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# City of Grand Forks

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July 10, 2003

Ms. J. Signe Snortland  
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P.O. Box 1017  
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**Re: Comments on Population Projections  
Red River Valley Water Supply Project**

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Dear Ms. Snortland:

We have reviewed the population projections prepared by the Bureau of Reclamation (Reclamation) and its consultant, Northwest Economic Associates (NEA). Based on feedback from those in attendance at the Technical/Study Review Team meeting on May 29, 2003, it appears that population projections continue to be a rather controversial subject. The purpose of this comment letter is not to refute the data presented to date as it is based on existing data and complex methodologies. Instead, this letter is intended to present the rationale behind the population projections that were previously provided by the City of Grand Forks as part of the Municipal, Rural, and Industrial (MR&I) water system data collection process and justify the inclusion of these population projections in the final set of data prepared for the Needs and Options Report.

### Discussion of Historical Trends

Historically, the City of Grand Forks has experienced a consistent trend of positive population growth. As a result, trend analysis of historical population data has served as the basis for projecting future needs of the City from an infrastructure planning perspective. The Planning and Zoning Department, the Engineering Department, and the Public Works Department have generally accepted this population projection methodology, despite its simplistic nature, to plan for the capacity of large-scale facilities and to size various infrastructure components.

From 1960 to 1990, the population growth rate in Grand Forks was approximately 1.2 to 1.3 percent per year based on United States Census Bureau information. Unfortunately, the City of Grand Forks was unable to continue this growth rate from 1990 to 2000. This was most definitely attributable to the mission change of the Grand Forks Air Force Base (GFAFB), ultimately resulting in its downsizing, and the impacts associated with the Flood of 1997. Even with these setbacks, the City of Grand Forks continues to experience growth. In fact, a recent independent estimate suggests that Grand Forks has recently surpassed a population of 50,000, which is a positive indication that the flood recovery and economic development efforts

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have and continue to support growth in our community. The growth rate from 1998 to present is estimated at greater than 1 percent per year according to the population decline estimated at 47,500 after the Flood of 1997.

**Justification of Continued Growth**

The City of Grand Forks strongly believes that the previous decade was indeed an anomaly and projects its population to grow once again at a rate of 1.2 percent to 1.8 percent per year, at least through the year 2020 (*Metro-Forks Community Profile*, August 2002). The document was prepared by the Grand Forks/East Grand Forks Metropolitan Planning Organization and provided to Houston Engineering, Inc. as part of the MR&I water system data collection process. The reasoning behind the positive projections for the population of Grand Forks is predicated on multiple local demographic factors that were not taken into consideration under the methodologies utilized by the Reclamation and NEA. The following are some examples of these factors:

**Population Age Statistics:** The presence of the University of North Dakota (UND) and the GFAFB reduces the average age of Grand Forks with respect to the surrounding region. Approximately 9.2 percent of the population in Grand Forks is 65 years of age or older as compared to 14.2 percent for the State of North Dakota (*Metro-Forks Community Profile*, August 2002). This statistic suggests that there would be a relatively large number of residents of working age to encourage economic development, meet corresponding employment demands, and support the vitality of the community.

**GFAFB:** Although the GFAFB experienced downsizing in the mid-1990s with the abandonment of the missile mission, recent news indicates that the GFAFB will receive new refueling tankers beginning in 2006. The North Dakota Congressional Delegation views this as a key to the future of keeping the GFAFB in operation and avoiding the next round of Base Realignment and Closure panel discussions. North Dakota airspace is being considered for designation as "special-use airspace" by the United States Air Force. Upon approval, the special-use airspace designation would further support the long-term need for the GFAFB.

In addition to enlisted Air Force personnel, the GFAFB provides a significant number of civilian employment opportunities. As a result, the City of Grand Forks and surrounding region benefit by the dual presence of the enlisted personnel and civilian employees and their families. Nearly 55 percent of the GFAFB population is between the ages of 20 to 44, thereby suggesting that the continued presence of the GFAFB will likely support the vitality of the Grand Forks region. Due to its economic impact, the City of Grand Forks is actively committed to supporting the viability of the GFAFB alongside Governor Hoeven and the North Dakota Congressional Delegation.

**UND:** As noted above, UND plays a major role in the population of Grand Forks. Enrollment continues to climb to record levels and administrative representatives continue to proactively pursue opportunities for enhancing the level of education and student life on campus. These efforts have resulted in consistent enrollment increases of 2.1, 4.2, 6.6, and 5.6 percent per year in 1999, 2000, 2001, and 2002, respectively.

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The Aerospace/Aviation program, which continues to be regarded as one of the best in the nation, and the postgraduate schools of Medicine and Law are mainstay attractions for students, both inside and outside of the region. UND also offers strong programs in other disciplines such as accounting, business, education, engineering, and nursing, just to name a few. Graduates from UND offer a large base of prospective employees for local businesses and institutions. In an effort to keep more UND graduates in the area, the City of Grand Forks assists in financially supporting the Grand Forks Region Economic Development Corporation (EDC), which is devoted to expanding the region's economy and creating employment opportunities.

UND continues to invest in its campus through donations from alumni. The Rural Technology Center has experienced recent growth and has prompted the construction of a hotel/convention center to accommodate its activities. The Center for Innovation is also scheduled to add a building to its facilities. The Energy & Environmental Research Center (EERC) continues to thrive, expand its facilities, and maintain its esteemed reputation in science and technology research. These are some of the many examples of educational advancements at UND.

Athletics at UND also continue to thrive. Most notably, the Ralph Engelstad Arena serves as one of the best college hockey venues in the nation. In the inaugural season of the Alerus Center, the UND football team won the national championship. UND is also in the process of constructing a new stadium for the men's and women's basketball programs. The addition of these facilities promotes the ability to host regional and/or national tournaments, which increases the demand for local goods and services. For instance, the Ralph Engelstad Arena has already been selected to host the 2005 World Junior Hockey Tournament.

**Alerus Center:** As mentioned above, the Alerus Center serves as the venue for the UND football team. It was also the host site of the high school football playoffs in 2002 and will likely share this event with the Fargodome in the future. In addition, the Alerus Center is capable of attracting entertainment events such as live concerts, indoor racing events (motocross and snowcross), and other entertainment and trade shows. The Alerus Center is also utilized as a convention center, and the City has recently negotiated a deal for the construction of a hotel adjacent to the facility. Discussions are in progress regarding the construction of an aquatics center/water park, a hockey hall of fame, and a car museum at the Alerus Center site as well. This facility, along with the Ralph Engelstad Arena, will serve as a population and visitor draw for years into the future.

**Flood Protection:** In addition to addressing water quantity and quality concerns, the City of Grand Forks is presently in the process of implementing a large-scale, multi-phased Flood Protection Project. Since the Flood of 1997, the City of Grand Forks, its residents, and business owners have made significant investments in the community. The Flood Protection Project will protect these investments, provide peace of mind to area residents and business owners, and support future economic development.

**Greenway Project:** In the past, Grand Forks and East Grand Forks have not been well known for recreation. The Greenway Project, which is a component of the Flood Protection Project, designates approximately 2,200 acres areas of land for parks and recreational use along both

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sides of the Red River in the Grand Forks/East Grand Forks area. The Greenway Project will provide a boost in recreational visitors and improve the quality of life in Grand Forks/East Grand Forks by offering hiking, biking, cross-country skiing, camping, fishing, and other recreational activities for residents and visitors alike to enjoy.

**King's Walk Golf Course:** In line with recent recreational development, the Grand Forks Park District added the King's Walk Golf Course to its list of recreational activities in 2002. The course, which was designed by Arnold Palmer, is the only Professional Golf Association-rated course in North Dakota and Manitoba. The unique links-style design of the course is intended to be an attraction for golfers at all skill levels.

**Economic Development:** The City of Grand Forks recognizes the importance of having a progressive economic development plan. In addition to the strong presence of agricultural industries such as J.R. Simplot, RDO Foods Company, Conte Luna Foods, and the North Dakota Mill and Elevator, Grand Forks continues to see major commercial and technical development. To support local innovation and entrepreneurialism, UND opened the Rural Technology Incubator in 1996. When combined with the City's economic development efforts, companies such as Cirrus Design Corporation (opened in 1997 – 190 employees), Amazon.com (opened in 1999 – 400 employees), and LM Glasfiber (opened in 1999 – 120 employees) have located their place of business in Grand Forks. In a June 17, 2002 press release by Grand Forks Region EDC, Larry Anderson of Job Service North Dakota is quoted as saying; "Overall employment in Grand Forks over the last three years is up five percent, with the area's manufacturing industry showing growth of over 21 percent." In January 2003, SEI Information Technology opened a Customer Care facility in Grand Forks with near-term (1 year) and long-term (2-3 years) projections of 75 and 300 employees, respectively. The City foresees that the combination of its progressive approach toward economic development and the solid workforce foundations provided by the GFAFB, UND (including the EERC), Altru Health System, and local industries is the right blend of resources to generate additional commercial and industrial opportunities in the future.

**Quality of Life:** When considering population growth for a community, the quality of life should serve as an indication of whether a community is destined to flourish or experience a decline. Since the Flood of 1997, the City of Grand Forks has made significant investments in its future, ranging from flood protection to an events center. Under Mayor Brown's leadership, the City has challenged itself under the goals and objectives of the *Destination City Initiative*, whereas the City wants to be regarded as a desirable community for permanent residence, tourism, or business opportunities. According to Mayor Brown, "There is no status quo for communities... we either move forward or we move backward." As indicated in the following paragraphs, reliable sources and statistics support Mayor Brown's *Destination City Initiative* and the desire to move Grand Forks forward.

According to a recent article published by *Expansion Management Magazine*, the City of Grand Forks was given a Four Star rating with respect to 50 criteria that are used to develop Quality of Life Quotients for 329 metropolitan statistical areas. This distinctive survey placed Grand Forks in the top 33 percent of locations that rapidly growing mid-sized companies (100 to 500

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employees) should consider for new manufacturing, distribution, and/or back office operations facilities. Factors comprising the survey included cost of living, affordable housing, crime rates, transportation access, education systems, proximity to community colleges and universities, work force availability, and taxes to name a few. Although the survey is intended to assist in business planning, the most heavily weighted criteria addresses employee financial needs and desires, suggesting that the key to a successful business is happy employees that are able to live comfortably. The City of Grand Forks is proud to be recognized as a community with this distinction.

In support of this survey, the City of Grand Forks was ranked among the top 25 percent (39<sup>th</sup> overall) for the best small place for business and careers in America, according to *Forbes* magazine. This was a significant improvement over the previous ranking in the bottom 25 percent. The ranking factors included the cost of doing business, income levels and trends, housing markets, and crime levels. The results of the survey suggest the region appears to be quite attractive to prospective businesses and employees, as Fargo ranked 5<sup>th</sup> and Bismarck ranked 18<sup>th</sup>. The City of Grand Forks believes this to be true in reflection of recent commercial and industrial developments in the community and surrounding area. Recent success stories for companies such as Amazon.com and SEI Information Technology indicate that the Grand Forks area offers an attractive mix of facility/land costs, taxes, and wage levels to new or relocating businesses. If the trend continues where businesses see opportunities in the Red River Valley and our region in general, it stands to reason that the population will continue grow in larger, urban areas and most likely level off and potentially grow to lesser degree in smaller urban and rural areas.

**Housing Starts:** According to the Grand Forks Region EDC, housing starts in Grand Forks increased dramatically in 2002. As of November 2002, the number of building permits issued for homes nearly doubled the 11-month number in each of the past three years. The EDC also reports that the market for existing homes remains strong, with 811 homes being sold in Grand Forks/East Grand Forks in 2002. Although probably supported by low interest rates, these trends indicate that an increasing number of Grand Forks residents are making long-term investments in the community.

**Support for Consideration and Inclusion of Grand Forks Population Projections**

As noted above, the projections provided by the City of Grand Forks are based on historical population trends, rather than the complex set of birth rate, death rate, migration rates, and other data trends that are accounted for in the methodologies (i.e. the Cohort method) completed by Reclamation and NEA. Although a claim could be made that the City's population trends lack the experience and education of a demographer, the City questions whether population projections determined by the Reclamation and NEA include such factors as presented in this letter. The Needs Assessment Specific Plan of Study (SPOS) references the potential consideration of four sets of population projection estimates. The Needs Assessment SPOS also states that local cities and counties could provide population projections for consideration. To span the range of possibilities that could transpire over a 50-year planning horizon, it would seem prudent to consider a more positive outlook than that prepared based on Reclamation/NEA methodologies.

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According to *Water Resources Planning, M50*, one of a series of water supply practice manuals published by the American Water Works Association, "City planning departments are often the best sources for population, housing values and density, land use by area, and projections of expected growth in city and county plans." In fact, this document goes on to state, "the planning department's projections are generally used, and the forecaster simply states the potential sensitivity of the issue on the water demand projections in the forecasting report." From a politically sensitive perspective, it would seem that Reclamation would want to include population projections prepared by the participants since the concepts and features will ultimately be sized accordingly and paid for by study participants. The gravity of underestimating future population could result in the implementation of a project that falls short of meeting the needs of the Red River Valley. If participants decide to reduce the scope and size of features later on in the study for financial reasons, population projections prepared by Reclamation serve as a less aggressive range of justified data for consideration to meet this objective.

**Requested Action Item**

As a cooperating agency involved with the RRVWS Project, the City of Grand Forks strongly recommends consideration of the population projections submitted during the MR&I water system data gathering process. The population projections increase the 2000 census population exponentially at a rate of 1.2 percent per year. This data was provided based on the projections prepared by the Grand Forks/East Grand Forks Metropolitan Planning Organization in the *Metro-Forks Community Profile*, August 2002.

Thank you for the opportunity to comment on the population projection process being completed for the RRVWS Project. Representatives of the City of Grand Forks look forward to continuing our participation in this very important project. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Allen R. Grasser, P.E.  
City Engineer

c: Rick Duquette, Grand Forks City Administrator  
Todd Feland, Grand Forks Public Works Administrator  
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