

## **Eureka Commercial Task Force Minutes from Wednesday, October 9, 2002**

The task force met from 7:00 to 9:10 pm at the University of Minnesota. Present: Ken DeMaster, Mike Greco, Chris Nielsen, Bob Papke, Clyde Thompson. Absent: Mark Malecha, Bob Ruddle.

1. Guest speaker Dr. Richard Bolan, professor emeritus of planning and public affairs at the University of Minnesota's Humphrey Institute of Public Affairs, spoke to the group. The following is a summary of his presentation:

Dr. Bolan shared some of the background information he gathered to prepare for the meeting. This included some 2000 U.S. Census data about Eureka and surrounding communities, as well as a series of maps. Below is a list of the maps, as well as Bolan's initial explanation of the significance of each. He expanded on these ideas later in the presentation. (Note: a copy of the maps is in the Commercial Task Force library—contact Bob Papke to view them. Another copy will be posted soon on the Eureka Township website.)

- Eureka Soils Conducive to Building Construction: Shows severe constraints over most of the township, suggesting unstable subsoil conditions (generally clay or sand). This might place limitations on the types or size of buildings, or require special foundations to provide stability.
- Eureka Hydrographic Soils Groups: Shows that most of the township has class A or B soils, which indicates good infiltration, but that many areas have C or D soils, which indicates poor infiltration and/or seasonal wetland areas.
- Eureka Septic Tank Limitations: Shows severe constraints over most of the township, suggesting that the capacity of on-site gravity septic system use is limited in many areas (mound systems can usually overcome these limitations).
- Eureka Slopes: Shows most of the township is relatively flat, except for areas around Chub Lake and a few areas in the northwest corner of the township.
- Eureka Agricultural Priority (3 maps: Dakota County Farmland and Natural Areas Criteria, Tax Deferred Participation, and Soil and Lot Size Criteria): All three maps show that most of Eureka Township has high priority agricultural lands.
- Dakota County Hydrology: Shows that the northern three-fourths of Eureka is part of Vermillion watershed (map does not show Cannon River watershed), suggesting the need to consider proximity to waterways when planning land uses.
- Transportation and Sewer in I-35 South Corridor: Shows that the MUSA sewer interceptor lies just north of Eureka near Cedar Avenue, so sewer connection is physically accessible.
- Lakeville 2020 Land Use and Lakeville/Farmington MUSA Expansion: These two maps show that most of Lakeville is slated to be developed by 2020, except for east Lakeville which is designated permanent rural. The southern edge of Lakeville is zoned entirely industrial or light industrial.

We informed Dr. Bolan that the Airlake Industrial Park had been zoned industrial since the mid-1960s, so this was not a planned future use but a present use. He asked about the market for this type of development in the area, and suggested the type and amount of development in Airlake is a good clue to what is realistic for Eureka should it decide to allow development. When he learned the area had not developed that significantly or quickly, he concluded there is probably not a very strong market for this type of development in the area. He also noted the potential drawbacks of some types of industrial/light industrial uses that do occur in Airlake, specifically warehouses and trucking, which introduce lots of traffic but do not provide much employment or tax revenue, and cinder-block or steel pole-shed buildings, which also do not provide much tax revenue.

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At a follow-up meeting, Ken DeMaster suggested that this characterization of development in Airlake Industrial Park was somewhat misleading. Although the park has existed since the mid-1960s, he noted that development there was limited from the 1960s through the early 1980s due to legal issues concerning land ownership. Since then, development has occurred more rapidly, with fairly significant growth during the last five years.

There are many other types of commercial-industrial development to consider—including light manufacturing, industrial parks, shopping malls, office parks, and strip malls—and the best type of development includes an array of uses because it provides best mix of jobs and property tax revenue.

Proximity to I-35 and the presence of an airport both suggest that the northwest corner of Eureka is well-suited to commercial-industrial development from a transportation perspective. However, historically the southern I-35 corridor has not developed nearly as quickly or densely as many of the other major interstate corridors in the Twin Cities metropolitan area. Also, the ready availability of commercial-industrial sites in Lakeville reduces the potential for Eureka.

Agriculture must be considered a form of commercial development, and Dakota County is well-known as having some of the highest quality farmland in the state, as the maps of Eureka ag priority suggest. However, like any commercial enterprise, farming must be viable. If you leave farming to the market, it will not be viable. Instead, farming must be a public policy decision. So is staying agricultural realistic for Eureka? If Met Council has designated Eureka "permanent agricultural," if Dakota County supports this vision, and if Eureka is willing to do what is necessary to preserve it, then agriculture is still possible. However, shouldn't preserve agricultural land at any cost if the land is not productive.

European countries heavily subsidize farming, but also a movement to sustainable rural development by incorporating tourism and other forms of commercial development that allow agricultural enterprises to be economically viable. Perhaps this suggests that when planning, one should keep farming as a priority but look for other ways to help supplement agricultural uses without introducing inconsistent uses.

In general, exclusive 1:40 zoning is not good public policy unless the land is actually being farmed or people are good stewards of the land. This is particularly true of the residential development that has recently occurred in Eureka—larger homes on large lots, mostly owned by professionals who may or may not use the land for hobby farming. Such development often does not promote good stewardship because people are not able to properly manage 40 acres. It also does not promote preservation of the land for future agricultural uses because when the original owners sell the house, the land is often sold off in smaller parcels.

One thing that's important for whatever future Eureka chooses is creating a cohesive community. This is best accomplished through a town center with mixed-use (residential and commercial/retail) development, which can create a sense of place and community by bringing people together. A town center model with smaller lots also provides living options for people who want to "live in the country" but who don't want to be responsible for 40 acres. Examples of successful town centers include Lino Lakes, St. Louis Park, Shorewood, and Chanhassen. In Eureka, Bolan thinks northwest corner of township or the intersection of Dodd and 250th are the most attractive places for a town center because of transportation access.

Q: Might transfer of development rights (TDR) be used to allow farmers to transfer development rights to the town center? This approach is worth considering because it allows farmers to get some equity from their land while still preserving its agricultural use for the future.

Q: How can the township transition from 1:40 to something else? The town center area could be developed densely (cluster zoning with half-acre or smaller lots), while the rest of the township could remain 1:40.

Q: Would more dense zoning necessitate a township planner or engineer, or could the township get by with consultants? Consulting firms might be able to get you started, but at some point permanent staff would be necessary.

The Met Council 2020 predictions for 1000 households in Eureka by 2020 seems extremely low given the growth rate predicted for surrounding communities. The Met Council has never been particularly good at controlling growth or sprawl, and this is not surprising given the degree to which they are

influenced by the building associations. The Met Council's permanent agricultural designation for Eureka may not mean much in the long run if growth pressures increase.

Q: How can the township know whether commercial development will be economically viable? How much development is necessary to make commercial pay off? The Met Council can provide some data concerning the minimum number of units to justify sewer, roads, etc. Must also consider the cost of services—fire, police, schools, road maintenance, etc. Roughly 600 to 1,000 acres could be sufficient, although this is only a ballpark figure.

Before taking any steps toward commercial, the township needs a subdivision code. This allows the community to impose restrictions on subdivisions, including what infrastructure or services the developer or builder is required to supply. Also need a zoning code, and may want to create more detailed building code. Bolan has just helped compile a report on growth management tools for the Met Council that he will e-mail to Mike.

Q: Is developing along the northern edge of the township more likely to encourage annexation by Lakeville or discourage it? Development is more likely to encourage it. Once the area is developed, the people living there will generally believe that services would be better if they were annexed, so they would most likely be the ones to initiate it. Once they request annexation, if Lakeville agrees, orderly annexation proceedings begin.

Q: Won't commercial development bring in more tax revenue than residential? It depends entirely on the nature of the commercial development that occurs. If it's mostly warehousing and trucking or cinder block buildings, then no, these will not increase revenue. If it's a high tech factory with lots of capital investment or a good-sized retail store, then yes, it will bring in more revenue. Lots of mistaken assumptions about commercial development and revenue. Commercial development requires more services (fire, police, etc.), and often communities don't consider this. Generally speaking, there is very little evidence that industry lowers a municipality's tax rate. Most people believe that lots of commercial-industrial development is necessary to support lots of residential development, but this is not always true either. Many communities have survived with residential and little commercial-industrial, especially if jobs and amenities are readily available in neighboring communities. In addition, the region's tax-sharing system means that a municipality only gets to keep 40% of the tax collected from commercial development, so there is much less payoff from commercial development than most people realize. Ultimately, if you decide to pursue commercial-industrial development, then tax revenue should only be one consideration and not the most important one—jobs, community stability, community attractiveness are all more important for the long-term prosperity of the township.

Many communities have found out the hard way that you can't have growth in commercial-industrial without having growth in residential because there is not a sufficient employee or consumer base to support them otherwise. If rely on other communities to supply these, then expect an increase in traffic and congestion. The best approach is balanced community development.

Something to consider before going down the road of more residential development is rising expectations. For example, people may be happy with a well and septic when they move in, but will want sewer and water later.

Q: Are we being premature in considering commercial-industrial development if Lakeville's Airlake Industrial Park is mainly attracting the kinds of development that do not pay off in terms of revenue. Do we risk becoming like Roseville or other inner-ring suburbs that developed successfully as hubs for warehousing and trucking in the 1960s, but were left with abandoned buildings and toxic industrial sites 20 or 30 years later when the major transportation corridors shifted elsewhere? There's always a risk that business will not remain. They must be viable to survive, and can't always predict that long-term.

Q: What are some examples of smaller communities that have successfully created a balance of commercial, industrial, and residential? Good examples are Owatonna, Marshall, and Alexandria.

Q: Any examples closer to the metro area urban fringe? Not many good examples on the urban edge. Perhaps these examples were successful because they were able to draw from surrounding areas.

Q: Is it realistic to think that commercial development in the northwest corner of Eureka can compete successfully with Lakeville or draw people from surrounding areas, particularly with the new Target only a few miles away on I-35? Perhaps not, especially if people in Eureka are already accustomed and willing to travel farther distances for groceries, retail shopping, etc.

2. Next meeting October 30 at 7:00 pm in the town hall. Agenda items: discuss our meeting with Dr. Bolan; sign up for research items.

Respectfully submitted,  
Mike Greco  
Recorder