



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date:

To: Council Member Gary Schiff, Zoning and Planning Cmte

Prepared by: Pam Miner, Community Planning Supervisor
Phone 612-673-3240

**Presenter in
Committee:** Pam Miner

Approved by: Barbara Sporlein, Director, Planning _____

Subject: 2030 Minneapolis population projections

RECOMMENDATION: Receive and file

Previous Directives: Request from Council Member Schiff at 11/21/05 Zoning & Planning Committee meeting
City Council adopted response to Metropolitan Council system statement 11/4/05

Financial Impact (Check those that apply)

- X** No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: N/A

Neighborhood Notification: N/A

City Goals: N/A

Comprehensive Plan: N/A

Zoning Code: N/A

Living Wage/Job Linkage: N/A

Background/Supporting Information

2002

August 2002, the Metropolitan Council released its draft Blueprint 2030 for public discussion. A report presented to the Zoning and Planning Committee on November 2, 2002 stated that the region's population was expected to grow by nearly one million persons (930,000) over the next thirty years. According to Metropolitan Council projections regional growth would occur with a 35% increase in population, 45% increase in household numbers and 35% increase in employment.

Population, Housing, Housing Units

For Minneapolis, Metropolitan Council projections were for an increase from 162,352 households in 2000 to 187,000 in 2030 – 24,648 households (12.75% of the region's total growth in households). Due to differences in projection methodologies, the City of Minneapolis and the Metropolitan Council agreed on a projection of 24,000 new households by the year 2030. It was also agreed that the number of housing units was projected to grow from 168,606 in 2000 to 198,350 in 2030, increasing from 2.36 persons per household to 2.43 in 2030.

City staff projected population based on an historic 3.9% growth rate during the period from 1990 to 2000. The projection assumed that growth would increase by 1% each decade (3.9% from 1990 to 2000, 4.9% from 2000 to 2010, 5.9% from 2010 to 2020 and 6.9% from 2020 to 2030) – from 382,618 persons in 2000 to 454,375 in 2030.

Met Council/City of Minneapolis Population, Households, Housing Unit Projections November 2002

Year	Households	Persons Per Household	Population	Housing Units
2000 actual	162,352	2.36	382,618	168,606
2010 projected	173,000	2.32	401,366	181,650
2020 projected	182,000	2.34	425,047	191,100
2030 projected	187,000	2.43	454,375	196,350
Change 2000-2030	24,648		71,757	27,744

Employment

Blueprint 2030 projected a low growth scenario for Minneapolis employment to 2030, from 301,826 jobs in 2000 to 341,000 in 2030 – an increase in 39,674 jobs (7.21% of the region's total employment growth).

Minneapolis forecasts for employment were dependent on three assumptions: a strong economy, employment trends and percent of regional employment share. During the period 1990 to 2000, the City's employment increased by 7.75%. It was assumed at the time that the growth period would be prolonged and the growth rate would decline by 1% every decade over the next 30 years. As a result, it was projected that the City would experience growth of 18.25% in employment from 2000 to 2030. The City projected that Minneapolis would lose less than two percent of the metropolitan area share of employment; in accordance with policies of The Minneapolis Plan the City projected a growth in employment to as high as 55,425.

Met Council/City of Minneapolis Employment Projections November 2002

Year	City of Minneapolis	Metropolitan Council
2000	307,400	301,826
2030	362,825	341,000
Change 2000-2030	55,425	39,674

2003

In 2003, the Metropolitan Council issued the draft 2030 Regional Development Framework. City of Minneapolis staff prepared comments as reported in a November 26, 2003 letter from Mayor R.T. Rybak and Gary Schiff, Chair of the Zoning & Planning Committee. The following statistics were included in that summary.

Population Projections November 2003 Draft 2030 Regional Development Framework

Year	City of Minneapolis	% change	Metropolitan Council	% change
2000	362,618	--	362,618	--
2010	401,366	4.9	402,000	5.1
2020	425,047	5.9	419,000	4.2
2030	454,375	6.5	426,000	1.7
Change 2000-2030	71,757	18.8	43,382	11.3

Once again, differences in methodology explained some of the discrepancy between Metropolitan Council and City of Minneapolis projections. In addition, the City projected a different speed and direction in the rate of increase, showing an increasing rate of growth over the three decades (4.9% to 6.5%), the Metropolitan Council projected a diminishing rate of growth (5.1% to 1.7%). City of Minneapolis staff reported that the difference in projections may also be explained by the development of the population

age structure and the role of immigration in the future. Strong economic growth over the past decade had resulted in labor shortages, attracting a population between 25 and 34 years old, consisting of immigrants from abroad and from other states.

Households Projections

November 2003 Draft 2030 Regional Development Framework

Year	City of Minneapolis	% change	Metropolitan Council	% change
2000	162,352	--	162,352	--
2010	173,000	6.6	172,000	5.9
2020	182,000	5.2	181,000	5.2
2030	187,000	2.7	187,000	3.3
Change 2000-2030	24,648	15.2	24,648	15.2

As in 2002, the Metropolitan Council and the City of Minneapolis agreed on the household projections.

Employment Projections

November 2003

Year	City of Minneapolis	% change	Metropolitan Council	% change
2000	307,400	--	301,826	--
2010	--	--	317,000	--
2020	--	--	332,500	--
2030	362,825		346,500	--
Change 2000-2030	55,425	18.0	44,674	14.8

By November 2003, the Metropolitan Council had revised its 2030 employment projection, increasing from the 2002 projection of 39,674 to the 2003 figure 44,674 (+5,000).

2004

The Metropolitan Council's 2030 Regional Development Framework was adopted in January 2004, is the initial "chapter" and unifying theme of the Metropolitan Council's metropolitan development guide. Together with the Council's regional policy plans, the Framework is intended to help ensure the orderly, economical development of the seven-county area and the efficient use of four regional systems: transportation, aviation, water resources (including wastewater collection and treatment) and regional parks and open space. The Metropolitan Council's 2030 Regional Development Framework and the policy plans that implement it are intended to help accommodate the region's growth in an orderly, efficient manner and guide the expansion of four regional systems: transportation, aviation, water resources (including wastewater collection and treatment) and regional parks and open space. For the first time in 2004 transportation and aviation were combined in a single document.

*2030 Regional Framework Forecasts
(Metropolitan Council adopted January 2004)*

Year	Population	Households	Employment
2000	382,747	162,352	301,826
2010	402,000	172,000	317,000
2020	423,000	181,000	332,500
2030	435,000	187,000	346,500
Change 2000-2030	52,253	24,648	44,674

The projections remained the same as the draft in the employment and households categories, however the Metropolitan Council increased its population projections to show a total of 435,000 persons by 2030 (+9,000).

Throughout 2004, draft policy plans were distributed for comment. The City of Minneapolis issued comments on the draft Transportation Policy Plan through a City Council action October 22, 2004. A February 14, 2005 comment letter was issued on the draft Water Resources Management Policy Plan from Council Member Sandy Colvin Roy, Chair of the Minneapolis Transportation and Public Works Committee and Council Member Scott Benson, Chair of the Intergovernmental Relations Committee. The Minneapolis Park and Recreation Board submitted comments on the draft Regional Parks Policy Plan on April 18, 2005.

2005

On August 12, 2005 the Metropolitan Council issued 2030 Regional Framework revised forecasts. For the City of Minneapolis these figures did not change from the document adopted in January 2004.

On September 12, 2005, the Metropolitan Council issued a “system statement” to the city of Minneapolis. The purpose of this document is to show how changes in the Metropolitan Council’s regional system plans for transportation, water resources management and regional parks will specifically affect Minneapolis. Population and household forecasts remained the same as the 2004 adopted Framework and the revised forecasts issued in August 2005. However, there was one change in the employment forecasts which was to include figures from Fort Snelling and the airport into the employment numbers of the City of Minneapolis when calculating ‘sewered employment,’ which may likely have an effect on the City’s wastewater system.

Minneapolis CPED Community Planning and Research staff have been working on obtaining accurate counts of housing units. Working with the Assessor’s office, an accurate count of housing units has been established as of 12/31/2004.

Community Planning staff then researched all Planning Commission actions that have taken place since that time, accounting for any projects that have been approved but not yet completed (i.e. not being assessed yet). Along with these projects, Community Planners estimated any new projects that they believe to be forthcoming and have a high potential for being completed prior to 2010. Based on this information, the estimated for number of housing units to be existing in 2010 is 189,880.

City of Minneapolis Housing Units Projections October 2005

2000 Mpls Housing Units per Census	12/31/04 Mpls Housing Units Per City Assessor	Projected Housing Units 2010 Per CPEPD staff	Net Change 2000-2005	Net Change 2005-2010	Net Change 2000-2010	Projected Housing Units 2020	Net Change 2010-2020	Projected Housing Units 2030	Net Change 2020-2030	Net Change 2000-2030	% Change 2000-2030
168,629	172,534	189,880	3,905	17,346	21,536	211,290	21,381	228,790	17,500	60,417	26.4%

It should be noted in the table above that based on approved Planning Commission and City Council actions and the knowledge of projects that are imminently to submit land use applications, it is projected that between 2005 and 2010 an additional 17,000 housing units will be added to the City of Minneapolis.

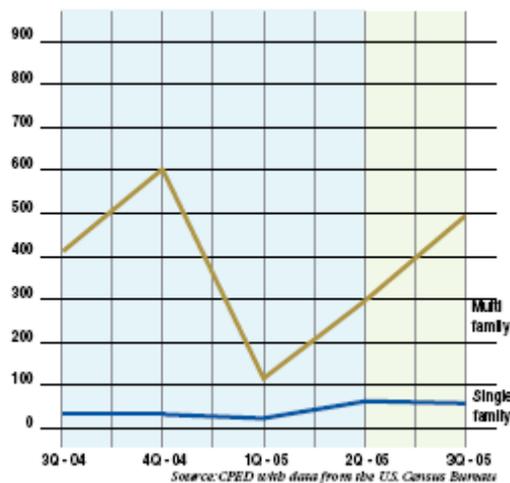
The most recent edition of the *Minneapolis Trends* report (Third Quarter 2005) also serves to illustrate this growth.

Table 4: NEW RESIDENTIAL CONSTRUCTION
by unit

	2004		2005		
	3Q-2004	4Q-2004	1Q-2005	2Q-2005	3Q-2005
Single-family					
Minneapolis	47	50	30	66	60
Metropolitan area	3,964	3,254	2,256	3,502	3,368
Multifamily					
Minneapolis	411	614	111	299	494
Metropolitan area	2,441	2,110	668	1,098	4,450
Total number of units					
Minneapolis	458	664	137	365	554
Metropolitan area	6,405	5,364	2,924	4,600	4,450

Source: CPED with data from the U.S. Census Bureau, based on permit information

Figure 6: PERMITTED NEW RESIDENTIAL UNITS – Minneapolis



Population numbers were determined by CPED Research staff, based on household size and vacancy rates. The following assumptions were used.

Year	Vacancy Rate		Household Size (persons)	
	Non-Homestead	Homestead	Non-Homestead	Homestead
2010	4%	1.5%	2.05%	2.27%
2020	3%		2.2%	
2030	3%		2.2%	

Recent information from the *Third Quarter Minneapolis Trends* report:

Table 8: VACANCY RATE & AVERAGE RENT

	2004		2005		
	3Q-04	4Q-04	1Q-05	2Q-05	3Q-05
MINNEAPOLIS					
Units surveyed	16,460	15,686	15,683	15,052	15,364
Vacant units	811	748	661	647	659
Average rent	\$ 837	\$ 822	\$ 824	\$ 808	\$ 820
Vacancy rate	4.9%	4.8%	4.2%	4.3%	4.3%
METRO AREA					
Units surveyed	123,814	121,641	119,728	117,709	116,699
Vacant units	8,325	8,905	8,262	7,033	6,564
Average rent	\$ 851	\$ 849	\$ 850	\$ 848	\$ 848
Vacancy rate	6.7%	7.3%	6.9%	6.0%	5.6%

Source: CMA Marquette Advisors Report 2004 and 2005 based on survey of market rate of rental properties. Recorded data for the last month of the quarter

*Minneapolis Population Projections (includes group quarters)
October 2005 CPED Research*

Year	2010	2020	2030
Population	417,065	450,893	466,045

*Minneapolis vs. Metropolitan Council
Population Projections September-October 2005*

Year	City of Minneapolis	Metropolitan Council
2010	417,065	402,000
2020	450,893	423,000
2030	466,045	435,000
Change 2010-2030	48,980	33,000

As stated in the system statement response letter approved by the City Council at its November 4, 2005 meeting:

“As demonstrated by the City’s projections, Minneapolis population could be expected to grow at a faster rate, absorbing a higher percentage of the regional population than projected by the Metropolitan Council. Accepting a higher percentage of the projected regional growth within the central cities would serve to further the principle of maximizing and coordinating limited resources. By growing the central cities of the region rather than outlying areas, system efficiencies are maximized and resources can be concentrated in the areas serving the highest density of population.

In order to accommodate either of the population forecasts, as provided by the Metropolitan Council or as developed by the City of Minneapolis, there will need to be adequate public investment by the regional, state and federal government. The adopted 2030 Development Framework and system plans provide for some investment, but do not provide the level of regional infrastructure investment that will be required to adequately accommodate population growth, particularly in the central cities.”

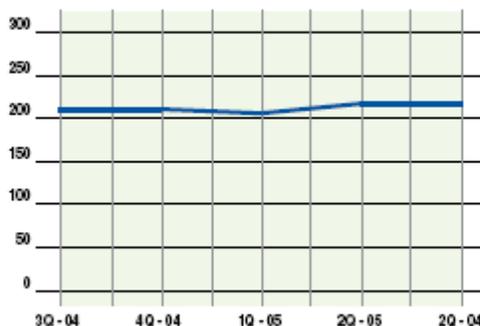
Calculations of employment projections based on these population projections are currently underway by CPED Research staff. Current data on employment include the following information as prepared by CPED Research staff in its *Third Quarter 2005 Minneapolis Trends Report*.

Table 1: LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT – Minneapolis

	2004 3Q-04	4Q-04	2005 1Q-05	2Q-05	3Q-05
Labor Force	226,999	225,070	221,358	224,866	225,613
Employment	214,473	214,859	211,485	215,474	216,625
Unemployment Rate	5.5%	4.5%	4.5%	4.2%	4.0%

Source: Minnesota Department of Employment and Economic Development (DEED).

Figure 1: AVERAGE RESIDENTIAL EMPLOYMENT – Minneapolis
in thousands



Source: CPED with data from Minnesota Department of Employment and Economic Development (DEED) - labor market information. Numbers reflect new revisions made by DEED

Table 3: AVERAGE WAGE PER WEEK - Minneapolis
in current dollars

SECTOR	10-04	20-04	30-04	40-04	10-05
Manufacturing	\$ 986	\$ 903	\$ 947	\$ 1,050	\$ 973
Utilities	2,246	1,365	1,393	1,429	1,597
Wholesale Trade	1,094	1,075	1,146	1,236	1,139
Retail Trade	591	581	614	598	545
Transportation & Warehousing	633	636	637	724	596
Information	1,130	1,075	1,111	1,089	1,127
Finance & Insurance	2,266	1,465	1,418	1,715	2,302
Real Estate and Rental and Leasing	634	668	708	1,054	1,212
Professional & Technical Services	1,295	1,359	1,345	1,738	1,341
Management of Companies & Enterprises	1,523	1,419	1,410	1,876	1,810
Administrative & Waste Services	532	510	522	570	545
Educational Services	901	888	945	888	913
Health Care & Social Assistance	780	817	823	890	799
Arts, Entertainment & Recreation	908	1,115	1,176	1,154	952
Accommodation & Food Services	319	328	328	347	315
Other services	538	537	529	571	519
Public Administration	976	974	979	1,078	966
Total, all industries	\$ 1,034	\$ 940	\$ 947	\$ 1,073	\$ 1,056

Source: CPED with data from DEED - Minnesota Quarterly Census, Employment and Wages

*Natural resources and agriculture, fishing and forestry employment are not counted. Some industry numbers may not be disclosed because of privacy issues. Table reflects the latest revisions by DEEDS.

Additional trend information is available by quarter at:
http://www.ci.minneapolis.mn.us/cped/trends_reports_home.asp