



COMPREHENSIVE PLAN KICKOFF

Presented by Dan Marckel and Dennis Farmer

Thursday, May 26, 2016

12:00 – 1:00 PM

Webinar Summary: Kicking off your comp plan starts with a clear understanding of the basics. We'll discuss the 10-year planning cycle and how regional and local planning efforts are integrated. The regional development guide, *Thrive MSP 2040*, sets policy direction and includes both growth forecasts and land use policies important to local comprehensive plans. Land use plans identify when and where that growth will likely happen, and allow communities to plan for infrastructure to support forecasted growth. Population, household, and employment forecasts identify growth expectations and are integrated throughout local plans. Your comprehensive plan basics start here.

QUESTIONS AND ANSWERS:

1. Are there any exceptions for submitting a comp plan update after 2018?

We have in the past provided an extension; it's a short extension if you are not able to submit your plan by the end of 2018. You have to be careful though if you have a grant from the planning assistance grant fund. The requirements in that grant contract will make you meet that deadline for funding purposes. But, yes, in the past we have allowed for some extension. I'm sure that we will accommodate that again this time, but we hope that you can all meet that deadline. If you're not going to meet that deadline, contact your Sector representative. Don't let it be a surprise. Let us know ahead of time.

2. Do we have to coordinate our forecast revisions with our neighboring communities?

For forecast revisions, no, not specifically. There is the adjacent community review that all comp plans have to undertake but we are not specifically going to be looking for any coordination with other neighboring communities on the forecast changes.

3. Can we see the current population and employment in our TAZs?

Yes, in the shapefile that we have on Minnesota Geospatial Commons. That provides household, population, and employment for 2010. We've just recently updated those to 2014, if you want to see where those TAZs are at right now. Those are estimates so they are based on observed data. You can get those. We will be trying to update those in the intervening years. So we will have more recent data than 2014 in that shapefile by the time you begin the comprehensive plan update process.

4. What if we share a TAZ with another City? What do we provide in the table, the total or just our City?

Some of the TAZs cross City boundaries, so a community might share a TAZ, or a number of TAZs, with another City. Or in some cases you might share a TAZ with multiple cities. What we are looking for in the table is the forecast for just that portion of the TAZ that lies within your City. That way when we do the total TAZ forecast we will just combine the totals from the other cities. That way we'll know that the TAZ forecasts in your table add up to your community's total forecast in the system statement. One thing to note, right now, the TAZ forecasts that are online, just have the total TAZ. They don't break them down by community, but we have that information if people want it. We can send that to them. If we get more requests we can also make that available maybe on our website or the Minnesota Geospatial Commons website.

5. How did the Council develop the draft TAZ forecasts?

In doing the draft for the TAZ forecast, we used a couple of different sources of information. First, we looked at how communities allocated their TAZs in their 2008 Comp Plan, to see using the latest land use plans that communities had, how they were dividing up their population, households, and employment based upon their last land use plan. We took that information to use and help reallocate the new forecast of TAZs, using some of those same proportions. But we also checked to make sure that what we had in terms of the land use plan,



that those forecasts could be accommodated in those TAZs. We also looked at the latest information we had on TAZs to see how much TAZ have grown since the last time cities provided their forecasts and now. So it's really a combination of those three things: city's previous allocation, new information about the population and employment in the TAZs now, and the capacity of those TAZs based on the community's last land use plan.

6. What can we do if we think our household sizes are too low?

One thing that we're forecasting across the region are that household sizes, on average, will be smaller across the entire region. That relates to a lot of those demographic changes that Dan discussed in the introduction on aging population and more one and two-person households. So, we're forecasting that across the region, that the household sizes will decrease overtime. That is a regional phenomenon that we're forecasting. If you see it in your community, it's not necessarily a forecast that we think that the composition in your community is going to change relative to the region. It's just something that is happening across the region. So, keep that in mind. When you are looking at your household sizes, you might want to look at how they are relative to the region, if they are going up or down, faster or slower than the region. One thing that we look at that has an impact on household sizes is the type of housing in that community. If you wanted to discuss your household sizes, whether they're too high or too low, I would discuss or talk to us about the types of housing you see in your community, in terms of whether it's single-family detached, whether it's attached, and to provide that information.

I'd like to add in here too. I like this question because it's really the heart of some of the pivot that we're seeing in the region that our demographics are going to be different than they were in the past. So, they are going to require a different and kind of more complex and subtle discussion about what is the population going to look like; what kind of housing types are going to be necessary; what's going to sell well? These are all things that maybe in past decades, those plans we showed in the beginning, were not necessarily that critical of the question. As we start to shift in population, those questions get even more critical so that we're making investments that will help us "Thrive" in the future.

7. How can counties best coordinate their comp planning efforts with cities? Directly with cities or through our sector rep?

Counties and cities should work closely together to coordinate their planning efforts. The Sector Reps are happy to be a part of that conversation and to help bring people together, if that's helpful. But the planning efforts are really at the local level and the counties and cities should work very closely together to do that.

8. What degree of flexibility in local forecasting methodology will be allowed? With tests of reasonableness in mind...

I guess that depends upon on each individual Comp Plan. I think there will be a considerable amount of flexibility based upon the information that communities provide, if there is compelling information that a forecast is too high or too low, we will rely upon the information and analyze the information that communities will be providing. Another thing that might affect that would be what the region looks like in 2020. We'll see some changes which will give us an idea not just if the 2020 forecasts are too high or too low, but it'll give us an idea going forward. So, I would see considerable flexibility based upon the information communities will provide. If there's a compelling argument or if there's information that the forecast is looking like it is too low or that it is too high, we will have the flexibility to recommend to the Council that they revise their forecasts. Another thing to consider too, is whether it has a system impact or system departure. That will play a role as well.

9. It would be nice to know exactly how the forecast model works; is it linear?

Both the regional and local forecast models are market simulation models. The regional model represents how demographic changes, trade, migration flows, and economic interactions among other regions affect metropolitan population and employment. The local model simulates real estate market supply and demand. It allocates the regional growth by simulating how households and employers value real estate in different locations, and how developers respond to this demand.

Neither the regional model nor the local forecast model are linear extrapolations; forecast results respond to changes in the market forces represented in each model.

The *Metropolitan Council's Forecasts Methodology* (<http://metro council.org/Data-and-Maps/Data/Census-Forecasts-Estimates/Forecasts-Methodology-Report.aspx>) provides a more detailed explanation of how both models work.

10. Does it (the forecast model) assume things will continue as they are? Are economic downturns, changes in energy prices, and technology included?

Both the regional and local models consider some changes that will affect future growth. The local model, for instance, considers how forecasted changes in travel times, changing household types, and future land use plans might influence location choices.

The regional economic model (REMI) does assume a trajectory of technology change, with national labor productivity rising 55 percent from 2010 to 2040. Energy prices will also change also over time: REMI.com projects motor vehicle fuels will double in price from 2010 to 2040; consumer prices (the consumer price index) generally will increase 70 percent; electric power prices will increase 58 percent. All of these built in projections come from the model vendor, REMI.com. Prices in the Twin Cities change with the national trend; the Metropolitan Council has made no special assumptions about regional prices diverging from the national trend.

The Council uses both models for long-range forecasting. While in reality economic downturns may occur within a planning cycle, the forecast models assume economic equilibrium in the long run.

11. Are the forecasts really predictive, or more influenced by where Met Council wants development?

The Council forecasts the likely geographic pattern of future growth based on economic modeling of what locations have the conditions to enable development and attract households or employment. It's not about what the Council "wants" to occur. Instead, it's a reflection of what the data reveal as households' and employers' preferences, as well as policy constraints built in to local plans. For example, lands that are locally guided for Agricultural use with very low densities (1 unit per 40 acres) are assumed to remain constrained in the future where they haven't been identified for urban development locally.

12. In Council forecast modeling, what location factors result in higher employment forecasts?

The characteristics that distinguish locations and drive the location choice probabilities, as well as the projected local rents, are quantified. Specifically location choice probabilities are calculated as a function of: local median income, sewer service provision, intensity of high-frequency transit service, cumulative accessibility to people, cumulative accessibility to retail (all of the aforementioned factors are generally attractive to employer siting), also cumulative accessibility to all other employment (for different industry sectors this can be positive or neutral), and collocation with industrial employment (usually a negative factor).

Local prevailing rent considers the same variables. That is, local zones with characteristics attractive to employers will also be areas that command higher rents, which improves the prospects of new development activity.

13. If land use and housing forecasts must use the minimum densities, the actual development will create a larger population and household growth than the forecast project. If we use the minimum densities for transportation and water/sewer as well, wouldn't that result in smaller pipes and smaller roads than would be needed with the actual growth that will occur?

The Council uses minimum densities as a worst case scenario planning tool, as we seek to ensure that all communities have sufficient land capacity at appropriate densities to support their forecasted growth.

Unfortunately, we have had communities that actually develop right at the minimum and sometimes less than the community-wide minimums that the Council has planned for.

That being said, planning for the infrastructure to support growth in your community should consider both the minimum and maximum density ranges that are allowable within your land use plan, coupled with the amount of growth expected in each sewer-shed and Transportation Analysis Zone, respectively. For regional infrastructure planning and capital improvements, the Council considers both the minimum use of the infrastructure, as well as the potential impact on infrastructure at maximum densities.

14. Will this presentation be available on the website? Maybe a summary of the Q&A as well?

If you would like to view today's presentation again, we will be posting the video, presentation slides with annotations, and a summary of the Q&A (including questions we didn't get to) on the [PlanIt](#) page of the [Local Planning Handbook](#). We will be posting all of the webinars throughout 2016 on the website as well.

Please send additional questions or comments to angela.torres@metc.state.mn.us.

