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November 15, 2013

Michael Larson, Sector Representative
Metropolitan Council
390 Robert Street North
St Paul MN 55101-1805

Subject: Preliminary 2040 Forecasts

Dear Michael:

Thank you for meeting with city staff on October 10 to discuss the city's concerns about the preliminary 2040 forecast, particularly the household forecast which would have the most impact on the city's next Comprehensive Plan Update due in 2018. The Crystal Planning Commission discussed the 2040 forecast on October 14, city staff attended the Metropolitan Council workshop on October 30, and the City Council discussed it on November 5.

The city of Crystal has a number of thoughts and concerns to offer regarding the preliminary 2040 forecast:

1. Based on the staff discussion at the October 30 workshop, it appears as though the model compares potential rent to construction costs to determine development feasibility but does not account for the cost of relocating existing uses, political/community opposition and (most importantly) the willingness of current owners to sell. These barriers to redevelopment of sites with existing uses are very real, and must be incorporated into the forecast model for it to be a true forecast and not merely a goal or aspiration.
2. The employment forecast for Crystal, with an increase of 2,171 jobs or 55%, is the largest percentage increase among developed suburbs. But 3,217 additional households are also forecast by the same model. New residential development would have to displace other, existing uses, and many of those would presumably be places of employment.
3. The 2040 forecast for Crystal households shows an increase from 9,183 to 12,400, meaning 3,217 additional units, or an average of 107 additional units per year from 2010-2040. For comparison, during the eight year period from Jan. 1, 2000 to Dec. 31, 2007, when development activity was relatively strong, Crystal had a net gain of 179 units, or an average of 22 per year. This means the 2040 forecast assumes a pace of development five times faster than actually occurred during the most recent development boom.

4. To put it another way:
- Based on actual and upcoming development activity, Crystal anticipates no net gain in housing units from 2010-2014.
 - The Cavanagh, an affordable senior rental building on a former school site, will come online in 2015 with 130 out of the 3,217 additional units forecast by 2040.
 - That leaves 3,087 more units to be added in 2016-2040, or 123 units per year. That would be almost a Cavanagh per year, every year, from 2016-2040. This pace of growth in a developed community would not be realistic or practical.

In summary, the city of Crystal is of the opinion that the preliminary 2040 forecast methodology is seriously flawed, particularly on the land supply side of the model as it applies to developed communities. Therefore:

- The city requests that the System Statements and other policy documents to be used to review our next Comprehensive Plan Update indicate a planned increase in households of no more than 660 during the 2010-2040 period. This is the upper end of what is reasonable and plausible in Crystal. It would also be consistent with the previous forecast for an increase of 611 units for 2000-2030 which was used in our most recent Comprehensive Plan Update.
- The city intends to accommodate the increase in households through a combination of preemptive land use guidance, where appropriate, and redevelopment of additional sites having existing uses, to be determined as such opportunities arise over time. This is consistent with our most recent Comprehensive Plan Update, and it is an approach that has successfully accommodated the development of The Cavanagh in a location unforeseeable as a redevelopment site just a few years earlier.

Thank you for your consideration of the city of Crystal's comments.

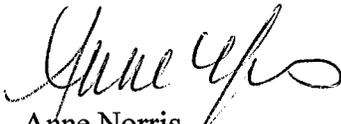
Sincerely,



Jim Adams
Mayor



Richard VonRueden
Chair, Planning Commission



Anne Norris
City Manager

Cc: Todd Graham, Metropolitan Council Research – Demographics & Population
Dennis Farmer, Metropolitan Council Research – Employment & Economy
Libby Starling, Manager, Metropolitan Council Research
James Brimeyer, District 6 Representative, Metropolitan Council
Susan Haigh, Chair, Metropolitan Council