

Committee of the Whole

Meeting date: February 19, 2014

Subject: Release of Draft Local 2040 Forecasts for Public Comment

District(s), Member(s): ALL

Policy/Legal Reference: *Minnesota Statutes* 473.146 and 473.859

Staff Prepared/Presented: Libby Starling (602-1135), Todd Graham (602-1322), and Dennis Farmer (602-1552)

Division/Department: Community Development / Regional Policy and Research

Proposed Action

Discussion of Draft Local 2040 Forecasts for Public Comment

Background

The Metropolitan Council updates its 30-year regional and local forecasts of population, households and employment at least once a decade. Consistent with *Minnesota Statutes* 473.146 and 473.859, these regional and local forecasts provide a shared foundation for coordinated, comprehensive planning by the Council and local governments.

Regional Policy and Research released a preliminary regional forecast of population, households and employment to 2040 in the seven-county area on April 18, 2012 and an updated regional forecast on February 12, 2014.

On September 11, 2013, staff presented preliminary local forecasts of population, households and employment for 2040 to the Council. Over the next three months, Council staff held local workshops to discuss the preliminary forecasts and invited local governments to comment. (See page 3 for a summary of comments.)

Comments from local governments on the preliminary local forecasts exhibited a clear geographic pattern: many suburban edge communities and rural centers believed that local forecasts were too low, while many fully-developed suburbs expressed concern that local forecasts exceeded what land supply, planning and systems could accommodate.

Examining the issues raised, Council staff have made a number of adjustments to the Council's land use model and forecast methodology, including:

- Corrected data about residential land consumption rates, which reduced the forecasted growth in many developed suburbs;
- Incorporating revised regional forecasts that reduce the overall growth in households across the region;
- Revised development costs to include land values and increased costs of redevelopment;
- Stricter tracking of developed and available land;
- Stricter definition of maximum land use capacities to reflect growth constraints due to legacy land uses, wetlands and rural policies; and
- Consideration of recent platting activity to identify current growth areas, which increased forecasted growth in the suburban edge and emerging suburban edge.

These are systematic improvements to land use modeling logic, assumptions and data inputs. Council staff implemented these changes for both cities that

submitted comments and the entire region. We believe that the resulting forecasts better represent real estate supply and demand forces, and land supply constraints.

The overall effect of these adjustments is a rebalancing of growth between the suburban edge and older developed suburbs with capacity constraints. Still, these forecasts reinforce the Council's message: demographic changes are driving increased demand in the central cities and developed suburbs. On February 19, 2014, Council staff will outline how they have refined the Council's forecasting methodology.

With the February 19, 2014 Committee of the Whole meeting, the Council is publicly releasing the Draft Local Forecasts for Public Comment; the public comment draft of *Thrive MSP 2040* will also include these forecasts. During the *Thrive* comment period through April 28, Council staff will continue to discuss forecasts with local officials and will consider additional revisions. The Council will formally adopt revised and updated regional and local forecasts to 2040 with the adoption of *Thrive MSP 2040* in May.

The Council will next update regional and local forecasts in 2015 for the release of the Council's Systems Statements to local governments. At that time, local governments have the opportunity to comment on or appeal for local forecast adjustments.

Later in the decade, the Council will consider additional local forecast adjustments associated with local comprehensive planning updates.

Rationale

Consistent with *Minnesota Statutes* 473.146 and 473.859, the regional and local forecasts are intended as a statement of future expectations and reflect regional and local planning and policies.

Funding

The regional and local forecasts are a regular part of the Community Development workplan.

Known Support / Opposition

Council staff expect that many of the local governments that commented during September through December will find the draft local forecasts reasonable. However, some local jurisdictions will continue to express local aspirations for growth that exceed the Council's forecasts.

Summary of local government comments on preliminary local forecasts:

- 13 cities and townships indicated that household forecasts are much too high, and should be reduced by more than 20 percent: Crystal, Edina, Jackson Township, Mahtomedi, Mayer, Mounds View, New Hope, Oakdale, Shoreview, Sunfish Lake, Vadnais Heights, Watertown, White Bear Township.
- 14 cities and townships indicated that household forecasts are too high, and should be reduced by 5 to 20 percent: Bloomington, Burnsville, Champlin, Dellwood, Lauderdale, Long Lake, Minnetonka, Mound, North Oaks, Orono, Plymouth, Robbinsdale, Roseville, Wayzata.
- 8 cities indicated that household forecasts are too high – but did not indicate magnitude of difference: Afton, Eagan, Golden Valley, Hopkins, Lakeland, Mendota Heights, St. Louis Park, White Bear Lake.
- 8 cities and towns indicated that household forecasts are about right: Eden Prairie, Ham Lake, Inver Grove Heights, Medina, Minneapolis, St. Anthony, St. Paul, Spring Lake Township. While these agreed with the households forecast, some offered additional comments on population, employment, or other aspects.
- 3 cities indicate households forecasts are slightly low, needing adjustment by less than 5 percent: Chanhassen, Columbus, and Norwood Young America.
- 8 cities and townships indicated that household forecasts are too low, and should be increased by 5 to 20 percent: Belle Plaine Township, Camden Township, Chaska, Cottage Grove, Prior Lake, Shakopee, Victoria, Woodbury.
- 10 cities and townships indicated that household forecasts are much too low, and should be increased by more than 20 percent: Belle Plaine, Carver city, Corcoran, Dayton, Elko New Market, Empire Township, Hugo, Jordan, Rogers, Waconia.
- 6 cities indicated that household forecasts are too low – but did not indicate magnitude of difference: Apple Valley, Farmington, Minnetrista, Ramsey, Rosemount, St. Francis.
- 5 cities offered other comments, expressing *no opinion* on household forecasts: Lakeville, Lino Lakes, Maple Grove, Nininger Township, Oak Grove.
- 110 cities and townships did not comment to the Council.
- Carver County, Scott County and Washington County each indicated that households growth for their area, overall, is under-projected.