

UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

Northland Management & Construction, LLC v. City of Parkville

No. 25-2239 · No. No. 25-2239 · Decided August 3, 2026

SUMMARY

The Eighth Circuit affirmed judgment for Northland Management & Construction, LLC on Missouri state-law inverse condemnation and class-of-one equal protection claims arising from the City of Parkville’s refusal to issue a final certificate of occupancy for a developed lot. The court held that the City’s application of a grading-permit requirement was unreasonable and that Northland was treated differently from a similarly situated property owner without a rational basis. The court reversed the damages awards and remanded for recalculation because the City later issued the certificate of occupancy, making the original damages methodology inconsistent with the duration of the alleged harm.

CASE DETAILS

COURT	United States Court of Appeals for the Eighth Circuit
WRITING FOR THE COURT	KELLY, Circuit Judge; SHEPHERD, Circuit Judge; STRAS, Circuit Judge
JURISDICTION	Federal
DECIDED	August 3, 2026
DOCKET	No. 25-2239
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal by the City of Parkville from a bench-trial judgment for Northland on Missouri inverse condemnation and class-of-one equal protection claims, including an order requiring the City to issue a final certificate of occupancy and awards of damages.
STANDARD OF REVIEW	Following a bench trial, legal conclusions are reviewed de novo and factual findings are reviewed for clear error. The amount of a damages award is reviewed for clear error, while the method of calculating damages is reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	City of Parkville v. Northland Management & Construction, LLC

TOPICS

eminent domain municipal

municipal law

equal protection

damages

appellate procedure

PRACTICE AREAS

municipal law

real estate

construction law

constitutional law

civil rights

remedies

QUESTIONS PRESENTED

1. Whether the City's application of Parkville Municipal Code Section 520 and refusal to issue a final certificate of occupancy supported Northland's Missouri state-law inverse condemnation claim based on nuisance.
2. Whether the City violated equal protection by intentionally treating Northland differently from a similarly situated property owner without a rational basis.
3. Whether the district court used a proper method to calculate inverse condemnation and equal protection damages after ordering the City to issue the final certificate of occupancy.

HOLDINGS

1. The district court did not clearly err in entering judgment for Northland on its Missouri inverse condemnation claim because the City's continued application of Section 520 after recognizing that Lot 9's grading complied with the approved plat and accepted practice was unreasonable, and the City's refusal to issue the final certificate of occupancy because of that requirement caused Northland's damages.
2. Northland established a class-of-one equal protection violation because the City intentionally treated Northland differently from similarly situated property owner Stephen Melton and lacked a rational relationship between that differential treatment and any legitimate governmental purpose.
3. The district court's damages method was improper because it awarded the difference in Lot 9's value with and without a final certificate of occupancy while also ordering the City to issue the certificate, thereby failing to account for the temporary duration of the harm and potentially compensating Northland twice.

KEY QUOTATIONS

"The elements of an inverse condemnation action based on nuisance are (1) notice, (2) an unreasonable operation in spite of that notice, (3) injury, (4) damage, and (5) causation." (at 5)

"A class-of-one plaintiff must therefore provide a specific and detailed account of the nature of the preferred treatment of the favored class, especially when the state actors exercise broad discretion to balance a number of legitimate considerations." (at 7)

"Missouri law requires inverse damages calculations to be consistent with the duration of the harm." (at 8)

FACTUAL BACKGROUND

Northland owned and developed Lot 9 in a Parkville subdivision whose approved Sixth Plat contemplated grading the lot to its southern property line. During construction, Northland altered the lot's drainage system,

filled an existing swale, installed a culvert at the wrong elevation, and placed a replacement swale downhill from the culvert, causing stormwater runoff to be shared with neighboring Lot 3. The City required Northland to obtain a grading permit under Parkville Municipal Code Section 520 and ultimately refused to issue a final certificate of occupancy, although the approved plat exempted grading that was part of an approved subdivision development. The City had allowed a similarly situated property owner, Stephen Melton, to make comparable swale alterations without requiring a Section 520 permit.

PROCEDURAL HISTORY

Northland sued the City after the City refused to issue a final certificate of occupancy for Lot 9. Before trial, the district court granted the City summary judgment on Northland's procedural due process claim and on the federal-law portion of its inverse condemnation claim. After a bench trial, the district court entered judgment for Northland on its Missouri inverse condemnation and equal protection claims, ordered the City to issue the certificate of occupancy, and awarded damages. The Eighth Circuit affirmed the liability judgment but reversed the damages awards and remanded for recalculation.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Recalculate the damages awards on the inverse condemnation and equal protection claims to account for the City's issuance of the final certificate of occupancy and the temporary duration of any diminution in value.

CASES CITED

- PHL Variable Insurance Co. v. 2008 Christa Joseph Irrevocable Trust ex rel. BNC National Bank, 782 F.3d 976, 979 (8th Cir. 2015)
- Urban Hotel Development Co. v. President Development Group, L.C., 535 F.3d 874, 879 (8th Cir. 2008)
- Roemmich v. Eagle Eye Development, LLC, 526 F.3d 343, 353 (8th Cir. 2008)
- Byrom v. Little Blue Valley Sewer District, 16 S.W.3d 573, 577 (Mo. 2000)
- Heins Implement Co. v. Highway & Transportation Commission, 859 S.W.2d 681, 689, 693 (Mo. banc 1993)
- Southers v. City of Farmington, 263 S.W.3d 603, 612–13 (Mo. banc 2008)
- County of Scotland v. Missouri Public Entity Risk Management Fund, 537 S.W.3d 358, 364–68 (Mo. Ct. App. 2017)
- Miller v. City of Wentzville, 371 S.W.3d 54, 57–61 (Mo. Ct. App. 2012)
- Mensie v. City of Little Rock, 917 F.3d 685, 692 (8th Cir. 2019)
- Village of Willowbrook v. Olech, 528 U.S. 562, 564 (2000) (per curiam)
- Burns v. City of Des Peres, 534 F.2d 103, 108 (8th Cir. 1976)
- Nolan v. Thompson, 521 F.3d 983, 990 (8th Cir. 2008)
- Robbins v. Becker, 794 F.3d 988, 996 (8th Cir. 2015)
- Domina v. Van Pelt, 235 F.3d 1091, 1099 (8th Cir. 2000)

- Pro-Eco, Inc. v. Board of Commissioners of Jay County, 57 F.3d 505, 515 (7th Cir. 1995)
- Yick Wo v. Hopkins, 118 U.S. 356, 373–74 (1886)
- ASARCO, LLC v. Union Pacific Railroad Co., 762 F.3d 744, 753 (8th Cir. 2014)
- Knowlton v. Anheuser-Busch Companies Pension Plan, 849 F.3d 422, 430 n.7 (8th Cir. 2017)

OPINION

Northland Management & Construction, LLC v. City of Parkville

PER CURIAM.

United States Court of Appeals For the Eighth Circuit _____ No. 25-2239 _____ Northland Management & Construction, LLC Plaintiff - Appellee v. City of Parkville Defendant - Appellant _____ Appeal from United States District Court for the Western District of Missouri - St. Joseph _____ Submitted: January 13, 2026 Filed: August 3, 2026 _____ Before SHEPHERD, KELLY, and STRAS, Circuit Judges. _____ KELLY, Circuit Judge. The City of Parkville, Missouri (the City) denied Northland Management & Construction, LLC (Northland) a final Certificate of Occupancy (CO) for Lot 9, one of four lots it owned and developed in a Parkville subdivision. Northland sued the City, seeking a CO for Lot 9 and damages that accumulated while it could not sell the developed lot for full value. After a bench trial, the district court ruled in favor of Northland,¹ ordered the City to issue a CO, and awarded damages. We affirm the judgment but remand for recalculation of damages. I. In 2015, the City approved the Sixth Plat 2 of a subdivision in Parkville, Missouri. Lot 9 is located in the Sixth Plat on the same street as three other lots Northland owns and developed. When Northland purchased Lot 9, there was a swale³ that carried stormwater to a detention basin, and the swale was located entirely on Lot 9. The Sixth Plat, however, did not include a swale across Lot 9. Rather, it contemplated grading Lot 9 at a continuous slope all the way to its southern property line, which it shares with Lot 3. Lot 3 is not in the Sixth Plat. Northland began construction of the home on Lot 9 in the fall of 2020, but the lot's soil composition and steep backyard slope caused problems. Unlike Northland's other three lots in the Sixth Plat, Lot 9 was composed almost entirely of fill dirt. Northland first tried to build a retaining wall uphill from the existing swale. When that failed, Northland graded Lot 9 to its southern property line and installed

¹ The claims the district court resolved before trial in the City's favor are not before us on appeal.

² The Sixth Plat is a section of the larger subdivision, but it also refers to a multi-page plan entitled "Cider Mill Ridge Sixth Plat: Site Disturbance Plans, Street Plans, and Storm Sewer Improvements." The Sixth Plat was approved by the City and contains plans for the utilities layout, grading, erosion and sediment control, and street profile, among others. See also Plat, Black's Law Dictionary (12th ed. 2024) ("A map or plan of delineated or partitioned ground; esp., a map describing a piece of land and its features, such as boundaries, lots, roads, and easements[.]").

³ A swale is "a low-lying or depressed and often wet stretch of land[.]" used here to convey water along a residential lot line to a detention basin. Swale, Merriam-Webster.com,

<https://www.merriam-webster.com/dictionary/swale> (last visited July 24, 2026). -2- piers underneath the rear of the home on Lot 9 to stabilize it. In the process of grading the lot, Northland filled in the existing swale. In the fall of 2021, the City told Northland that it could not grade into the swale on Lot 9, nor could it fill the swale due to erosion and water flow concerns. On December 9, 2021, representatives of the City and Northland met at Lot 9, and the City proposed three options to resolve the concerns. Northland chose to install a culvert and an accompanying swale, but it did so at the wrong elevation—which prevented the culvert from reaching full capacity during heavy rain. Northland also failed to install a new swale on top of the culvert, as directed, and instead placed the new swale downhill from the culvert, toward the southern property line shared with Lot 3. As a result of the new swale’s placement, stormwater runoff was shared between Lot 9 and Lot 3, rather than running across only Lot 9 as it did prior to construction. As water diverted to Lot 3, the City began to receive complaints. In August 2022, the City asked Northland to seek, or “pull,” a grading permit pursuant to City of Parkville Municipal Code Section 520. Section 520 states: Section 520.010 Permit Requirement. A. Except as provided in Section 520.020, no person shall, without first obtaining a grading permit for such work from the Building Official, alter or cause to be altered the present surface of the ground. Section 520.030 Exceptions. A. A grading permit is not required for the following:

1. Where grading is a part of an approved subdivision development

for which street and utility plans have been approved. Parkville, Mo. Ord. No. 1206 §§ 1, 3, 2-5-1990. The City claimed that Northland had graded Lot 9 to the property line it shared with Lot 3, thus triggering the permit requirement under Section 520. Northland refused to do so, because it believed Lot 9 was not subject to Section 520’s permitting requirement. -3- In November 2022, the City inspected Lot 9 and noted the following deficiency requiring action by Northland: “Repair grade at the rear of the property per Section 520 Parkville Municipal Code (public works approval).” On December 19, 2022, the City issued a temporary CO that again identified “Section 520” work as incomplete. The City ultimately refused to issue a final CO. This litigation followed. Following a bench trial, the district court ruled in favor of Northland on its equal protection and state law inverse condemnation claims, and it compelled the City to issue the CO for Lot 9.4 The City appeals. II. “Following a bench trial, we review the district court’s legal conclusions de novo and its factual findings for clear error.” *PHL Variable Ins. Co. v. 2008 Christa Joseph Irrevocable Tr. ex rel. BNC Nat. Bank*, 782 F.3d 976, 979 (8th Cir. 2015) (citing *Urb. Hotel Dev. Co. v. President Dev. Grp., L.C.*, 535 F.3d 874, 879 (8th Cir. 2008)). “Under the clearly erroneous standard, ‘we will overturn a factual finding only if it is not supported by substantial evidence in the record, if it is based on an erroneous view of the law, or if we are left with the definite and firm conviction that an error was made.’” *Urb. Hotel*, 535 F.3d at 879 (quoting *Roemmich v. Eagle Eye Dev., LLC*, 526 F.3d 343, 353 (8th Cir. 2008)). “There is a strong presumption that 4 Northland brought five counts in its Complaint: Count I – Regulatory Taking; Count II – Procedural Due Process; Count III – Equal Protection; Count IV – Inverse Condemnation (in the Alternative to

Count I); and Count V – Mandamus and Declaratory Judgment. Prior to trial, the district court entered summary judgment to the City on Northland’s procedural due process (Count II) and inverse condemnation claims (Count IV), but only to the extent that Northland’s inverse condemnation claim rested on federal law. Thus, at trial the court considered Count I, Count III, Count IV (Missouri state law), and Count V. On appeal, the City challenges the district court’s entry of judgment in favor of Northland on its inverse condemnation and equal protection claims. -4- the factual findings are correct.” Urb. Hotel, 535 F.3d at 879 (citing *Am. Fed’n of State, Cnty. & Mun. Emps. v. City of Benton*, 513 F.3d 874, 883 (8th Cir. 2008)).

III. A. First, the City challenges the district court’s findings that support its decision to grant judgment to Northland on its Missouri state law inverse condemnation claim. 5 In Missouri, “when private property is damaged by a nuisance operated by an entity having the power of eminent domain, the proper remedy is an action in inverse condemnation.” *Byrom v. Little Blue Valley Sewer Dist.*, 16 S.W.3d 573, 577 (Mo. 2000) (emphasis omitted) (quoting *Heins Implement Co. v. Highway & Transp. Comm’n*, 859 S.W.2d 681, 693 (Mo. banc 1993), abrogated on other grounds by *Southers v. City of Farmington*, 263 S.W.3d 603, 612–13 (Mo. banc 2008)). No formal exercise of the power of eminent domain is required to sustain a claim for inverse condemnation. *Cnty. of Scotland v. Mo. Pub. Entity Risk Mgmt. Fund*, 537 S.W.3d 358, 364–65 (Mo. Ct. App. 2017). Rather, “the ordinary and natural meaning of ‘inverse condemnation’ includes claims based on regulatory takings resulting from the unreasonable or arbitrary enforcement of land use regulations.” *Id.* at 366. “Inverse condemnation is the exclusive remedy when private property is taken or damaged without compensation as a result of a nuisance operated by an entity that has the power of eminent domain.” *Miller v. City of Wentzville*, 371 S.W.3d 54, 57 (Mo. Ct. App. 2012). “The elements of an inverse condemnation action based on nuisance are (1) notice, (2) an unreasonable operation in spite of that notice, (3) injury, (4) damage, and (5) causation.” *Id.* On appeal, the City does not challenge

5 The district court granted judgment for the City on Count I, Northland’s regulatory taking claim, which is not before us. -5- notice, injury, or damage. Rather, the City argues that the application of Section 520 to Lot 9 was not a nuisance and did not cause Northland’s damages. The district court found that “Northland graded Lot 9 consistent with the city- approved platting documents and consistent with the accepted practice for swales.” This finding was not clearly erroneous. At trial, the City’s Public Works Director testified that the stormwater drainage study for the Sixth Plat contemplated grading Lot 9 completely to the property line, as Northland did here. Moreover, the Director testified that it is a “generally-accepted practice” for stormwater to “be carried along the property lines and shared 50/50” between two lots, which was the case after Northland completed its construction. The district court also found that Lot 9 is a portion of the Sixth Plat, which in turn is part of a larger subdivision. And because Northland’s grading accorded with the Sixth Plat, a permit was not required under Section 520’s exception for “grading [that] is a part of an approved subdivision development[.]” *Parkville, Mo. Ord. No. 1206 § 3, 2-5-1990*. On these facts, it was

not clearly erroneous for the district court to find the City's application of Section 520 unreasonable once the City understood that Lot 9's grading complied with the Sixth Plat and accepted practice. See *Miller*, 371 S.W.3d at 61 ("[I]t is the failure to correct or discontinue an unreasonable use after notice that gives rise to a nuisance."); *Cnty. of Scotland*, 537 S.W.3d at 366–

68. Furthermore, the City's expressed rationale for denying a final CO was Section 520's permit requirement. This satisfies the causation standard for an inverse condemnation claim predicated on nuisance. See *Miller*, 371 S.W.3d at 58 (noting "the 'but for' causation test applies" to inverse causation claims). The district court did not clearly err in its findings to support judgment in favor of Northland on its inverse condemnation claim. B. Next, the City challenges the grant of judgment to Northland on its class-of-one equal protection claim. "[T]he Supreme Court's 'cases have recognized -6- successful equal protection claims brought by a 'class of one,' where the plaintiff alleges that [it] has been intentionally treated differently from others similarly situated and that there is no rational basis for the difference in treatment.'" *Mensie v. City of Little Rock*, 917 F.3d 685, 692 (8th Cir. 2019) (quoting *Vill. of Willowbrook v. Olech*, 528 U.S. 562, 564 (2000) (per curiam)). In the zoning or municipal ordinance context, courts reviewing a class-of-one discrimination claim may not reverse a municipality's decision "merely because a contrary result may be permissible." *Id.* (quoting *Burns v. City of Des Peres*, 534 F.2d 103, 108 (8th Cir. 1976)). Rather, courts may only "ascertain whether there has been a transgression upon the property owner's constitutional rights." *Id.* (quoting *Burns*, 534 F.2d at 108). "A class-of-one plaintiff must therefore provide a specific and detailed account of the nature of the preferred treatment of the favored class, especially when the state actors exercise broad discretion to balance a number of legitimate considerations." *Id.* (quoting *Nolan v. Thompson*, 521 F.3d 983, 990 (8th Cir. 2008)). The "threshold inquiry" in this type of claim is whether the claimant is "similarly situated to others who allegedly received preferential treatment." *Robbins v. Becker*, 794 F.3d 988, 996 (8th Cir. 2015) (quoting *Domina v. Van Pelt*, 235 F.3d 1091, 1099 (8th Cir. 2000)). The district court found that Stephen Melton, a property owner on the same street as Lot 9, was similarly situated to Northland and received preferential treatment.⁶ At trial, the subdivision's original developer testified that he gave Melton permission to make changes to the swale in his back yard, or to "push water" off his property line. The City did not require Melton to get a Section 520 permit before or after he made these alterations. But the City expressly declined to issue a final CO to Northland because Lot 9 did not comply with Section 520. Accordingly, the court found the City intentionally treated Northland differently than Melton. These 6 We do not consider the district court's alternative findings on this prong of the threshold inquiry. -7- findings are supported by the record, and the City has failed to establish how they are otherwise clearly erroneous. The district court also concluded that the record showed no rational basis for the City's actions. It found Northland graded Lot 9 consistent with both the Sixth Plat and the accepted practice where water runoff is shared between abutting properties. The court additionally found

that Northland's grading and swale placement did not constitute a nuisance because it did not amount to an unreasonable interference with the flow of surface waters. See *Heins Implement Co.*, 859 S.W.2d at 689 (under Missouri law, a property owner "'incurs liability when his harmful interference with the flow of surface waters is unreasonable.' Reasonableness is a question of fact, to be determined in each case by weighing the gravity of the harm to the plaintiff against the utility of the defendant's conduct." (citation omitted)). And given these facts, we agree with the district court's determination that the City's offered justifications for its actions do not bear a rational relationship to any legitimate governmental purpose. See *Pro-Eco, Inc. v. Bd. of Comm'rs of Jay Cnty.*, 57 F.3d 505, 515 (7th Cir. 1995) ("An ordinance generally applicable on its face but enforced for no legitimate reason against only an individual . . . may violate the Equal Protection Clause." (citing *Yick Wo v. Hopkins*, 118 U.S. 356, 373–74 (1886))). We decline the City's invitation to speculate on its behalf as to possible reasonable bases for its actions. Cf. *ASARCO, LLC v. Union Pac. R.R. Co.*, 762 F.3d 744, 753 (8th Cir. 2014). C. We turn now to the question of damages. We review the amount of a damages award for clear error, but we review de novo the method of calculating damages. See *Knowlton v. Anheuser-Busch Cos. Pension Plan*, 849 F.3d 422, 430 n.7 (8th Cir. 2017). On Northland's inverse condemnation claim, the district court determined that the measure of the damages was "equal to the decrease in the fair market value of -8- Lot 9 caused by the refusal to issue a Final Certificate of Occupancy." The court calculated these damages as the difference between Lot 9's value with and without a final CO. Notably, however, the court also ordered the City to issue a final CO, and the City subsequently complied. Under Missouri law, "if the public entity only temporarily damaged the property rights of plaintiff . . . the proper measure [of damages] is the diminution in value of the use of occupancy of the property for the period taken or damaged. Usually, this value is equivalent to the rent that probably could have been obtained for such period." *Byrom*, 16 S.W.3d at 577 (citation modified). Put another way, Missouri law requires inverse damages calculations to be consistent with the duration of the harm. See *id.* The district court's method for calculating inverse condemnation damages was not based on the period during which Lot 9's value was diminished. Instead, the court calculated damages based on the value of the withheld final CO, but also ordered the City to issue a final CO. Once the City did so, Northland was effectively compensated twice. Therefore, we reverse the district court's damages awards on Northland's inverse condemnation and equal protection claims and remand for recalculation of damages to take the City's issuance of the final CO into account. IV. We affirm the district court's judgment in favor of Northland on its inverse condemnation and equal protection claims, but reverse and remand for recalculation of damages.⁷ _____ ⁷ We deny the City's motion to strike, as the materials it seeks to strike were presented at trial and are thus part of the record. -9-

