

**METROPOLITAN COUNCIL  
390 N. Robert St., St. Paul, MN 55101**

**MEETING OF  
LAND USE ADVISORY COMMITTEE  
November 17, 2011**

**COMMITTEE MEMBERS PRESENT:** Jon Commers, Tami Diehm, George Johnson, Andy Hestness, Bob Shaffer, Bill Neuendorf, Phillip Klein, Kristina Smitten, Chip Halbach, Kim Kang, David Elvig

**ABSENT:** Jon Ulrich, Gregory Boe, Kerrin Swecker, Amy Ihlan, Scott Hoke, Elizabeth Kautz, Elizabeth Wefel

**CALL TO ORDER**

Chair Commers called the meeting of the Land Use Advisory Committee to order at 4:03 p.m. on Thursday, November 17, 2011.

**APPROVAL OF AGENDA AND MINUTES**

Diehm motioned and it was seconded by Halbach to approve the November 17, 2011 agenda. **The motion carried.** Johnson motioned and it was seconded by Shaffer to approve the September 15, 2011 minutes. **The motion carried.**

**BUSINESS:**

**Brief Follow-up on Conflicts of Interest – Deb Detrick**

Detrick noted that she spoke to the Council Legal Department regarding a hypothetical question involving a possible conflict of interest for a public official on land use along a transportation corridor that involved grant money from TAB/Council. She summarized that Legal does not comment on hypotheticals and summarized that conflicts of interest are very fact specific and would need to be looked at individually when in question.

Klein suggested that if a member suspects a possible conflict, he urged that they disclose it to the committee.

**Regional Forecasting – Presentation by Dennis Farmer and Todd Graham, Research**

Commers discussed what staff is looking for from this group:

- Suggestions about real world considerations, consequences or issues that may arise from the forecasts
- Recommend different growth/policy scenarios
- Provide feedback and evaluation of forecasts

Graham spoke to why/how the Met Council uses forecasts and program objectives. He discussed the previous approach to forecast modeling and the new approach. Council staff are aiming for a forecasting practice that can grapple with complexity; that has a valid basis in land economics and real estate economics; that can deliver robust results; and that can serve as a platform for exploring alternative scenarios.

Farmer discussed the main goal to establish a model that looks at land use but also transportation changes and how they affect where people live and work. He discussed a forecast solution divided into four modes – called ‘Metrocast.’

Graham discussed how the regional economic model (REMI) works - projecting economic activity, employment, and economic migration. Next he discussed regional demographic model – projecting population and sorting the population into household units and household categories.

Farmer discussed how the land uses model allocates regional forecasts (i.e. total employment, households and population) to local areas to produce local forecasts. This process uses feedback between the land use model and the travel demand model: the travel demand model provides the land use model with accessibility measures, and the land use model provides the travel demand model with local forecasts. He discussed the software being used for the Land Use Model (Cube Land) and how it works.

Smitten asked if infrastructure costs are considered when estimating construction costs. Farmer stated that some are captured but primarily it is land and building costs.

Halbach asked what defines 'neighborhood.' Farmer explained transportation analysis zones (TAZ), of which there are over 1200 zones in the Twin Cities. They vary in size depending upon how dense street network and density is.

Neuendorf asked how profitability is defined. Farmer stated that the model estimates rents, based on highest willingness to pay, and compares costs and supply – it's a mechanism in the model to determine what area would get higher rents.

Elvig commented on the significance of SAC and WAC fees. He sees rental as a way of the future and these fees will play a demographic factor.

Farmer discussed all elements that are factored into the model. He then discussed different scenarios that can be put into the model to tell us what this would look like under different policy scenarios.

Graham noted that this software is a real estate forecasting model.

Halbach asked when utilizing land use model, which connects to demographic model – how is income integrated in. Graham stated it assumes income distribution will remain the same or similar in the future.

Neuendorf asked about neighborhood amenities – are there various scenarios put together (is this considered)? Farmer stated some are considered with employment. Also land use helps determine how attractive a zone is. He stated this info is updated and noted that school quality is not a part of modeling.

Graham noted that many factors shape the development path. Staff prefer to choose data inputs that are most knowable or predictable.

Farmer explained when given a scenario based on policy, it will give one forecast. Graham explained that market segments are simulated to match behavioral data. For example, senior citizen households in 2040 are assumed to have needs and preferences comparable to senior citizen households today.

Elvig asked if transportation model drives transportation land use forecasts or the other way around. Farmer responded – both.

Shaffer asked if pedestrian traffic is included on the model. Farmer stated that pedestrian traffic is difficult to model at zone level. He explained some information that is included that helps measure, i.e., number of transit stops in a zone.

Shaffer asked about carbon footprint sustainability and if it's included and how. Farmer responded that if a policy were identified regarding carbon footprint it could be used to develop different scenarios.

Graham discussed cost of commutes and how they could be used in a model scenario.

Farmer talked about vehicle miles traveled numbers being used.

Hestness asked if race is a category and has a change been considered. Graham stated that the demographic model will forecast how racial demographics will change in the future.

Farmer discussed what types of information will come out of the land use model (by zone) and gave examples of scenarios that could be used. He talked about the timeline for developing these models.

Libby Starling, Research Manager discussed what staff is looking for from the LUAC. She stated that this committee will be the first 'stakeholder' outreach. She noted that the types of questions being asked at this meeting are very helpful. She noted that they will come back to this committee in the spring and look to this group for additional feedback.

Commers asked how this package of modeling tools is different than what was used in 2003-2004. Graham stated that they previously looked at historic trends, forecasts of populations, households, and jobs to get the travel demand model. He noted they now look at 'real-world' dynamics and alternative scenarios. Farmer stated that technology and modeling has come a long way in 10 years.

Smitten discussed the need to look at energy costs and how they'll influence projections. Also need to look at unemployment and work environments.

Graham noted that behavioral patterns are something that they are looking at.

Farmer discussed why it is important to continually update data and also discussed the travel survey that was recently done.

Diehm asked about experience of past model use – if you're always updating, when does it stop? Starling stated that this is an issue being discussed among Council staff – at what point do we freeze the model?

Shaffer asked what models look like. Starling stated there are lots of numbers. Information can be mapped. This would be useful for communicating results.

Farmer explained the numbers could be formulated by city/county, households, population, etc. but could not specifically map at this time and he explained how this can be utilized in comprehensive plans.

Halbach asked about the track record of this software. Farmer explained that we are on the cutting edge. Graham noted that a predecessor model has been used in Santiago, Chile. Met Council will be the second MPO in the U.S. to implement Cube Land. Farmer explained testing that will be done that will test the software.

Halbach discussed affordable housing goals that have been established and asked if that work could be included in this modeling. Starling responded that the challenge is the way that the model works; it internalizes this and would place low income housing where it exists. Certain policies could be put into place that could help with this however.

Elvig discussed the 'fear' of the Met Council by communities and elected officials and noted that the process needs to be transparent and comprehensible to communities. Felt you can share with communities that this modeling is combining transportation modeling with demographics.

Farmer asked the Committee if the information presented at this meeting was too much/too little. Elvig responded that he would want even more info.

Neuendorf noted that some communities will say they don't like it. He asked if there will be some point where communities will have an opportunity to look at forecasts before they're finalized. Starling responded that there will be and stated that they haven't figured out when this will make the most sense. She noted that there will be three dimensions of change.

1. What we learned about growth.
2. We're doing modeling differently.
3. When we get to the end of forecast – new policies may have an impact on what the numbers are.

Elvig suggested, when it's put out, feedback is great but let folks know it will be looked at again in three years. He also suggested historical data showing success with forecasting may be helpful.

Graham noted that this is radically different than how it was done before with past comprehensive plans. Planned land use and forecast outcomes are explicitly linked.

Diehm asked what happens if local government is not in compliance with current forecast. Graham stated that in the last planning cycle, Council staff worked with the local government and in some cases negotiated or approved forecast revisions in coordination with comprehensive plan approvals.

Halbach asked if the forecast is increased for Brooklyn Park (for instance), does it decrease somewhere else. Graham stated that Council actions have allowed the sum of local forecasts to deviate from the regional forecast approved in 2004. In the future, Council staff hope that the local forecasts can be more tethered to the regional total.

Shaffer asked if data, facts, and assumptions will be transparent. Starling responded that rather than say data and assumptions, we say patterns that exist today – persist.

Shaffer asked how quick numbers can be changed to create a different scenario. Farmer stated that land use can be done within a few hours. Starling stated the key is how complicated is it to translate scenarios into data to put into model.

Starling noted that we've talked about land use model, however, she noted that regional economic model could be changed as well.

Halbach discussed reducing concentration of race and poverty and work of Corridors of Opportunity. Graham discussed possible model enhancements including adding a housing supply type – need-based affordable housing.

Graham discussed findings among different market segments. For example, everyone seems to want to be close to employment, but other preferences also inform location choices and willingness to pay more. For example, high income categories want employment accessibility as well as lower residential density.

Elvig noted the need to consider finance and suggested, when available, looking at what it did.

### **Update of Council Vision and Goals Discussion – Jon Commers**

Chair Commers stated he would send an email.

**Agenda Topics and Process – Continued Discussion**

Detrick briefly referred to a handout, LUAC Work Plan for Continued Discussion. She noted that plans for upcoming meetings focus on assisting in efforts to revise the Regional Development Framework and gaining background information. Diehm noted that the next meeting will be on January 19, 2012.

**NEXT MEETING**

January 19, 2011 - 4:00pm at the Metropolitan Council in Room LLA.

**ADJOURNMENT**

The meeting adjourned at 5:55 pm.

Respectfully submitted,  
Sandi Dingle, Executive Secretary