

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Adlon C. Adams, et al.,

Court File No. 27-CV-25-18923

Judge Joseph R. Klein

Plaintiff,

v.

City of Wayzata, a Minnesota municipal  
corporation,**ORDER**

Defendant.

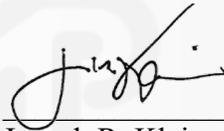
The above-captioned matter came on before The Honorable Joseph R. Klein, in Minnesota's Fourth District Court, on March 6, 2026, on the parties' cross motions for judgment on the pleadings. Attorney Patrick Steinhoff appeared on behalf of Plaintiffs Adlon C. Adams, et al. Attorney Jason Kuboushek appeared on behalf of Defendant City of Wayzata. Based upon the files, exhibits, and record herein, as well as the arguments of counsel, the Court makes the following:

**ORDER**

1. Plaintiffs' Motion for Partial Judgment on the Pleadings is **GRANTED in PART**, and Defendant's Motion for Judgment on the Pleadings is **DENIED**:
  - a. Ordinance 852 (the "STR Ordinance") is a zoning ordinance.
  - b. The City of Wayzata was required to follow the procedural requirements for enacting or amending zoning ordinances provided in the Municipal Planning Act.
  - c. Because the City of Wayzata did not follow the procedural requirements of the MPA, Ordinance 852 is void.

- d. Plaintiffs' Motion for Partial Judgment on the Pleadings related to their claim for declaratory judgment on the issue of nonconforming uses is DENIED. The claim is not ripe for adjudication because Ordinance 852 is void.
  - e. The court does not reach the issue of whether enforcing Ordinance 852 constitutes a taking because Ordinance 852 is void.
2. The following memorandum of law is incorporated herein.

Dated: 3/30/2026



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Joseph R. Klein  
Judge of District Court

MINNESOTA  
JUDICIAL  
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## BACKGROUND FACTS<sup>1</sup>

This matter involves a recently passed municipal ordinance. Plaintiffs Adlon C. Adams, et al. (“Plaintiffs”) all own single family homes in Wayzata, Minnesota, which they use and operate as short term rentals.<sup>2</sup> Plaintiffs all hold rental dwelling licenses issued by Defendant City of Wayzata (“Wayzata”) pursuant to Chapter 815 of the City Code, which allowed them to rent their properties to tenants for terms of any length, including a rental term of less than 30 days. Plaintiffs’ rental dwelling licenses expire on March 30, 2026.

On September 23, 2025, the Wayzata City Council adopted Ordinance No. 852 (the “STR Ordinance”) entitled, “AN ORDINANCE AMENDING CHAPTER 815 OF CITY CODE TO PROHIBIT SHORT TERM RENTALS.” The STR Ordinance amended the definition of a short-term rental from “a unit that is rented out for less than one-month intervals” to “a lease, license or other agreement for occupancy, possession or tenancy of a rental dwelling, or portion thereof, where the actual term of occupancy, possession, or tenancy is less than 30 consecutive calendar days.” The STR Ordinance also amended section 815.05 of the City Code to state: “[o]wners of rental dwellings licensed under this Chapter must only allow occupancy of the Rental Dwelling pursuant to a written tenant lease with a term of at least 30 days, which has been signed by both the owner or owner’s designee and the tenant.” The STR ordinance also added section 815.10b – ILLEGAL RENTALS, OCCUPANCY LIMITS AND NO SUBLETTING [sic], which states in relevant part that “[n]o person is allowed to lease, license or agree to allow the use of a dwelling unit, or portion thereof, for a short-term rental.” The Wayzata City Council approved the first

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<sup>1</sup> The parties agree that there are no disputed material facts. The background facts provided in this section are intended to give context to the present dispute between the parties. These background facts are not intended to constitute factual findings in the case.

<sup>2</sup> In its Memorandum in Opposition to Plaintiffs’ Motion for Partial Judgment on the Pleadings and In Support of its Motion for Judgment on the Pleadings, Defendant City of Wayzata defines a Short-Term Rental (“STR”) as “a room or housing unit that is rented to a person or group for a short period of time, typically under 30 nights.”

reading of the STR Ordinance on September 9, 2025, and approved the second reading of the STR Ordinance on September 23, 2025. Wayzata published the STR Ordinance on October 2, 2025. The STR Ordinance's effective date, as to existing short-term rentals, is April 1, 2026, which is after the expiration of the term of the STR licenses Plaintiffs currently hold.

At issue is the process by which the STR Ordinance was adopted. Plaintiffs contend that the STR Ordinance is a zoning ordinance, and as such Wayzata was required to conduct a noticed public hearing before the City Planning Commission pursuant to the Minnesota Municipal Planning Act ("MPA"), Minn. Stat. § 462.351 et. seq., and Wayzata's zoning ordinance. Wayzata states that it did not conduct a public hearing regarding the STR Ordinance as required for zoning ordinances because the STR Ordinance is a licensing ordinance adopted pursuant to its police powers under Minn. Stat. § 412.221, subd. 32 and not a zoning ordinance.

Plaintiffs filed lawsuits challenging the STR Ordinance on October 17, 2025,<sup>3</sup> and November 21, 2025.<sup>4</sup> Civil Presiding District Court Judge Christian Sande consolidated the cases in an order dated January 2, 2026. Plaintiffs filed their motion for partial judgment on the pleadings, and Wayzata filed a cross motion for judgment on the pleadings. The court heard oral arguments on the matter on March 6, 2026, and took the matter under advisement. Based upon the files, exhibits, and record herein, as well as the arguments of counsel, Plaintiffs' Motion for Partial Judgment on the Pleadings is **GRANTED in PART**. Wayzata's Motion for Judgment on the Pleadings is **DENIED**.

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<sup>3</sup> District Court File No. 27-CV-25-18923

<sup>4</sup> District Court File No. 27-CV-25-20728

## CONCLUSIONS OF LAW

### 1. Legal Standard

Rule 12.03 of the Minnesota Rules of Civil Procedure allows a party to move for judgment on the pleadings. The relevant standard for determining if a judgment on the pleadings should be granted is whether the complaint sets forth a legally sufficient claim for relief. *Abel v. Abbott Northwestern Hospital*, 947 N.w.2d 58, 68 (Minn. 2020). “When considering a motion for judgment on the pleadings . . . the court generally must ignore materials outside the pleadings.” *Porous Media Corp. v. Pall Corp.*, 186 F.3d 1077, 1079 (8th Cir. 1999). The court may consider “‘materials that are part of the public record or do not contradict the complaint’ . . . as well as materials that are ‘necessarily embraced by the pleadings.’” *Id.* (quoting *Missouri ex rel. Nixon v. Coeur D’Alene Tribe*, 164 F.3d 1102, 1107 (8th Cir. 1999), *Piper Jaffray Cos. V. National Union Fire Ins. Co.*, 967 F.Supp. 1148, 1152 (D. Minn. 1997)); *see also Eagan Economic Development Authority v. U-Haul Co. of Minnesota*, 787 N.W.2d 523, 530 (Minn. 2010).

Here, the dispute between the parties concerns a purely legal argument as to the effect of Wayzata’s STR Ordinance. The parties agree that there are no disputed material facts, and that a motion for judgment on the pleadings is appropriately before the court.

### 2. The STR Ordinance is a zoning ordinance

At issue is whether the STR ordinance is a zoning ordinance within the meaning of the MPA. Plaintiffs contend that the STR ordinance is void because Wayzata did not follow the procedural requirements for enacting a zoning ordinance and specifically because Wayzata did not conduct a noticed public hearing before the City Planning Commission. *See* Minn. Stat. § 462.357, subd. 3. Wayzata argues that the ordinance is a licensing ordinance adopted through its police

powers under Minn. Stat. § 412.221, subd. 32, which does not require formal notice and public hearing.

Whether the STR Ordinance is a zoning ordinance within the meaning of Minn. Stat. § 462.357 is a question of statutory interpretation. “The object of all interpretation and construction of laws is to ascertain and effectuate the intention of the legislature.” Minn. Stat. § 645.16. “The same rules that apply to the interpretation of a statute apply to the interpretation of an ordinance.” *State v. Vasko*, 889 N.W.2d 551, 556 (Minn. 2017) (citing *Eagan Econ.*, 787 N.W.2d at 535)). The first step in statutory interpretation is to determine whether the “statute’s language, on its face, is clear or ambiguous.” *Snell v. Walz*, 6 N.W.3d 458, 467 (Minn. 2024) (quoting *Am. Fam. Ins. Grp. v. Schroedel*, 616 N.W.2d 273, 277 (Minn. 2000)). If the meaning of the statute is unambiguous, the plain language of the statute controls. *Id.*; Minn. Stat. § 645.16.

Plaintiffs argue that the STR Ordinance is, at least in part, a zoning ordinance, and that under Minnesota law “a municipal ordinance that functions as a zoning ordinance is treated as a zoning ordinance even if the municipality does not label it as such.” In support of their argument, Plaintiffs cite to *City of Waconia v. Dock*, 962 N.W.2d 220 (Minn. 2021). In *Dock*, the city of Waconia adopted an ordinance amending the Waconia city code to prohibit permanent docks in public waters from riparian lots within the city and required seasonal docks to be removed from public waters for at least 90 days per year during winter months. *Dock*, 961 N.W.2d at 223. The City of Waconia cited its power to regulate docks under Minn. Stat. § 412.221, subd. 12, which provides that

[t]he council shall have power to establish harbor and dock limits and by ordinance regulate the location, construction and use of piers, docks, wharves, and boat houses on navigable waters and fix rates of wharfage. The council may construct and maintain public docks and warehouses and by ordinance regulate their use.

Minn. Stat. § 412.221, subd. 12; *Dock*, 961 N.W.2d at 223. Appellants, who owned lakeshore property in Waconia, argued that the ordinance was void because Waconia “did not follow the procedural requirements for adopting a zoning regulation, including, but not limited to, notice and a public hearing.” *Id.* at 228. Waconia argued first that the ordinance was not a zoning ordinance and second, that even if it were, Waconia was not required to follow any notice requirements because it had relied on its powers to regulate docks under Minn. Stat. § 412.221, subd. 12, rather than its zoning powers. *Id.* at 229. In deciding *Dock*, the Minnesota Supreme Court adopted a two-part functional analysis test for determining whether an ordinance is a zoning ordinance: (1) determining whether an ordinance governs the subjects identified by section 462.357, and; (2) whether an ordinance serves a zoning purpose. *Id.* at 229-230. After applying its test, the Minnesota Supreme Court determined that the ordinance in question was a zoning regulation. *Id.* at 235. The Minnesota Supreme Court further determined that Waconia’s reliance on an independent statutory authority did not exempt Waconia from following the procedural requirements for adopting or amending a zoning ordinance as provided in the MPA. *Id.* at 235-37.

Here, the City of Wayzata argues that it adopted the STR Ordinance pursuant to its police powers as expressly authorized by Minnesota Statutes section 412.221, subdivision 32, which provides

The council shall have the power to provide for the government and good order of the city, the suppression of vice and immorality, the prevention of crime, the protection of public and private property, the benefit of residence, trade, and commerce, and the promotion of health, safety, order, convenience, and the general welfare by such ordinances not inconsistent with the Constitution and laws of the United States or of this state as it shall deem expedient.

Minn. Stat. § 412.221, subd. 32. Wayzata asserts that the STR Ordinance is a valid exercise of its broad police power. Inherent in Wayzata’s argument is the idea that any ordinance passed pursuant

to its police power is not a zoning ordinance based solely on the method by which the ordinance was adopted. Wayzata argues that the Minnesota Court of Appeals, in *Dean v. City of Winona*, 843 N.W.2d 249 (Minn. Ct. App. 2014), determined that an ordinance was not a zoning ordinance but was instead an ordinance adopted as an exercise of Winona's police powers.

This court does not find Wayzata's reading of *Dean* persuasive. In *Dean*, a 2005 ordinance adopted<sup>5</sup> by the Winona City Council created a rule restricting the number of rental units to "30% of the total properties on any given block." *Dean*, 843 N.W.2d at 254. Appellants, who had all purchased homes after the adoption of the 30% rule, challenged the rule as an *ultra vires* act exceeding Winona's zoning powers. *Id.* at 255. While the Court of Appeals did determine that the ordinance was a valid exercise of Winona's police powers, this determination was not made by analyzing whether the ordinance was a zoning ordinance *or* an exercise of a city's police powers. The Court of Appeals concluded that Winona's adoption of the ordinance was a valid exercise of its police powers and, hence, it that was "not necessary to determine whether it was also an exercise of its zoning authority." *Id.* at 257-58. The court in *Dean* does not hold that a city may circumvent the procedural requirements of the MPA or any zoning-based challenges to an ordinance by simply electing to adopt an ordinance through the exercise of its police powers.

This court finds the Supreme Court's analysis in *Dock* controlling in the present case. The MPA outlines procedures by which municipalities adopt, implement, and amend zoning ordinances, and the Minnesota legislature "has made it clear that, when exercising a zoning power, a city must follow the procedural steps" set out in the MPA. *Dock*, 961 N.W.2d at 236. In *Dock*,

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<sup>5</sup> In its Order, the Minnesota Court of Appeals notes that, "in February 2012, the planning commission discussed moving the 30% rule from chapter 43, the zoning chapter of [Winona's] code, to chapter 33A, the rental-housing chapter" and ultimately that "[t]he 30% rule was moved to its present location in [Winona's] rental-housing code in March 2022. *Dean*, 843 N.W.2d at 255. Because the 30% rule was initially adopted in 2005, *see id.* at 254, the subsequent discussion of its relocation from zoning to rental-housing is indicative of an ordinance that was initially adopted as a zoning ordinance.

the Minnesota Supreme Court held that the procedural requirements of the MPA extend not just to traditional zoning ordinances, but also to any ordinance that governs the subjects identified in section 462.357 and which serves a zoning purpose. A municipality cannot bypass the requirements of the MPA by relying on an independent source of authority to adopt or amend an ordinance. Accordingly, the court will consider whether the STR Ordinance is a zoning ordinance using the two-step inquiry outlined in *Dock*.

**a. The STR Ordinance governs the subjects of the MPA**

As discussed above, the Minnesota Supreme Court held that a zoning ordinance is any ordinance which (1) governs the subjects of the MPA as provided in Minn. Stat. § 462.357, subd. 1, and; (2) serves a zoning purpose. *Dock*, 961 N.W.2d at 232. The first part of the inquiry is whether the STR Ordinance governs the subjects of the MPA. Minn. Stat. § 462.357, subd. 1, states:

For the purpose of promoting the public health, safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, *the uses of buildings* and structures for trade, industry, residence, recreation, public activities, or other purposes, and *the uses of land* for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands . . . or other purposes, and may establish standards and procedures regulating such uses. . . . The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape, and area. The regulations shall be uniform for each class or kind of buildings, structures, or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps . . .

(emphasis added).

Wayzata's STR Ordinance states that "[n]o person is allowed to lease, license or agree to allow the use of a dwelling unit, or portion thereof, for a short-term rental." The STR Ordinance defines a short-term rental as a "lease, license, or other agreement for the occupancy, possession or tenancy of a rental dwelling, or portions thereof, where the actual term of occupancy, possession, or tenancy is less than 30 consecutive calendar days." By its plain language, the STR Ordinance governs the use of buildings and land for trade, industry, residence, and other purposes as provided in the MPA.

**b. The STR Ordinance serves a zoning purpose**

Assessing whether an ordinance serves a zoning purpose includes a functional analysis of "a variety of nonexclusive factors, including the stated purpose of the ordinance, and whether the ordinance operates like a typical zoning regulation." *Dock*, 961 N.W.2d at 230-31.

The stated purpose of the STR Ordinance, which was not substantively edited by the amendments adopted by the Wayzata City Council in September 2025, is as follows:

[T]o ensure that rental housing in the City is decent, safe, and sanitary; and that it is so operated and maintained as not to become:

- A. A threat to the health, safety and welfare of residents;
- B. A nuisance to the surrounding neighborhood, and a detriment to the quiet enjoyment of the normal activities of life; or
- C. An influence that fosters blight and deterioration, or creates a disincentive to reinvestment in the community.

"Promoting safety and the general health and welfare of the people is a permissible zoning goal." *Dock*, 961 N.W.2d at 234. The STR Ordinance also mirrors, in part, Wayzata's goals identified in its zoning code. *See* Wayzata, Minn., Code § 901.02 (describing the purpose of the City's zoning ordinance as "promoting and protecting the public health, safety, and general welfare...").

The Minnesota Supreme Court has identified several features of zoning ordinances which, when present, are indicative of an ordinance operating like a typical zoning regulation. These

features include: “controlling where a use takes place, as opposed to how it takes place,” permitting certain uses as of right and prohibiting certain uses, and generally making “a clear judgment about the appropriate use and development of land” within a municipality. 8 Eugene McQuillin, *The Law of Municipal Corporations* § 25:59; *Dock*, 961 N.W.2d at 235.

The STR Ordinance prohibits rentals of less than 30 consecutive days in “all rental dwellings and the individual units therein that are rented or leased in whole or in part, for any duration, including apartment buildings, town homes, single-family and two-family housing, guest and caretaker houses, and condominiums with private entrances.” Wayzata, Minn., Code § 815.02. The STR Ordinance specifically excludes licensed rest homes, convalescent care facilities, nursing homes, hotels, and motels. Wayzata, Minn., Code § 815.02. The STR Ordinance’s distinction between residential rental dwellings and commercial facilities suggests that the STR Ordinance is primarily focused on controlling rentals less than 30 days in residential neighborhoods, which strongly suggests that the STR Ordinance has a zoning purpose.

The STR Ordinance, as amended, also permits rentals longer than 30 days with a rental license while prohibiting all rentals less than 30 days, regardless of whether a rental dwelling has a rental license. The STR Ordinance also appears to permit rentals less than 30 days in commercial rental dwellings such as care facilities, hotels, or motels, while prohibiting rentals less than 30 days in residential rental dwellings. These features also strongly suggest that the STR Ordinance has a zoning purpose.

Like the ordinance discussed in *Dock*, the STR Ordinance makes an unequivocal determination about the appropriate use of dwellings within the city by regulating how property owners may use their property and where rentals less than 30 days may occur. The court finds that these are zoning determinations. Because the STR Ordinance governs the subjects of the MPA as

provided in section 462.357, subdivision 1, and serves a zoning purpose, the STR Ordinance is functionally a zoning ordinance.

**3. Wayzata was required to follow the procedural requirements of Minn. Stat. § 462.357**

It is undisputed that Wayzata did not conduct a public hearing before the Wayzata Planning Commission prior to adopting the STR Ordinance. The MPA provides that “[n]o zoning ordinance or amendment thereto shall be adopted until a public hearing has been held thereon by the planning agency or by the governing body.” Minn. Stat. § 462.357, subd. 3. A notice of the hearing containing the time, purpose, and place of the hearing must be published “in the official newspaper of the municipality at least ten days prior to the day of the hearing.” Minn. Stat. § 462.357, subd. 3. The MPA also provides that amendments to zoning ordinances “not initiated by the planning agency shall be referred to the planning agency, if there is one, for study and report and may not be acted upon by the governing body until it has received the recommendation of the planning agency . . . or until 60 days have elapsed from the date of reference of the amendment without a report by the planning agency.” Minn. Stat. § 462.357, subd. 4.

Plaintiffs argue that Wayzata was required to follow the procedural requirements of the MPA relating to the adoption and enforcement of zoning ordinances because the STR Ordinance is a zoning ordinance. Plaintiffs further argue that Wayzata’s failure to do so renders the STR Ordinance void. Wayzata argues that it was not required to follow the procedural requirements of the MPA because the STR Ordinance is not a zoning ordinance.

As already set forth above, this court finds that the STR Ordinance is a zoning ordinance under the two-part test outlined in *Dock*, by the Minnesota Supreme Court. Because the STR Ordinance is a zoning ordinance, the City of Wayzata was required to follow the procedural

requirements specified in the MPA for enacting a zoning ordinance. Since Wayzata did not follow these procedural requirements, the STR Ordinance as amended is void.

**4. Plaintiffs' claim for declaratory judgment as to nonconforming uses is denied because the claim is not ripe for adjudication**

Plaintiffs argue that they used their properties as short term rentals for rentals less than 30 days at the time Wayzata adopted the STR Ordinance. Plaintiffs seek declaratory judgment declaring that they may therefore continue to use and maintain their properties as short term rentals for terms less than 30 days because these properties are legal nonconforming uses and structures under the MPA. Wayzata argues that its zoning ordinance already recognizes the right of nonconformities to continue, so the STR Ordinance need not contain any other specific provision permitting Plaintiffs to continue to use their properties as short term rentals.

The MPA recognizes that legal nonconforming uses existing prior to adoption of an additional zoning control and prohibited thereafter may be continued unless certain exceptions are met:

Except as otherwise provided by law, any nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an additional control under this chapter, may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion, unless:

- (1) the nonconformity or occupancy is discontinued for a period of more than one year; or
- (2) any nonconforming use is destroyed by fire or other peril to the extent of greater than 50 percent of its estimated market value . . . and no building permit has been applied for within 180 days of when the property is damaged.

Minn. Stat. § 462.357, subd. 1e(a)(1)-(2). Wayzata's zoning ordinance similarly recognizes the right of nonconforming uses. *See* Wayzata, Minn., Code, § 915.

As discussed above, this court has found that the STR Ordinance is functionally a zoning ordinance. Because it is functionally a zoning ordinance, Wayzata was obligated to follow the

procedural requirements for enacting or amending a zoning ordinance set forth in the MPA. Wayzata did not follow those procedural requirements, and therefore the STR Ordinance is void.

“[L]ike every other action, a declaratory judgment action must present an actual, justiciable controversy.” *McCaughtry v. City of Red Wing*, 808 N.W.2d 331, 337 (Minn. 2011). “Ripeness is a justiciability doctrine designed to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative policies . . .” *Leindecker v. Asian Women United of Minnesota*, 731 N.W.2d 836, 841 (Minn. Ct. App. 2007). “Issues which have no existence other than in the realm of future possibility are purely hypothetical and are not justiciable.” *Lee v. Delmont*, 228 Minn. 101, 110, 36 N.W.2d 530, 537 (Minn. 1949). Since the STR Ordinance is void, the issue of Plaintiffs’ nonconforming uses is not ripe for adjudication and does not present a justiciable controversy. Accordingly, Plaintiffs’ Motion for Partial Judgment on the Pleadings regarding their claim for declaratory judgment on the issue of nonconforming uses is **DENIED**.

##### **5. The court does not reach the takings issue**

Similarly, Plaintiffs argue that should the STR Ordinance be applied and enforced, the STR Ordinance would be a taking of Plaintiffs’ property requiring just compensation. Wayzata argues that applying and enforcing the STR Ordinance would not be a constitutional taking. Because the STR Ordinance is void, Plaintiffs are permitted to continue operating their properties as short term rental properties under existing ordinances. Consequently, there is no taking and the court need not address any issues related to a potential taking of the Plaintiffs’ properties.

**JRK**