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MEMORANDUM

To: Jeff Randall, Director; Judy Surber, Senior Planner
From: Eric Toews, *CASCADIA Community Planning Services*
Date: April 16, 2003
Subject: Joint Population Forecast & Allocation - Update

INTRODUCTION

This memorandum is intended to assist the City of Port Townsend, as well as Jefferson County, in determining how to move ahead with updating the comprehensive plans of both jurisdictions in conformance with RCW 36.70A.130. Consistent with this statutory provision, a new or updated population forecast should be developed and adopted by the county and city to guide upcoming planning efforts. Accordingly, this memorandum addresses the following:

- The statutory context for the plan update, including the adoption of a new or revised growth management planning population forecast;
- The rationales supporting adoption of a new or updated forecast at this time;
- A review of growth trends since adoption of county and city plans in comparison with the previously adopted population forecast and projection;
- An overview of the population forecast alternatives considered and discussed by the staff/consultant team; and
- A recommended population forecast and allocation.

THE STATUTORY CONTEXT

The Growth Management Act (GMA) requires that the City of Port Townsend and Jefferson County take action to review and, if needed, revise their comprehensive plans and development regulations to ensure compliance with the requirements of the GMA by no later than December 1, 2004, and at least once each seven years thereafter. RCW 36.70A.130(4)(a). The required review and evaluation includes an analysis of the population allocated to the county and city from the most recent ten-year population forecast by the office of financial management (OFM). RCW 36.70A.130(1)(a).

The statute also requires that Jefferson County review the densities permitted within incorporated and unincorporated UGAs at least once every ten years.

RCW 36.70A.130(3). Along with Jefferson County's ten-year UGA review, Port Townsend must review its permitted densities, and the degree to which the growth within the county is occurring within the city's boundaries. The comprehensive plans of both Jefferson County and the City of Port Townsend must be *"revised to accommodate the urban growth projected to occur in the county for the succeeding twenty year period."* Ibid.

Though not required, the seven year review and evaluation required under RCW 36.70A.130(1) may be combined with the 10 year UGA review required under RCW 36.70A.130(3). Additionally, the seven-year review and evaluation must include an analysis of the population allocated to a city or county from the most recent ten-year population forecast by the OFM. RCW 36.70A.130(1)(a).

UGAs and comprehensive plans must be based upon the population projection made for the county by the OFM. RCW 36.70A.110(2). Consistent with RCW 43.62.035, OFM produces these growth management planning projections every five years, or upon the availability of decennial census data. The projections are expressed as a "reasonable range" within the standard state high and low projection. OFM's "mid-range" forecast represents the office's estimate of the most likely population projection for the county. RCW 43.62.035.

In January of 2002, OFM released a new range of population projections for GMA planning purposes, which supercede those released in 1995. Any updated or new joint population forecast to be used in updating Port Townsend's and Jefferson County's comprehensive plans must fall within OFM's new forecast range. Because both jurisdictions are required to update their plans by December 1, 2004, the "new" twenty-year planning period will address the period 2004 through 2024. Table 1, below, highlights OFM's most recent low, intermediate and high projections for Jefferson County. For comparison purposes, projections for 2016 have also been provided, as it was the final year of the initial planning period used in both city and county comprehensive plans.

TABLE 1: SUMMARY OF THE 2002 OFM POPULATION FORECAST RANGE FOR JEFFERSON COUNTY			
OFM Forecast	2000 or "Base Year" Population	Projected 2016 Population	Projected 2024 Population
Low Range	26,299	30,322	33,276
Intermediate Range (i.e., "most likely")	26,299	34,748	40,139
High Range	26,299	39,126	46,960

Source: Washington State Office of Financial Management (OFM)

RATIONALES FOR ADOPTING AN UPDATED FORECAST

Although adoption of a new or updated county-wide population forecast is not explicitly required in order to comply with RCW 36.70A.130, doing so will enable both the county and city to more fully fulfill the intent of the required comprehensive plan review and evaluation process. Specifically, adoption of a new or updated forecast and allocation would:

- Enable the county and city to concurrently revise their plans to reflect a new twenty year planning period (i.e., 2004 - 2024) using the same population assumptions;
- Provide a sound foundation for the county and city to review UGA boundaries as required under RCW 36.70A.110; and
- Allow both the plan review and update required under 36.70A.130 and the review and evaluation of UGA boundaries required under 36.70A.110 to proceed in tandem, thus avoiding the need to undertake any significant plan changes for another seven years.

For the foregoing reasons, it is recommended that the county and city adopt a new or updated population forecast and allocation that provides a common foundation for revising the comprehensive plans of both jurisdictions.

GROWTH TRENDS: 1996 - 2002

Before discussing the various options for a new or updated population forecast and allocation, it is useful to examine the growth that has actually occurred since adoption of the comprehensive plans of the county and city in comparison with the growth projections that shaped the plans. As you will recall, the adopted comprehensive plans of both the county and city were based upon the population projection and allocation adopted by the Joint Growth Management Steering Committee (JGMSC) in March of 1996. This population projection and allocation was based upon a forecast developed for the county and city by the Watterson West Group in February of 1995. The forecast was predicated on the assumption that there would be two, rather than three urban areas in the county: the Port Townsend UGA and the Port Ludlow MPR. At the time, the Tri-Area had a rural planning status.

As updated, extended and adopted, the JGMSC's forecast anticipated a 20-year increase of **13,640** residents over Jefferson County's estimated 1996 population of **25,756**, with a projected 2016 population of **39,396**. Port Townsend's forecast population for 2016 was **13,876**, an increase of **5,510** over the city's estimated 1996 population of **8,366**. At the time of its adoption, this forecast was well within the OFM's first range of growth management population projections, falling between OFM low and intermediate range forecasts for the year 2016. It should be noted that the adopted forecast for the year 2016 is still well within OFM's new projection range, falling below OFM's intermediate range projection for the year 2024 (i.e., 39,396 (JGMSC adopted forecast for 2016) vs. 40,139 (OFM mid-

range forecast for 2024)). Table 1, above, summarizes this information. Table 2, below, summarizes the forecast and allocation adopted by the city and county in March of 1996.

TABLE 2: SUMMARY OF ADOPTED POPULATION FORECAST & ALLOCATION (Adopted by the JGMSC in March 1996)			
Area	Estimated 1996 Population	Population Allocation/ Projected Growth	Projected 2016 Population
Jefferson County (i.e., incorporated & unincorporated)	25,756	13,876	39,396
Port Townsend UGA	8,366	5,510	13,876
Port Ludlow MPR	1,326	2,624	3,950
Unincorporated Rural Areas	16,064	5,506	21,570

Source: Adopted Growth Management Planning Population Projection, City Resolution No. 96-46 (March 18, 1996).

Recent data from OFM and the U.S. Census indicate that county and city population growth for the six years ending in 2002 has occurred at a significantly lower rate than was anticipated in the adopted forecast. This is clearly seen in the fact that the adopted forecast for 2016 falls just below OFM's mid-range forecast for 2024 (see Table 1). County-wide, the projected compound annual growth rate for the period 1996-2002 was **2.30%**, while the actual compound growth rate for the period 1996-2002 was considerably lower, at **1.44%**. Port Townsend has fallen even further below its projected compound annual growth rate of **2.66%** for the period 1996-2002, with an actual compound annual growth rate of just **0.93%**. Table 3, on the following page compares the projected and actual growth for the period 1996 through 2002.

In addition to the projected versus actual growth, Port Townsend's "population capture" rate, expressed as a percentage of county-wide growth, is important to note. In 1996, Port Townsend's population represented **32.77%** of the county's total population. The adopted forecast anticipated that over the 20-year planning period, **40.40%** of the county's overall population growth would occur within the city, raising the city's total population to approximately **35.22%** of the county-wide

TABLE 3: ADOPTED FORECAST COMPARED WITH ACTUAL GROWTH 1996-2002		
	Estimated/Projected Population Growth¹	Actual/Observed Population Growth²
1996		
Jefferson County	25,756	24,412
Port Townsend	8,366	7,998
2002		
Jefferson County	29,513	26,600
Port Townsend	9,791	8,455
Total Growth 1996 - 2002		
Jefferson County	3,757	2,188
Port Townsend	1,425	457
Compound Annual Growth Rate 1996 - 2002		
Jefferson County	2.30%	1.44%
Port Townsend	2.66%	0.93%

total by the end of the planning period. However, in the six years since adoption of the city's comprehensive plan, a mere **20.88%** of county-wide population growth has occurred within the City of Port Townsend, with the vast majority of growth continuing to occur within rural, unincorporated Jefferson County. Port Townsend's 2002 population of 8,455 represents **31.78%** of the county's total population of 26,600, revealing that the city has actually lost population share to rural Jefferson County during the past six years. This trend may be reflective of the rural lifestyle choices of in-migrants. It may also be due, at least in part, to the supply of legal nonconforming lots in east Jefferson County - smaller, more affordable, lots created before the adoption of the County's GMA comprehensive plan and rural zoning in 1998. In order to better understand this phenomenon, Jefferson County DCD staff is currently in the process of developing GIS data that will depict the spatial distribution of residential development occurring within rural east Jefferson County since GMA plan adoption.

In sum, the population data for the period 1996 to 2002 reveal that growth has occurred at a much slower rate than was anticipated, and that growth in rural

¹ Source: Adopted Growth Management Planning Population Projection, City Resolution No. 96-46 (March 18, 1996).

² Source: Washington State Office of Financial Management.

