in nature and extent to the impact of the proposed development.

OPINION

JOHNSON, Judge

A property owner applied to a city for permission to redevelop residential property for commercial use. The city approved the application but imposed a park-dedication fee. The property owner objected to the park-dedication fee and sought judicial review in the district court, which determined that the park-dedication fee is lawful. We conclude that the city's imposition of the park-dedication fee does not comply with a state statute because the city did not reasonably determine that it will need to acquire and develop or improve parkland as a result of its approval of the development application and because there is not a rough proportionality between the park-dedication fee and any need for acquisition and development or improvement of parkland as a result of the municipality's approval of the development application. Therefore, we reverse.

FACTS

In 2015, Almir Puce purchased real property located at 2208 Old County Road 34 Place in the city of Burnsville. The property was zoned for commercial use but had a lawful non-conforming house. Puce and his family lived in the house until 2017.

Beginning in 2018, Puce sought to redevelop the property for commercial use, in three phases. For the first phase, Puce planned to operate an automobile dealership and a

bakery in the existing structure. For the second phase, he planned to build a new building for an automobile repair shop. And for the third phase, he planned to improve part of the property to create an open storage lot.

In May 2018, Puce submitted an application to the City of Burnsville seeking approval of a preliminary and final plat of the property, a conditional use permit (CUP), and variances related to signage and land grading. In mid-January 2019, the City's planning commission reviewed Puce's application and, by a 4-to-1 vote, recommended approval of the plat, approval of a CUP, and denial of the variances, subject to 17 conditions, including the payment of a park-dedication fee in the amount of $37,804.[1] Puce objected to the City's imposition of a park-dedication fee as well as the amount of the fee. He asked the City to waive the fee on the ground that his planned automobile dealership and bakery would not result in a need for more parkland or park services.

In late January 2019, the city council reviewed the planning commission's recommendations. At a city council meeting, Puce, through counsel, again objected to the park-dedication fee. He argued that his future businesses would not increase the number of persons living in the area or using parks in the area. In response, the city attorney stated that there is a "need for open space created any time that open land is developed or

[1]Ordinarily, a park-dedication fee is owed only when property is subdivided. *See* Minn. Stat. § 462.358, subd. 2b(a), (i) (2020). In this case, Puce's lot was created by a subdivision in 2000. The owner of the property at that time paid a park-dedication fee on the northern parcel of the subdivided property, which then was developed. But the owner had no plans to develop the southern parcel of the subdivided property, which now is owned by Puce, so the owner and the City agreed to defer the payment of a park-dedication fee on the southern parcel until it was platted and developed.

redeveloped and used at a higher intensity than previously used." The city council tabled Puce's application to a future meeting to gather more information.

In February 2019, the City reduced the park-dedication fee from $37,804 to $11,700. The City did so by recalculating the size of Puce's property and by using the actual fair market value of Puce's property instead of the average value of commercial property in the city. Puce maintained his objection to the imposition of any park-dedication fee.

In March 2019, the city council considered Puce's application for a second time. At a council meeting, the city attorney explained the calculation of the $11,700 park-dedication fee. He stated that the three phases of Puce's proposed development would add 7,254 additional square feet of building structure to the property. He also stated that the City's ordinances seek to reserve parkland and that "most properties within [the city] have a park within walking distance." Councilmember Schulz asked the city attorney where the city intended to create a new park. The city attorney answered by stating that he was not aware of any "actual land acquisition in the foreseeable future" but that the City typically acquires land for parks when opportunities arise and "continually reviews and enhances amenities" for existing parks. Councilmember Peterson noted that the city was focused on expanding its trails and that there was a "gap" in the trail system near Puce's property, and he stated that "many residents" could use the connected trails, including customers of Puce's businesses. The city attorney concluded by stating that business development generally "increases the demand on public services, including parks" and that the City uses park-dedication fees to fund "new capital improvements that enhance and

provide additional capacity to serve developments" such as Puce's development. Councilmember Schulz asked the city attorney whether a park-dedication fee is appropriate if a development does not directly cause a need for additional parkland. The city attorney answered in the negative, explaining that the City has a formula for calculating a park-dedication fee that is "predicated on development having an impact and requiring the need." At the conclusion of the meeting, the city council voted to deny Puce's request for a waiver of the park-dedication fee. The council approved the plat and the requested CUP, approved a sign variance, and denied a land-grading variance.

In May 2019, Puce commenced an action in the Dakota County District Court for judicial review of the city council's decision to impose a park-dedication fee. In late 2019, Puce and the City filed cross-motions for summary judgment. The district court denied both motions on the ground that there existed genuine issues of material fact. In January 2021, the district court conducted a court trial based solely on the parties' submission of 17 exhibits. In April 2021, the district court filed an order in which it concluded, "Defendant's imposition of a park-dedication fee in the amount of $11,700 is lawful." Puce appeals.

ISSUE

Does the City's imposition of an $11,700 park-dedication fee on Puce's development application comply with section 462.358 of the Minnesota Statutes?

ANALYSIS

Puce argues that the City erred by imposing a park-dedication fee in the amount of $11,700 on his development application and that the district court erred by determining that the fee is lawful.

A.

A state statute provides that municipalities "may by ordinance adopt subdivision regulations establishing standards, requirements, and procedures for the review and approval or disapproval of subdivisions." Minn. Stat. § 462.358, subd. 1a (2020). Such an ordinance "may address without limitation: the size, location, grading, and improvement of lots, structures, public areas, streets, roads, trails, walkways, curbs and gutters, water supply, storm drainage, lighting, sewers, electricity, gas, and other utilities," as well as other issues. *Id.*, subd. 2a. An ordinance regulating subdivisions "shall require that subdivisions be consistent with the municipality's official map if one exists and its zoning ordinance, and may require consistency with other official controls and the comprehensive plan." *Id.*

In addition, an ordinance regulating subdivisions "may require that a reasonable portion of the buildable land . . . of any proposed subdivision be dedicated to the public or preserved for public use as streets, roads, sewers, electric, gas, and water facilities, storm water drainage and holding areas or ponds and similar utilities and improvements, parks, recreational facilities as defined in section 471.191, playgrounds, trails, wetlands, or open space." *Id.*, subd. 2b(a). The term "reasonable portion," as used in the statute, means "that portion of land which the evidence reasonably establishes the municipality will need to

acquire for the purposes stated as a result of approval of the subdivision." *Collis v. City of Bloomington*, 246 N.W.2d 19, 26 (Minn. 1976). "The municipality must reasonably determine that it will need to acquire that portion of land for the purposes stated in this subdivision as a result of approval of the subdivision." Minn. Stat. § 462.358, subd. 2b(e).

Furthermore, as an alternative to taking a reasonable portion of the buildable land of any proposed subdivision, a municipality "may choose to accept a cash fee as set by ordinance from the applicant for some or all of the new lots created in the subdivision, based on the average fair market value of the unplatted land for which park fees have not already been paid." *Id.*, subd. 2b(c). "Cash payments received must be placed by the municipality in a special fund to be used only for the purposes for which the money was obtained." *Id.*, subd. 2b(f). The cash payments "must be used only for the acquisition and development or improvement of parks, recreational facilities, playgrounds, trails, wetlands, or open space based on the approved park systems plan" and "must not be used for ongoing operation or maintenance of parks, recreational facilities, playgrounds, trails, wetlands, or open space." *Id.*, subd. 2b(g).

Whether a municipality takes a reasonable portion of the buildable land of a proposed subdivision or exacts a cash payment, "[t]here must be an essential nexus between the fees or dedication . . . and the municipal purpose sought to be achieved by the fee or dedication," and "[t]he fee or dedication must bear a rough proportionality to the need created by the proposed subdivision or development." *Id.*, subd. 2c(a).

The supreme court, in interpreting an earlier version of the statute, explained that the statute places limits on a municipality's authority to regulate subdivisions:

> [T]he possibility of arbitrariness and unfairness in [the] application [of subdivision regulations] is . . . substantial: A municipality could use dedication regulations to exact land or fees from a subdivider far out of proportion to the needs created by his subdivision in order to avoid imposing the burden of paying for additional services on all citizens via taxation. To tolerate this situation would be to allow an otherwise acceptable exercise of police power to become grand theft. But the enabling statute here prevents this from occurring by authorizing dedication of only a 'reasonable portion' of land for the purposes stated. We therefore uphold the statute as constitutional.

Collis, 246 N.W.2d at 26.

The City has an ordinance regulating subdivisions, which provides, in part:

> Pursuant to Minnesota statutes, section 462.358, subdivision 2a, the city council shall require all developers requesting platting or replatting, or the development of unplatted land in the city to contribute lands . . . to be dedicated to the public for their use as either parks, playground, public open space, trail systems, water ponding, public lands or to contribute an equivalent amount of cash.

Burnsville, Minn., Code of Ordinances (BCO) § 11-4-8(A) (2013). The City's ordinance contains a formula for determining the amount of land to be dedicated or, alternatively, the amount of a park-dedication fee:

> The dedication formula for commercial and industrial district development shall be five percent (5%) of the gross land area. Where the city council elects to take cash in lieu of land, such contribution shall be based upon land dedication requirement multiplied by the average cost per acre by zoning district as established, from time to time, by the city council.

BCO § 11-4-8(E).

B.

Puce argues that the city council and the district court erred for four reasons. First, he argues that the City's ordinance regulating subdivisions is facially inconsistent with subdivisions 2b(e) and 2c(a) of section 462.358 in that the ordinance requires a park-dedication fee equal to five percent of the value of commercial property, regardless whether such an amount is equivalent to the value of "a reasonable portion of the buildable land" of a proposed subdivision. Second, he argues that the City's imposition of an $11,700 park-dedication fee on his development application violates subdivisions 2b(e) and 2c(a) of section 462.358. Third, he argues that the City's ordinance regulating subdivisions is facially inconsistent with federal and state constitutional provisions concerning takings of property and that the City's imposition of a park-dedication fee in this case also is unconstitutional on an as-applied basis. And fourth, he argues that the City has violated subdivision 2b(f) of section 462.358 by not segregating the funds received from park-dedication fees and not ensuring that the funds are used for a proper purpose. Because facial challenges generally are disfavored, we begin by considering Puce's second argument. *See McCaughtry v. City of Red Wing*, 831 N.W.2d 518, 522-23 (Minn. 2013).

Before considering Puce's second argument, we must determine the appropriate scope and standard of review. Judicial review of a municipality's zoning decision springs from the following statute:

> 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 (2020). On appeal from a district court's review of a municipality's zoning decision, this court reviews the municipality's decision "independent of the findings and conclusions of the district court." *Northwestern College v. City of Arden Hills*, 281 N.W.2d 865, 868 (Minn. 1979); *see also C.R. Investments, Inc. v. Village of Shoreview*, 304 N.W.2d 320, 325 (Minn. 1981). If the record of proceedings before the municipality is clear and complete, judicial review is based on only that record. *Swanson v. City of Bloomington*, 421 N.W.2d 307, 313 (Minn. 1988) (reviewing city's denial of application to subdivide lot). But a district court may "receive additional evidence only on substantive issues raised and considered by the municipal body and then only on determining that the additional evidence is material and that there were good reasons for failure to present it at the municipal proceedings." *Id.* In this case, the City offered, and the district court admitted, three exhibits that were not before the city council. Puce does not challenge the district court's admission of those exhibits, and neither party challenges the record relied on by the district court.

The parties disagree about the standard of review. Puce argues that a *de novo* standard of review applies on the ground that his argument is based on the meaning of section 462.358 and on a factual record consisting solely of exhibits. Meanwhile, the City argues that a clear-error standard of review applies. Our standard of review is deferential. *Swanson*, 421 N.W.2d at 311. We ask "whether the zoning authority's action was reasonable" and whether there is "a reasonable basis for the decision" or, on the other

hand, whether the decision is "unreasonable, arbitrary or capricious." *Id.* (quotations omitted). The supreme court recently summarized the standard of review as follows:

> We will reverse a governing body's decision regarding a conditional use permit application if the governing body acted unreasonably, arbitrarily, or capriciously. *Schwardt v. Cnty. of Watonwan*, 656 N.W.2d 383, 386 (Minn. 2003). There are two steps in determining whether a city's denial was unreasonable, arbitrary, or capricious. First, we must determine if the reasons given by the city were legally sufficient. *C.R. Invs., Inc. v. Vill. of Shoreview*, 304 N.W.2d 320, 325 (Minn. 1981). Second, if the reasons given are legally sufficient, we must determine if the reasons had a factual basis in the record. *Id.*

RDNT, LLC v. City of Bloomington, 861 N.W.2d 71, 75-76 (Minn. 2015). To the extent that we must interpret a statute or an ordinance, we apply a *de novo* standard of review for that limited purpose. *See id.* at 75; *City of Morris v. Sax Investments, Inc.*, 749 N.W.2d 1, 5 (Minn. 2008). Because we are obligated to look through the district court's decision and review the City's zoning decision independently, we do not apply a clear-error standard of review to the district court's decision. *Honn v. City of Coon Rapids*, 313 N.W.2d 409, 415 n.4 (Minn. 1981) (citing *Northwestern College*, 281 N.W.2d at 868 n.4).

C.

Puce's second argument has two parts. He first contends that the City's imposition of a park-dedication fee violates subdivision 2b(e) of section 462.358 on the ground that the City did not make "any individualized assessment of what, if any, new park need was created by granting" his development application. He asserts that the City does not have any evidence that its approval of his development application will result in an increase in expenditures on parks. In response, the City contends that any development inevitably

causes an "influx" of people and, "[l]ogically, an influx to the area will increase the use of the nearby public facilities, parks, and trails."

The first question is whether "the reasons given by the city were legally sufficient." *See RDNT*, 861 N.W.2d at 75-76. As far as the record reveals, the City's reasons for imposing a park-dedication fee on Puce are not stated in writing.[2] At oral argument, the City's appellate attorney asked this court to find the City's reasons for its decision in the transcript of the city council meeting at which the decision was made. But the meeting transcript does not reveal any reasons shared by a majority of the city council. There was a discussion of various issues raised by Puce's application, including the park-dedication fee as well as the height of signage and the grading of land near a stormwater pond. At the end of the discussion of Puce's application, there was a motion to approve the application as a whole, subject to certain conditions. But there was no motion specifically relating to the park-dedication fee.

Nonetheless, our review of the meeting transcript reveals that the city council was under the mistaken assumption that it could impose a park-dedication fee simply because it was approving additional development, without making a reasonable determination that it will need to acquire and develop or improve a reasonable portion of land as a result of the City's approval of Puce's development application. This requirement is found in *Collis*,

[2]The record before this court contains an unsigned draft of a six-page document with findings of fact related to Puce's application. The minutes of the city council's March 5, 2019 meeting state that a motion was made, seconded, and passed to, among other things, adopt findings of fact. But a signed copy of the findings is not in the record. In any event, the unsigned draft does not specifically discuss the legal or factual basis of the park-dedication fee.

which concerned a facial challenge to a prior version of the statute and a city ordinance. The supreme court held that the statute was not unconstitutional specifically because the statute prevented municipalities from "us[ing] dedication regulations to exact land *or fees* from a subdivider far out of proportion to the needs created by his subdivision in order to avoid imposing the burden of paying for additional services on all citizens via taxation." *Collis*, 246 N.W.2d at 26 (emphasis added). The statute was constitutionally valid, the supreme court reasoned, because it "authoriz[ed] dedication of only a 'reasonable portion' of land for the purposes stated." *Id.* The statute has since been amended in various ways, but it continues to authorize dedication of only "a reasonable portion" of land, *see* Minn. Stat. § 462.358, subd. 2b(a), and that limitation limits a municipality's ability "to exact land *or fees*," *Collis*, 246 N.W.2d at 26 (emphasis added). To comply with section 462.358, subdivision 2b, of the Minnesota Statutes, a municipality may impose a park-dedication fee only if the municipality reasonably determines that it will need to acquire and develop or improve a reasonable portion of land as a result of the municipality's approval of a subdivision. Accordingly, the City's decision to impose a park-dedication fee on Puce's development application does not have a proper legal basis.

The second question is whether "the [City's] reasons had a factual basis in the record." *See RDNT*, 861 N.W.2d at 76. To support its argument on this issue, the City cites to three exhibits. One exhibit is a 2017 master plan for the City's parks system, which describes various recommendations for future actions. But that document predates Puce's application and, thus, does not show that the City's approval of Puce's development plans would require the acquisition of more parkland. Another exhibit is a map of the area

surrounding Puce's property, but the map contains no information about whether Puce's development plans would cause more park usage. The third exhibit is a transcript of the city council's March 5, 2019 meeting. As discussed above, there was only a brief and general discussion at that meeting about Puce's development and a gap in nearby trails. That discussion does not provide a sufficient factual basis, even under our deferential standard of review, for a reasonable determination that the City's approval of Puce's development plans would give rise to a need to acquire and develop or improve parkland. Rather, the transcript shows that the City imposed a park-dedication fee simply by applying its five-percent formula. The City has cited no other facts in the record to indicate that the City's approval of Puce's application actually would cause an identifiable increase in park usage and, thus, a need for new or improved parkland. Accordingly, the City's decision to impose a park-dedication fee does not have a proper factual basis.

Thus, the City violated subdivision 2b(e) of section 462.358 when it imposed a park-dedication fee on Puce.

D.

Puce also contends that the City's imposition of a park-dedication fee violates subdivision 2c(a) of section 462.358 on the grounds that there is not an "essential nexus" between the park-dedication fee and its purpose and that there is not a "rough proportionality" between the $11,700 park-dedication fee and the need for new or improved parkland, if any, as a result of the City's approval of Puce's development application. *See* Minn. Stat. § 462.358, subd. 2c(a). We construe Puce's argument to

challenge the factual basis of the City's reasons for imposing a fee. *See RDNT*, 861 N.W.2d at 75-76.

The parties' arguments require the court to ascertain the meaning of the terms "essential nexus" and "rough proportionality." The terms are not defined by statute. *See* Minn. Stat. § 462.352 (2020). We ordinarily interpret a statute according to the ordinary meaning of the words used in the statute. *See, e.g.*, *Hagen v. Steven Scott Mgmt., Inc.*, 963 N.W.2d 164, 169 (Minn. 2021). But in certain situations, we interpret a statute according to the specialized meaning of the words used in the statute. *See, e.g.*, *State v. Bowen*, 921 N.W.2d 763, 766 (Minn. 2019). "Whether to ascribe a technical or special meaning [to a word or phrase] depends in part upon the context in which the word appears." *Id.* (quotation omitted; alteration in original); *see also Cocchiarella v. Driggs*, 884 N.W.2d 621, 624, 627 (Minn. 2016).

It is apparent that the terms "essential nexus" and "rough proportionality" in subdivision 2c(a) have a specialized meaning in the context of the exaction of a fee or a dedication of real property as a condition of the approval of a land-use application. In *Nollan v. California Coastal Comm'n*, 483 U.S. 825 (1987), a state agency conditioned a building permit on the requirement that beachfront landowners allow a public easement across their property. *Id.* at 828. The United States Supreme Court held that the imposition of the easement violated the Fifth Amendment's Takings Clause because the commission's stated goal of preserving visual access to the ocean lacked an "essential nexus" to the permit condition. *Id.* at 836-37. In *Dolan v. City of Tigard*, 512 U.S. 374 (1994), a city planning commission conditioned approval of a property owner's expansion of her

business on her compliance with two sets of land dedications. *Id.* at 379-80. The United States Supreme Court held that the land dedications were uncompensated takings because, although a nexus existed between the commission's stated purpose and the dedications, there was not a "rough proportionality" between the proposed development's impact and the dedications. *Id.* at 386-96.

After the Supreme Court's opinions in *Nollan* and *Dolan*, the legislature amended section 462.358 by inserting the concepts of "essential nexus" and "rough proportionality." *See* 2004 Minn. Laws ch. 178, § 3, at 243. Since that amendment, the United States Supreme Court has held that, to comply with the Takings Clause, monetary exactions also must satisfy the essential-nexus and rough-proportionality requirements. *Koontz v. St. Johns River Water Mgmt. Dist.*, 570 U.S. 595, 614 (2013). In light of the specialized meaning of the terms "essential nexus" and "rough proportionality" in this context, we interpret those terms in subdivision 2c(a) in the manner in which they are used in federal takings caselaw. *See Bowen*, 921 N.W.2d at 766; *Cocchiarella*, 884 N.W.2d at 624, 627.

Consequently, we first ask whether there is "an essential nexus between the fees or dedication imposed under subdivision 2b and the municipal purpose sought to be achieved by the fee or dedication." Minn. Stat. § 462.358, subd. 2c(a). Under federal constitutional caselaw, a governmental entity may establish an essential nexus if there is a connection between a legitimate state interest and a permit condition. *Nollan*, 483 U.S. at 837; *see also Kottschade v. City of Rochester*, 537 N.W.2d 301, 307-08 (Minn. App. 1995) (analyzing takings claim), *rev. denied* (Minn. Nov. 15, 1995). This is not an onerous requirement, and it may be satisfied if there is merely a logical connection between the

legitimate state interest and the exaction of a dedication or fee. For example, in *Nollan*, the Supreme Court reasoned that there was an essential nexus between the governmental interest in protecting visual access to the ocean and a permit condition requiring a viewing spot of the ocean on the appellant's private property. 483 U.S. at 836. In this case, the City decided to impose a park-dedication fee to fund the acquisition and development or improvement of parkland arising from Puce's development of his property. That purpose satisfies the essential-nexus test.

We also ask whether there is "a rough proportionality" between the park-dedication fee and "the need created by the proposed subdivision or development." Minn. Stat. § 462.358, subd. 2c(a). For purposes of federal constitutional caselaw, the Supreme Court has stated, "No precise mathematical calculation is required, but the city must make some sort of individualized determination that the required dedication is related both in nature and extent to the impact of the proposed development." *Dolan*, 512 U.S. at 391. Moreover, a municipality "must make some effort to quantify its findings in support" of a taking beyond conclusory statements about the possible impact. *Id*. at 395-96. In *Dolan*, the city required the property owner to dedicate a 15-foot strip of land on her property for use as a pathway for pedestrians and bicyclists. *Id.* at 380. The city calculated that the property owner's development would generate approximately 435 additional trips per day on the city's streets. *Id.* at 395. But the Supreme Court reasoned that the city had not satisfied the rough-proportionality requirement because the city's finding that the pedestrian pathway *could* offset the projected increase in street traffic was a conclusory statement and a "far cry" from a finding that the pathway *will* offset such an increase. *Id.* at 395-96. The

Supreme Court also reasoned that the city must achieve its "policy of providing a continuous pathway system" "by condemnation unless the required relationship between petitioner's development and added traffic is shown." *Id.* at 395 n.10.

In this case, there is nothing in the record that is an "individualized determination" concerning the "nature and extent" of "the impact of the proposed development," let alone an "effort to quantify" that impact. *See id.* at 391, 395-96. Furthermore, it is apparent that the City determined the amount of the $11,700 park-dedication fee solely by applying the five-percent formula in its ordinance. BCO § 11-4-8(E). Accordingly, there is not a rough proportionality between the park-dedication fee and any need for the acquisition and development or improvement of parkland as a result of the City's approval of Puce's development application.

Thus, the City violated subdivision 2c(a) of section 462.358 when it imposed a park-dedication fee on Puce's development application.

DECISION

For the reasons stated above, the City's decision to impose an $11,700 park-dedication fee on Puce was unreasonable, arbitrary, and capricious. *See RDNT*, 861 N.W.2d at 75-76. Having resolved Puce's second argument in his favor, it is unnecessary to resolve his first, third, or fourth arguments. Given the circumstances surrounding the City's erroneous decision, the appropriate remedy is reversal of the district court's decision and the City's decision, without a remand for further proceedings. *See In re Livingood*, 594 N.W.2d 889, 893-95 (Minn. 1999).

Reversed.