

**Eureka Township Commercial Task Force  
Preliminary Report  
October 14, 2003**

**I. Task Force Charge from the Town Board**

“To study the desirability of, feasibility of, location of, and timeline for new commercial-industrial (C-I) development in the township.”

**II. Recommendations Regarding New C-I Development in Eureka**

**The Task Force does not recommend permitting new or additional commercial-industrial development in Eureka at this time.** Based on our work to date, the task force finds that there is no immediate need for new C-I development in Eureka beyond what is currently allowable under existing township ordinances. Specifically, we do not recommend creation of a commercial or industrial zone in Eureka at this time, nor do we recommend expanding the range of business types that are eligible for conditional use permits.

If new commercial opportunities are desired, we recommend the township attract and support diversified commercial-agricultural and commercial-horticultural businesses that are consistent with our current zoning ordinance. There are many types of agricultural and horticultural development that can allow commercial opportunities for farmers or other entrepreneurs and still preserve the rural-agricultural character of Eureka.

Finally, we recommend that the township’s existing zoning ordinance be clarified so it is clear what types of commercial-industrial enterprises are currently permitted as horticultural/agricultural conditional uses or as home occupations. Clarifying these parts of the ordinance will help clarify what types of new businesses are already able to develop in the township.

**III. Findings of Fact Regarding New C-I Development In Eureka**

**A. Feasibility of New C-I Development**

The township’s comprehensive plan states:

Commercial and industrial land uses are not well suited to a rural area like Eureka Township. The lack of water and sewer facilities, relatively small population, and already abundant commercial and industrial land in nearby Lakeville, Farmington, and Burnsville make Eureka Township an extremely unlikely place for any large scale commercial or industrial development in the near future. (p. 68)

During the course of our research and discussion, we have found nothing to contradict this statement. The rural and agricultural nature of the township, the lack of central infrastructure and services, the amount of vacant commercial and industrial land already available in neighboring communities, the lack of market demand for additional C-I development in this area, and the relatively small population in Eureka do not support additional commercial-industrial development at this time.

**B. Desirability of New Commercial-Industrial Development**

Although we do not recommend new commercial-industrial development in Eureka at this time, we would recommend the township consider the following principles before making any decision regarding such development in the future:

1. **The type and location of new commercial-industrial development should not substantially change the rural-agricultural character of the township or jeopardize existing agricultural enterprises in the township.** Eureka is currently zoned entirely as an agricultural district, and is designated an Agricultural Preserve Area by the Metropolitan Council. In addition, the township's Comprehensive Plan states that a goal of the township is to "preserve prime farmland" and "protect the economic viability of farming operations." New development should not jeopardize these goals.
2. **New commercial-industrial development should occur in a manner that allows the township to retain control over zoning and permitting.** From a legal standpoint, it can be difficult to control commercial-industrial development once such development is allowed. It is important that the method of permitting new commercial-industrial development allows the township to retain as much control as possible over the type, size, and location of such businesses.
3. **New commercial-industrial development should minimize the conflict between commercial-industrial uses and other land uses.** The type, size, and location of commercial-industrial development should not produce incompatible land uses adjacent to one another and should not conflict with existing residential and agricultural land uses in the township.
4. **New commercial-industrial development should serve the needs of Eureka Township residents.** Eureka should not become Lakeville's industrial park or a dumping ground for undesirable businesses that other communities do not want.
5. **New commercial-industrial development should be aesthetically pleasing.** Strict performance standards must be created and enforced for building exteriors, parking, landscaping, ingress/egress routes, signage, screening/buffering, etc.
6. **New commercial-industrial development must pay its own way.** Developers should be required to pay for all initial infrastructure (roads, septic/sewer, etc.) necessary for the development. Eureka citizens should not be asked to "subsidize" such development through increased taxes or special assessments.
7. **New commercial-industrial development must provide tax revenue to the township.** Many types of commercial-industrial development do not generate sufficient tax revenue to pay for the additional services, infrastructure upkeep, or other impacts they produce. If there is no clear financial benefit to the township from commercial-industrial development, then such development is not desirable.
8. **New commercial-industrial development should not have an adverse impact on the quality of life of Eureka residents.** In determining quality of life impacts, such things as traffic congestion, noise, light pollution, objectionable odors, health risks, and safety risks should be considered.
9. **New commercial-industrial development should not have an adverse impact on environmental quality.** In determining environmental quality impacts, such things as air pollution, water quality, and wildlife habitat should be considered.

### **C. Location and Method of Allowing New Commercial-Industrial Development**

Although we do not recommend new commercial-industrial development in Eureka at this time, we recommend that any such development in the future be permitted only in designated commercial, industrial, or mixed-use commercial-residential zones. These

zones should be located where they will have the least impact on existing residential and agricultural uses, the greatest access to major transportation corridors, and the least need for additional infrastructure.

The following are potential advantages and disadvantages our task force has identified to various methods of allowing new commercial-industrial development in Eureka in the future:

## **1. Creating a Commercial, Industrial, or Mixed-Use Commercial-Residential Zone**

### Advantages:

- Easier to localize adverse impacts of commercial-industrial development.
- Separates incompatible land uses (e.g., industrial and residential uses, high-traffic commercial and agricultural uses).
- Can use placement of commercial zone to provide a sense of community or create a community identity (e.g., a town center or main street area, an industrial park, an office or business park, a mall, etc.).

### Disadvantages:

- Unfairly rewards a handful of landowners (unless coupled with a transfer of development rights program).
- May segregate compatible land uses (for example, neighborhood commercial and residential uses—mixed-use zoning could eliminate this problem).

## **2. Expanding Categories for Allowable Conditional Use Permits (CUP)**

### Advantages:

- Does not unfairly reward certain landowners. Any parcel is eligible for a CUP.
- Does not require a zoning change. Township can remain an agricultural district.
- Township can establish regulatory conditions that are tailored to each individual business.

### Disadvantages:

- No control on location. Businesses locate where applicants apply for them.
- Hurts long-term planning efforts through patchwork location of businesses.
- May produce incompatible land uses adjacent to one another.
- May set a precedent for unwanted commercial-industrial development.
- No control on growth of businesses.

## **3. Expanding Types of Businesses Permitted by Right as Home Occupations**

### Advantages:

- Does not unfairly reward certain landowners. Any homeowner is eligible for a home occupation permit.
- Does not require a zoning change. Township can remain an agricultural district.
- Limits type and size of businesses in a legally defensible manner.

### Disadvantages:

- No control on location. Businesses locate where applicants apply for them.
- Hurts long-term planning efforts through patchwork location of businesses.

## 4. Granting Variances

### Disadvantages:

- Legally suspect. May be considered a form of illegal spot zoning by courts.
- No control on location. Businesses locate where applicants apply for them.
- Hurts long-term planning efforts through patchwork location of businesses.
- May set a precedent for unwanted commercial-industrial development.

## D. Timeline for New Commercial-Industrial Development

Although we do not recommend new commercial-industrial development in Eureka at this time, such development might become feasible and desirable in the future. We recommend that the town board convene another Commercial Task Force prior to the next update of the township's Comprehensive Plan, and direct the task force to reconsider the issue of new commercial-industrial development at that time.

## IV. Conclusion

For the foreseeable future, the Commercial Task Force does not recommend that new or additional commercial-industrial development be permitted in Eureka Township. Such development is neither feasible nor desirable given the rural-agricultural nature of the township, the lack of infrastructure and services, the amount of developable commercial-industrial land in neighboring communities, the lack of demand for additional C-I development in this area, and the small population of Eureka. We encourage the township to attract and promote agricultural and horticultural businesses that are consistent with Eureka's rural-agricultural character and zoning.

If the township chooses to allow new commercial-industrial development in Eureka in the future, we recommend applying the principles on pages 2 and 3 to any such development. We also recommend that such development be permitted only in designated commercial, industrial, or mixed-use commercial-residential zones, and that these zones be located where they will have the least impact on existing residential and agricultural land uses, the greatest access to transportation corridors, and the least need for additional infrastructure.

Many of the issues regarding new commercial-industrial development require additional research, a qualified consultant, or citizen input to be decided. Below are additional research items we would recommend the township consider before making a decision about new commercial-industrial development in the future. These issues may be most appropriate for a future Commercial Task Force to take up, but our task force is willing to continue researching any of these items if directed to do so by the town board.

- 1. Create an inventory of existing businesses in Eureka.** There are already many commercial-industrial establishments in the township. It is important to know the number and type of existing businesses before any decision is made to allow new commercial-industrial development in the future. The location of existing businesses might also dictate the most appropriate location of future commercial-industrial zones.
- 2. Revise and clarify the township's home occupation ordinance.** We believe the ordinance should allow small, part-time, owner-run and owner-operated businesses or "hobby" businesses to operate in permitted outbuildings or within the home. In addition, the ordinance needs to clarify whether storing equipment in an outbuilding disqualifies a business as a home occupation. Many neighboring communities have home occupation ordinances that can be used as models for Eureka Township.

- 3. Research opportunities for supporting and attracting diversified commercial-agriculture and commercial-horticulture businesses.** This might include timber harvesting or forestry, apiaries, truck farms, organic farms, community-supported agriculture, sod farms, specialty crops or livestock, nursery stock, greenhouses, vineyards and orchards, stables, fish farms, and golf courses. The township should investigate how to attract such businesses (or help existing farmers convert to them) through such things as tax incentives, development grants, and cooperative arrangements.
- 4. Commission a fiscal impact study of future development in Eureka Township that considers the regional context for growth.** Studies are increasingly calling into question the assumption that commercial-industrial development always has a positive economic benefit on a community. What is often ignored is the cost of development in terms of infrastructure and public services. We recommend the township commission a fiscal impact study to determine the costs of services and infrastructure versus the revenue generated by new industrial and commercial development before any such development is undertaken.
- 5. Hire a planner or planning consultant before any new commercial-industrial development is undertaken.** The township needs a long-term plan in place for the entire township before development pressures increase and before any changes to current zoning regulations are considered. We recommend hiring a professional planner or planning consultant with expertise in rural development to create a comprehensive zoning plan for agricultural, residential, commercial, industrial, and public land uses in Eureka.
- 6. Conduct a citizen survey on commercial-industrial development in Eureka.** We do not believe decisions regarding commercial-industrial development should be made by town board or planning commission members alone. Our elected officials need to hear what citizens would like this community to be. We recommend hiring a local survey research firm with expertise in community attitude surveys to conduct a survey in Eureka concerning commercial development and related issues.
- 7. Commission a regional market analysis of demand for C-I development.** Existing commercial-industrial development in Eureka and in neighboring communities affects the demand for new commercial-industrial development. Market demand will also determine what sorts of businesses the township can expect to attract to a commercial-industrial zone. A market analysis for the area should be conducted before any new commercial-industrial development is undertaken.

**Final List of Issues to Research Concerning  
Commercial Development in Eureka  
January 7, 2003**

**I. Planning Implications**

- a. Pre-planning/zoning provides greater control
  1. Is there such a thing as a "typical" or "normal" progression for commercial development? If so, what is it? What factors affect how commercial development progresses in a particular community?
  2. What are some examples of townships or cities that undertook commercial development and either lost control of it or successfully controlled it? What can we learn from these experiences?
  3. From both a legal and a planning perspective, is it better to zone selective parts of the township (i.e., just identify a small commercial zone) or is it better to essentially zone the entire township at once?
  4. What does "control" of commercial development mean? Controlling the *direction* or *type* of growth only, or controlling the *rate* of growth as well? Can this be achieved? If so, how?
  5. How much control is desirable? To what extent, and under what circumstances, should development be regulated or directed rather than "market-driven"?
  6. Can the township legally justify restricting commercial development to a small commercial zone? Can landowners in other areas of the township successfully challenge such limitations?
  7. Does the existence of nonconforming commercial businesses have any effect on the type of restrictions the township can legally place on future commercial development?
  
- b. Commercial zoning and its impact on annexation attempts
  1. What are the rules concerning annexation in Minnesota (including limits on how much can be annexed)?
  2. What typically drives annexation attempts?
  3. What can a township do to fight or discourage annexation attempts?
  4. Is zoning really a solution to annexation?
  5. What other options are available besides annexation (joint powers agreements, etc.)?
  6. What are the annexation threats to Eureka, real or perceived?
  7. What are the rules concerning incorporation?
  
- c. Compatibility issues (between ag, residential, and commercial)
  1. What's the appropriate balance or mix between commercial and residential?

2. To what extent are agricultural, commercial, residential, and industrial uses compatible or incompatible? How can incompatibility problems be overcome?
  3. What are the advantages and disadvantages of various commercial development patterns (traditional segregated use, mixed-use, commercial or industrial parks, strip malls, town centers/downtowns, scattered commercial, etc.)
- d. Potential for undesirable businesses
1. To what extent can undesirable businesses be controlled through permitting and zoning?
  2. What are examples of potentially "undesirable" businesses the township might consider restricting or prohibiting?

## **II. Economic Implications**

- a. Impact of commercial development on tax base
1. What is the township tax structure? To what extent does the township control the tax structure?
  2. What impact does commercial development have on the tax base?
  3. What percentage of commercial taxes does township get? How does this compare with residential? Agricultural? Industrial?
  4. What affects the mil rate at which a commercial enterprise is taxed (or are all taxed at the same mil rate)?
  5. What characteristics make a commercial enterprise more desirable for tax purposes?
  6. To what extent would commercial development affect residential or agricultural tax rates?
  7. With recent changes in the property tax code, what is the approximate dollar-for-dollar revenue vs. expenditures ratio for commercial, residential, and agricultural property?
- b. Impact of commercial development on property values
1. What types of commercial development tend to increase surrounding property values?
  2. What types of commercial development tend to decrease surrounding property values?
- c. Financing commercial development
1. What options are available for financing commercial development? What are advantages and disadvantages of each? (possible items include tax-increment financing, bonding issues, public purchase/development of land, etc.).

2. What grants opportunities are available for commercial development? (possibilities include Livable Communities Grants, foundation grants like Bremmer or McKnight, federal or state development grants, etc.)
- d. Impact of commercial development on infrastructure/service costs
1. What infrastructure costs can developers be expected to shoulder? What costs will be shouldered by township residents? [Examples: roads, bridges, sewer, gas, etc.]
  2. What options are available for long-term infrastructure maintenance?
  3. What options are available for long-term service costs (schools, fire, police, etc.)?
  4. What are the comparative costs for services for commercial, industrial, residential, and agricultural uses? How do these costs compare with the tax revenue generated by each type of use?
  5. What legal costs are involved in enforcing commercial standards and regulations?
  6. What other costs are involved in commercial development (e.g., planners, engineering studies, etc.)?

### **III. Social Implications**

- a. Effect on local availability of employment opportunities
1. In what industries or occupations are Eureka residents currently employed?
  2. How many Eureka residents currently work outside of the home?
  3. To what extent does commercial development provide for additional employment opportunities for residents?
  4. Would these employment opportunities provide a range of job types (skilled, unskilled, professional) and employment types (full-time, part-time, seasonal), as well as opportunities for employment at various income levels?
- b. Effect on commuting time, traffic, and congestion
1. In what communities do Eureka residents who work outside the home currently work?
  2. What is the breakdown of commuting times for Eureka residents?
  3. To what extent would employment opportunities in the township reduce the need for commuting to other communities?
  4. What types of commercial development would increase rush hour traffic congestion?
  5. What types of commercial development would increase daytime traffic congestion (that is, throughout the day)?
  6. What types of commercial development would have little effect on congestion?

7. What are the average "trips per day" for various types of businesses?
8. What is the typical number of employees for various types of businesses?

c. Convenience

1. What is the distance to the nearest location for typical services/retail needed by Eureka residents? (measure from town hall in four directions: to Northfield, to Elko/New Market, to Lakeville, and to Farmington)
2. Survey of residents: what type of commercial would it be most convenient to have in Eureka?

d. Effect on community image

1. What is "community image"? What is "blight"? How can each be measured or documented?
2. What types of business would have a positive or negative effect on community image in Eureka?
3. What types of architectural or construction standards are available to help ensure businesses contribute to positive community image (e.g., regulations or standards for signage, building type, outside storage, placement/setbacks, parking, screening, open space, etc.)?
4. How does the history of the township affect the elimination of current blight sources and/or limit attempts to control future blight?
5. To what extent are township residents willing to implement and enforce such architectural or construction standards? To what extent are business owners willing to agree to and abide by such standards?

e. Impact on sense of community or community character

1. What is community? How can it be measured or documented?
2. How does commercial development contribute to or detract from a sense of community?
3. What types of business would have a positive or negative effect on the sense of community in Eureka?
4. How would various placements of commercial development or commercial zones contribute to or detract from a sense of community?
5. How would various methods of development contribute to or detract from a sense of community (e.g., big-box development, main street development, office park, industrial park, mixed-use development, strip malls, home occupations, etc.)?
6. How would commercial development change the character of the township (i.e., rural vs. urban or suburban)?
7. What types of architectural or construction standards are available to help ensure businesses contribute positively to a sense of community?

8. To what extent are township residents willing to implement and enforce such architectural or construction standards? To what extent are business owners willing to agree to and abide by such standards?
9. Survey of residents: What does "community" mean to residents of Eureka? What do residents currently like or dislike about their community? What visions do residents have of what Eureka will be like 10 or 20 or 30 years from now?

#### **IV. Environmental Implications**

##### a. Potential for noise pollution

1. What is noise pollution?
2. What are the potential impacts of noise pollution on nearby residents and the township?
3. What are various methods of minimizing noise pollution, and how legally defensible are they?
4. What types of businesses are most likely to produce excessive levels of noise?

##### b. Potential for light pollution

1. What is light pollution?
2. What are the potential impacts of light pollution on nearby residents and the township?
3. What are various methods of minimizing light pollution, and how legally defensible are they?
4. What types of businesses are most likely to contribute to light pollution?

##### c. Impact on the natural environment

1. What are the potential threats to the natural environment posed by commercial development? [For example, air pollution, chemical spills, toxic fumes, etc.]
2. What types of commercial development are likely to pose a danger of environmental degradation?
3. What potential interactions between residential, commercial, and agricultural uses might contribute to the degradation of the environment?
4. What areas of the township are environmentally sensitive or particularly susceptible to environmental degradation?
5. How strict can environmental rules be, and how legally defensible are they? Can township rules be more restrictive than state or federal rules?
6. What rules, standards, or best practices encourage businesses to be good environmental citizens? How legally defensible are they?

7. To what extent are township residents willing to implement and enforce standards to protect the natural environment? To what extent are business owners willing to agree to and abide by such standards?
- d. Impact on water quality
    1. What are the potential threats to water quality posed by commercial development? [For example, runoff from impervious surfaces, chemical spills, etc.]
    2. What is the potential effect of each of these threats on the following: surface water quality, groundwater quality, erosion, drainage, and recharge capacity?
    3. What rules, standards, or best practices can be used to minimize or eliminate threats to water quality? How legally defensible are they?
    4. To what extent are township residents willing to implement and enforce water quality standards? To what extent are business owners willing to agree to and abide by such standards?
  - e. Impact of increased private wells/septic
    1. What is the long-term water supply capability of the known aquifers in Eureka?
    2. What areas of the township have soils at higher risk of groundwater contamination?
    3. From an engineering standpoint, what are the limitations to private well and septic in the township?
    4. What are the various alternatives to private well and septic systems, and what are their limitations?
  - f. Impact on wildlife and open space
    1. What types of commercial development are likely to pose a danger to wildlife?
    2. What potential interactions between residential, commercial, and agricultural uses might harm wildlife or reduce open space?
    3. What areas of the township have prime wildlife habitat or open space?
    4. What rules, standards, or best practices encourage businesses to respect wildlife or open space?
    5. To what extent are township residents willing to implement and enforce standards to protect wildlife and open space? To what extent are business owners willing to agree to and abide by such standards?

## **V. Infrastructure Implications**

- a. Infrastructure improvements paid for by developers become public property (bridges, sewers, roadways, etc.)

1. What is the potential long-term cost of maintaining infrastructure improvements that accompany commercial development?
  2. What options are available for paying for such maintenance?
  3. To what extent might maintenance costs "drive" development (i.e., more development is undertaken in order to generate more revenue to cover the maintenance costs)?
  4. What types of architectural or construction standards can be established concerning creation and siting of infrastructure improvements undertaken by developers? [Examples cited included bridges, roads, driveways, electrical lines, parking, ponding, culverts/drainage, and parks and open space.]
  5. To what extent are township residents willing to implement and enforce such architectural or construction standards? To what extent are developers willing to agree to and abide by such standards?
- b. Increase in size (through addition of paid staff) and cost of government
1. What staff (permanent or subcontracted) would additional commercial development entail? [Examples of potentially necessary staff include planner, city administrator, engineer, inspector, enforcement official, forester, and road maintenance crew]
  2. For each of these, what options are available for contracting out services or utilizing existing township or county staff rather than hiring new township staff?
  3. What township liability/insurance issues, if any, are involved with commercial development?
  4. What legal costs are involved with commercial development (e.g., legal consulting services to create ordinances/regulations, defending against lawsuits, enforcement costs, etc.)?
- c. Sewage capacity (Vermillion already at its limit and no clear alternatives) and water sources
1. What input does the township have in extending MUSA to Eureka to allow municipal sewer?
  2. What alternatives are available for accommodating sewage demands created by commercial development, and what are the inherent limitations to each system? [Examples cited included individual on-site septic, shared on-site septic, Eureka treatment plant, a shared treatment plant, and infiltration ponds]
  3. What alternatives are available for providing water, and what are the inherent limitations of each? [Examples cited included individual wells, shared wells, Eureka water plant, shared water plant, and water tower]
  4. To what extent might central water/sewer options "drive" development (i.e., more development is undertaken in order to generate more

revenue to cover the construction and maintenance costs, as is happening in Empire Township)?

- d. Infrastructure/utilities must precede development
  - 1. What sorts of utilities and infrastructure are necessary to attract desirable commercial development? [Examples included gas, electric, roads, sewer, water, and rail]
  - 2. What options are available for funding such infrastructure?
- e. Commercial provision for parking
  - 1. What are standard minimum parking requirements for various categories of commercial development?

## **VI. Other Issues to Research**

- a. Pros/cons of various styles of development (e.g., big-box, strip mall, mixed-use, office park, industrial park, town center, spot zoning, etc.)
- b. Pros/cons of various locations of commercial development in the township
- c. Various types of commercial enterprises and positives and negatives of each
- d. Definitions of terms relevant to commercial development
- e. Timeline for development
- f. Diversified agricultural or commercial-agricultural options
- g. List of existing commercial enterprises (nonconforming conditional use permit applications plus others)

## **VII. Unresearchable or Undecidable Issues** (these are issues the task force deems important considerations for any future commercial development in Eureka, but for which there is currently no concrete information or timeline available)

- a. Long-term Dakota County road plans (East-West Corridors, Cedar Ave. expansion, Pilot Knob expansion, etc.)
- b. Long-term metro transit expansion (Dan Patch commuter rail line, express bus service, I-35 expansion/interchanges, etc.)
- c. Airlake Airport expansion

- d. Elko/New Market sewer interceptor
- e. Farmington development along C.R. 50 and Denmark Ave
- f. Lakeville development along C.R. 70
- g. Future sewer capacity of Chub Lake, Vermillion, etc.