

**CENTRAL PUGET SOUND**

**GROWTH MANAGEMENT HEARINGS BOARD**

STATE OF WASHINGTON

KITSAP COUNTY,) **Case No. 94-3-0014**

)  
Petitioner,) **FINAL DECISION AND ORDER**

)  
v. )  
)  
OFFICE OF FINANCIAL MANAGEMENT,)

)  
Respondent.)

)

**A. PROCEDURAL HISTORY**

On September 28, 1994, the Central Puget Sound Growth Management Hearings Board (the **Board**) received from Kitsap County (the **County**) a "Petition to Adjust Kitsap County's Twenty Year Growth Management Planning Population Projection" (the **Petition**). The County challenges the Washington State Office of Financial Management's (**OFM**) population projection for Kitsap County.

On December 7, 1994, the Board received "Kitsap County's Prehearing Brief." (**County PHB**).

On December 8, 1994, the Board issued an "Order Granting 1000 Friends of Washington's Motion for Amicus Curiae Status." On the same day, the Board received "1000 Friends of Washington's Brief Amicus Curiae." (**1000 Friends PHB**).

On December 12, 1994, the Board received "Office of Financial Management's Response to Kitsap County's Prehearing Brief." (**OFM PHB**).

On December 21, 1994, the Board held a hearing on the merits of the Petition for Review at 1225 One Union Square in Seattle. Present were the three members of the Board: M. Peter Philley, Chris Smith Towne and Joseph W. Tovar, Presiding Officer. Representing Kitsap County was Douglas B. Fortner; representing OFM was Maureen A. Hart. Court reporting services were provided by Duane Lodell of Robert Lewis & Associates. Witnesses testifying in this matter were Teresa Lowe of the Office of Financial Management and Reed Hansen of Reed Hansen & Associates. In addition to the record below, the Board admitted OFM's proposed supplemental Exhibits 17 and 18, and the County's proposed supplemental Exhibit 3. At the hearing, the County offered a

proposed supplemental exhibit, a memorandum dated December 15, 1994 from Reed Hansen & Associates to Douglas Fortner re: Analysis of Population Forecasts for Kitsap County. OFM objected to the County offering this exhibit so late in the process. The presiding officer ruled that the offered exhibit would be admitted, identified as County Exhibit 5, and that OFM would be given additional time to file any written brief responding to the information in County Exhibit 5. The parties also stipulated to use the exhibits attached to OFM's brief, rather than those attached to the County's brief.

On January 17, 1995, the Board received "Response of the Office of Financial Management to County Exhibit 5." (**OFM Brief re: County Ex. 5**)

## **B. FINDINGS OF FACT**

1. The Growth Management Act (**GMA** or the **Act**) became effective on July 1, 1990. It mandates that each county planning under the Act designate one or more urban growth areas " ... within which urban growth shall be encouraged and outside of which growth can occur only if it is not urban in nature." RCW 36.70A.110(1).

2. The Office of Financial Management (**OFM**) is statutorily directed to prepare population projections to be used for growth management planning purposes, and to review these projections with counties prior to adopting them.

At least once every ten years the office of financial management shall prepare twenty-year growth management planning population projections required by RCW 36.70A.110 for each county that adopts a comprehensive plan under RCW 36.70A.040 and shall review these projections with such counties before final adoption. RCW 43.62.035.

3. Counties are required by the Act, when establishing urban growth areas (**UGAs**), to use the projections made by OFM.

(2) Based upon the population growth management planning population projection made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. Each urban growth area shall permit urban densities and shall include greenbelt and open space areas... RCW 36.70A.110 (2).

4. On January 24, 1992, Mike McCormick, then Assistant Director of the Growth Management Division of what was then the State Department of Community Development (**DCD**) issued a memorandum entitled "SUBJECT: Use of OFM Population Forecasts in Growth Management Planning." This letter stated that: "We [ DCD] interpret the Growth Management Act (GMA) to mean the OFM population forecasts are minimums, which must be accommodated. Counties must plan to receive their fair share of the state's forecasted population. That population is to be concentrated in urban growth areas "sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period." {County Exhibit 5}.

5. The County and OFM discussed the subject of potential adjustment of the population projection

for Kitsap. In a January 13, 1992 letter to Wolfgang Opitz of OFM, Ron Perkerewicz, Director of the Kitsap County Department of Community Development, asked OFM to review the projections. The letter stated that the County's annual growth rate exceeded the state's growth rate between 1980 and 1990 (2.89 vs. 1.77), that the County's growth rate was even higher from 1986 to 1990 (3.83), and that these historical trends made it appear that the OFM projection assumed too low a rate of growth for the County (1.9) from 1990 to 2010. {County Exhibit 2}.

6. On January 31, 1992, OFM published its "Washington State County Population Projections, 1990-2010, 2012." The year 2012 forecast for Kitsap County's population was 269,687. {OFM Exhibit 1}.

7. In March of 1992, the County, acting in conjunction with its four incorporated cities through the Kitsap Regional Planning Council, (**KRPC**), projected a Kitsap County Total Population of 280,985 in the year 2010. This figure was set forth on page 36 of Appendix E of the Kitsap County-wide Planning Policy, which carries the notation "Ratified on March 4, 1992". There is no indication in the record whether the notation "Ratified March 4, 1992" refers to an action by KRPC or the County or others. {Petition, Attachment 2}.

8. On March 17, 1992, Ron Perkerewicz, Director of the Kitsap County Department of Community Development, sent to Mark Kulaas, Regional Planning Director of KRPC, a memorandum on the subject of "Population Allocation, Second Draft." The letter stated that "This forecast represents the median of an estimate made by the state's Office of Financial Management and a consensus estimate of the 1990 Kitsap County Growth Management Symposium. The revised population estimates 11,298 more people by 2010 than OFM estimated for 2012. This increase was allocated among the five subareas via the same methodology used for the OFM population forecast." The balance of the memorandum sets forth a proposed allocation of the KRPC 2010 population projection to two of the County's incorporated cities (Bremerton and Bainbridge Island) and three other allocation areas (North, South and Central Kitsap). {County Exhibit 4}.

9. In May of 1994, KRPC updated the population allocations by subarea to extend to the year 2014. These allocations, and a county-wide total of 303,460, appear as Table 6, "Kitsap County Population Forecast," on page P&E-10 of a 1994 draft document dated June 8, 1994, attached to the Petition. {Petition, Attachment 2}. This data is repeated in a table in the 1992 Kitsap County-wide Planning Policy {County Exhibit 1}.

10. On June 3, 1994, the Board issued its Final Decision and Order in the case challenging Kitsap County's Interim Urban Growth Areas (**IUGAs**). The Board held that :

... counties must use only OFM's twenty-year population projection in adopting UGAs. OFM's forecast is the exclusive source for the relevant countywide figures -- both the floor and the ceiling for population projections. Counties must base their UGAs on only these projections. Counties cannot add their own calculations to nor deduct from OFM's projections. (emphasis in original). *Association of Rural Residents v. Kitsap County*, Case No. CPSGPHB 93-3-0010 (1994), at 33.

11. On June 30, 1994, OFM transmitted to local governments a letter listing the April 1, 1994

population determinations for cities, towns and counties. The 1994 population determination for Kitsap County was listed as 213,200. Relative to the 1984 Kitsap population of 162,500, the listed change was 50,700 or 31.2 percent.

12. On September 21, 1994, Teresa Lowe, Senior Demographer with OFM, presented to the Puget Sound Regional Council Technical Committee a report entitled "Population Forecasts and the Forecasting Process at the Office of Financial Management." This report included a discussion of how OFM's growth management projections are tracking, accuracy of the state forecast process, and other related information. A Table attached to the report indicates that the actual April 1, 1994 estimate for the state population is 2.2 percent higher than OFM's 1992 projection for 1994. The table also shows that, relative to the 1992 OFM projections, the April 1, 1994 estimates for the four counties in the Central Puget Sound Region were 2.9 percent higher for Kitsap, 1.7 percent higher for Pierce, .02 percent lower for King and 1.5 percent lower for Snohomish. Of the other thirty-five counties listed, twenty-nine had a higher population differential than any county in Central Puget Sound. {OFM Exhibit 16}.

### **C. STATEMENT OF LEGAL ISSUES BEFORE THE BOARD**

*1. Should the OFM twenty year growth management planning population projection for Kitsap County for the year 2012 be adjusted?*

*2. If the answer to issue No. 1 is yes, to what number should the Board adjust the growth management planning population projection for Kitsap County for the year 2012?*

*3. May Kitsap County propose, for GMA planning purposes, and have the Board approve, a population forecast adjustment for the year 2014?*

*4. If the answer to issue No. 3 is yes, what is the appropriate population figure for Kitsap County for the year 2014?*

*5. If the growth management population planning projection for Kitsap County is adjusted, what implications would the adjustment have for the population forecast for the entire state?*

### **D. GENERAL DISCUSSION**

The Board's jurisdiction is limited to the four-county Central Puget Sound region by RCW 36.70A.250. Thus, the precedential impact of this Board's decisions is limited to King, Pierce, Snohomish and Kitsap counties. This is consistent with the regional diversity that is one of the hallmarks of the Growth Management Act. Although geographically the smallest of the three Board jurisdictional regions created by RCW 36.70A.250(1), the Central Puget Sound region has 56% of the state's population in less than 10% of the state's land mass. Also in this relatively small region is the state's greatest concentration of local governments, including four of the six most populous counties, and seventy-six cities, including five of the six most populous in the state. The circumstances of Central Puget Sound, such as the fact that OFM population estimates are tracking relatively closely with actual growth,<sup>[1]</sup> may not exist in other regions of the state.

Conversely, the circumstances that exist in other parts of the state may not pertain to the Central Puget Sound region.

This is the first case before the Board where a county has challenged the validity of an OFM planning population projection, and therefore it raises issues of first impression. The parties have briefed the five specific legal issues as well as the question of the standard of review that the Board is to use in deciding upon a proposed population projection adjustment. In this general discussion, the Board cites the Act's pertinent provisions, summarizes the parties' legal arguments regarding the standard of review and discerns the *purpose, nature* and *effect* of population planning projections<sup>[1]</sup> before adopting a standard of review and answering the specific legal questions.

### 1. GMA Provisions

The duty of OFM to prepare population projections is set forth at RCW 43.62.035 entitled, "Determining population projections," which provides in part:

At least once every ten years the office of financial management shall prepare twenty-year growth management planning population projections required by RCW 36.70A.110 for each county that adopts a comprehensive plan under RCW 36.70A.040 and shall review these projections with such counties before final adoption. (emphasis added).

RCW 36.70A.110(2) requires that, when establishing urban growth areas (UGAs), counties are to use the projections made by OFM. It provides, in pertinent part:

(2) Based upon the population growth management planning population projection made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. Each urban growth area shall permit urban densities and shall include greenbelt and open space areas... (emphasis added).

Other provisions of RCW 36.70A.110 make clear that, while cities are to take part in a dialogue with the county prior to the latter adopting UGAs, this section does not explicitly create a duty for the cities to use the OFM number directly. However, the Board has held that counties have the authority to sub-allocate, through their CPPs, population and employment within the county, including to cities. *See Edmonds and Lynnwood v. Snohomish County*, CPSGPHB Case No. 93-3-0005 (1993), at 31. Absent a legitimate regional reason specified in an adopted CPP to the contrary, a city may adopt a comprehensive plan that has a population capacity in excess of the allocation provided by a county. *See Aagaard, et al. v. Bothell*, CPSGMHB Case No. 94-3-0011 (1995), at 15.

The Act does contemplate that, at least every ten years, the county and its cities shall review the extent to which growth is occurring within each city and the unincorporated portions of UGAs, and each shall make appropriate revisions to their comprehensive plans to accommodate the urban growth projected for the succeeding twenty-year period. *See* RCW 36.70A.130(3).

Finally, the responsibility of this Board relative to a proposed adjustment to a county's OFM population projection appears at RCW 36.70A.280, which provides:

(1) A growth management hearings board shall hear and determine only those petitions alleging ... :

...

(b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted.

...

(4) When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, a board shall consider the implications of any such adjustment to the population forecast for the entire state. The rationale for any adjustment that is adopted by a board must be documented and filed with the office of financial management within ten working days after adoption. If adjusted by a board, a county growth management planning population projection shall only be used for the planning purposes set forth in this chapter and shall be known as a "board adjusted population projection". None of these changes shall affect the official state and county population forecasts prepared by the office of financial management, which shall continue to be used for state budget and planning purposes.

## 2. Purpose, Nature and Effect of Planning Population Projections

### *Purpose*

The *purpose* of population planning projections is to tell counties *how many* people to plan for when designating UGAs. The Act's requirement for a population projection with a twenty year horizon established three fundamental premises that did not exist before the GMA, i.e., that there will be growth, that growth must be managed, and that a long term view is required in order to manage that growth. Further, the purpose of quantifying the amount of population growth is to help assure that the amount of urban land zoned and served for the forecast period will be neither too much (resulting in sprawl and wasted public funds) nor too little (resulting in artificially high land costs.)

It is not the purpose of planning population projections either to stimulate or depress the rate of growth. Rather, it is their purpose to *foretell* the likely twenty-year population that will result in each county from external factors such as economic, political and demographic trends, which tend to operate largely at the national, state, or regional level.

### *Nature*

The *nature* of population planning projections is that they are numeric, objective, technical and finite. They represent the likely future population at the statewide and county level, as opposed to the preferred or desired future population. They are value neutral, being neither policy nor political in nature, and are derived using objective data, credible assumptions and analytical methods.

Because economic, social and technological trends shift over time, it is virtually impossible to project a county's population twenty years into the future with a high degree of precision and accuracy. Thus, while the OFM population projection for a given county must be stated as a finite population at a fixed point in time and based upon the best data, assumptions and analytical methods available, it is not possible to guarantee that such an outcome will be achieved. The only way to conclusively determine achievement of a population target would be to wait until the forecast period has passed and a census has been performed.

### *Effect*

The statutory citations made in the preceding section provide insight as to the role of each of the named government bodies relative to twenty-year population projections: OFM is, at least every ten years, to "prepare" a projection for each county planning under the Act, and to "review" it with the county prior to "adoption"; the county is to make UGA decisions "based upon" the projection<sup>[1]</sup>; and the Board is to "hear and determine" any petition for review of a population projection and, where appropriate, "adjust" the projection. Thus, the population planning projections are mandatory and directive in their effect relative to a county's adoption of UGAs pursuant to RCW 36.70A.110. In the event that the Board adjusts the projection pursuant to RCW 36.70A.280, the "board adjusted population projection" is similarly mandatory and directive in its limited effect.

It bears observation that the "effect" referred to here is how the population projection is to be used, not what outcome is guaranteed twenty years hence nor what consequence flows from failure to arrive at the population number embodied in a plan. When designating UGAs, a county is obliged to include as the population component of its planning efforts only the OFM projection<sup>[1]</sup>, unless a board adjusts the projection. The Act does not require, and the Board does not expect, that the plans of a county and its cities, based on the most objective data, credible assumptions and analytical methods will guarantee a specific population result twenty years hence. In considering a city comprehensive plan, the Board has previously acknowledged:

In a democracy with a private market-based economy, such as ours, even the most persuasive or clairvoyant public policy documents cannot always "make it so." For this reason, a twenty year population target for a city comprehensive plan is just that - a target that expresses intent and aspiration - but which recognizes that many variables can result in a somewhat higher or somewhat lower actual population. *Aagaard*, at 9.

The fact that it is impossible to know with great confidence whether a twenty year projection is a precise prediction of the future does not lessen the importance of making that projection as accurate as possible. A twenty-year population projection is an externally derived frame of reference to guide the direction in which the comprehensive plans in a county are to move; it is more a star by which to navigate than a milepost to be reached.

### 3. Standard of Review

### Positions of the Parties

## *County*

The County observes that the Board has jurisdiction over two distinct types of actions, set forth at RCW 36.70A.280(1):(a)compliance by a city, county or state agency with the Act's requirements for plans, regulations or amendments; and (b)proposed adjustments to the twenty-year growth management population planning projections adopted by OFM.The County points out that the Act contains no explicit standard of review for the latter, but does for the former in RCW 36.70A.320.

The County goes on to say that applying the "preponderance of the evidence" test from RCW 36.70A.320 to a population projection adjustment request would require the County to show that the OFM forecast is not in compliance with the Act.Further, the County says:

The County does not view this action as a typical adversarial action.The focus is not to prove that OFM's projections should be invalidated, but rather to provide evidence that Kitsap County's projection should be adjusted upward.County PHB, at 4.

Rather than attempt to invalidate the OFM projection or to overcome whatever presumption of validity OFM arguably may enjoy, the County instead suggests that an appealing county simply has to present rational evidence supporting its proposed population projection adjustment.It states:

The County suggests that if the Board finds that the County's evidence rationally supports the requested adjustment, the adjustment should be made.County PHB, *supra*.

## *OFM*

OFM argues that it is an independent agency, experienced in population forecasting, required by RCW 43.62.035 to prepare planning population projections.It argues that the standard of review suggested by the County fails to given necessary deference to the structure and intent of the GMA and the primary and significant role that the Act assigns to OFM in population forecasting for growth management purposes.OFM PHB, at 2.OFM argues that departing from the OFM growth management population projection should only be done for good cause or reason and not simply because another projection also might be rational.

In identifying the appropriate standard of review for the Board to utilize, OFM characterizes the argument of amicus, 1000 Friends of Washington (**1000 Friends**), as follows:

... an adjustment should be made only if the county establishes that its population projection is based on professionally accepted methodology and likely is more appropriate than the population projection made by OFM.OFM PHB, at 3.

## *1000 Friends*

1000 Friends agrees with the County that a petition to adjust the OFM population projection need not be adversarial and that the "preponderance of the evidence" standard of RCW 36.70A.320 does not have direct applicability to population adjustment requests.1000 Friends PHB, at 3.It opines that long-term forecasts are inaccurate and that it would therefore be difficult for a county to prove by a preponderance of the evidence that its population projections are more accurate than OFM's.1000 Friends PHB, *supra*.

1000 Friends suggests that population adjustment petitions do have a distinct standard of review,

implied by RCW 36.70A.280(4) which provides:

When considering a possible adjustment to a growth management planning population projection prepared by the office of financial management, a board shall consider the implications of any such adjustment to the population forecast for the entire state. The rationale for any adjustment that is adopted by a board must be documented and filed with the office of financial management within ten working days after adoption.

Thus, 1000 Friends argues that the Board simply must consider the implications of, and adopt an adequate rationale for, any adjustment to the population figures.

### Discussion

RCW 36.70A.320 provides:

Comprehensive plans and development regulations, and amendments thereto, adopted under this chapter are presumed valid upon adoption. In any petition under this chapter, the board, after full consideration of the petition, shall determine whether there is compliance with the requirements of this chapter. In making its determination, the board shall consider the criteria adopted by the department under RCW 36.70A.190(4). The board shall find compliance unless it finds by a preponderance of the evidence that the state agency, county, or city erroneously interpreted or applied this chapter. (emphasis added).

The emphasized first sentence establishes a presumption of validity for comprehensive plans and development regulations and amendments thereto; however, it is silent with respect to a presumption of validity for the twenty-year growth management population planning projections prepared by OFM. This silence, taken together with the reference to RCW 36.70A.190(4), a section which addresses solely cities and counties, could lead one to conclude that the entirety of RCW 36.70A.320, including the "preponderance of the evidence" standard in the last sentence, deals only with the actions of cities and counties.

On the other hand, the last sentence of RCW 36.70A.320 does specifically name state agencies as well as cities and counties. One specific mandate imposed by the Act on a state agency is the requirement for OFM to prepare its population projections. Therefore, the Board reconciles this apparent inconsistency by concluding that the preponderance of the evidence standard listed in the last sentence of RCW 36.70A.320 does apply to OFM's population projections. If a petitioner can show by a preponderance of the evidence that OFM erroneously interpreted or applied the Act, by using faulty assumptions and/or inappropriate methodology, for example, that petitioner would prevail.

As for the statutory presumption of validity discussed in the first sentence of RCW 36.70A.320, the Board holds that it does not apply to OFM's population projections. If the legislature had intended this presumption to apply to population projections, it could easily have done so by listing the projections in the first sentence of .320. The Board also notes that no statute of limitations exists for petitioning for adjustments of OFM's population projections. RCW 36.70A.280(4). Unlike petitions challenging comprehensive plans and development regulations,

which must be filed within 60 days of publication of notice of adoption (RCW 36.70A.290(2)), petitions for adjustment can be filed at any time, assuming they are not frivolous. *See* RCW 36.70A.290(3).

Having concluded that the GMA's presumption of validity does not apply to OFM's population projections and that the preponderance of the evidence test does apply, the Board turns to the County's implicit contention that it is entitled to greater deference than OFM, simply because it is the County.

The Board cannot accept the County's suggestion that, notwithstanding an equally or even more compelling rationale for a projection by OFM, the Board must simply accept a county proposed adjustment, so long as the latter is also rational. The County seems to imply that it is entitled to deference simply because it is a county, but did not state its authority for such a proposition. The Board finds no language anywhere in the Act to support the proposition that the County is entitled to such deference.

However, the Board acknowledges that courts have traditionally accorded due deference to the specialized knowledge of administrative agencies for decisions made within their field of expertise. *Department of Ecology v. PUD I*, 121 Wn 2d 179, 849 P 2d 646 (1993), *English Bay Enterprises v. Island County*, 89 Wn 2d 16, 568 P 2d 783 (1977). Nonetheless, the Board need not accord such deference to OFM's population projection in order to reach a decision in this particular case. The Act directs the Board to find OFM's population projection in compliance with the Act unless the county shows by a "preponderance of the evidence that the state agency ... erroneously interpreted or applied this chapter." RCW 36.70A.320. Here, the burden rests with the County to show by a preponderance of the evidence that OFM's population projection is in error and that Kitsap's proposed data is more objective, and/or their assumptions more credible, and/or their methods more analytical.

It is important here to reiterate that the County is entitled to a presumption of validity in adoption of its comprehensive plan, the setting of its interim and final urban growth areas and adoption of development regulations. The County has broad legislative discretion when determining how it chooses to comply with the requirements of the Act. However, the presumption does not extend to county challenges of OFM projections. Moreover, the OFM planning population projection is fundamentally different in nature than the legislative enactments in which the Act assigns responsibilities to local governments (e.g., county-wide planning policies, comprehensive plans and development regulations). A twenty-year population planning projection, whether adjusted or not, is best described as an externally derived and imposed requirement rather than a locally derived policy choice. It is a foretelling of the likely future, expressed in terms of population, rather than a statement of a preferred future.

Bearing in mind the earlier discussion regarding the purpose, nature and effect of planning population projections, and reading the guidance of the above authorities, the Board hereby adopts a two-part test to be used to decide whether to approve a petition to adjust a planning population projection pursuant to RCW 36.70A.280(1)(b). Only if the Board can answer the first question in the affirmative, and the second question in the negative, will the adjustment be

approved:(1) when compared to the OFM projection, can the county show by a preponderance of the evidence that its proposed adjusted population projection is supported by more objective data, credible assumptions and analytical methods? and (2) will the proposed adjustment thwart the goals or other requirements of the Act?

## **E.SPECIFIC DISCUSSION AND CONCLUSIONS**

### **Legal Issue No. 1**

#### ***Should the OFM twenty year growth management planning population projection for Kitsap County for the year 2012 be adjusted?***

In 1992, OFM prepared "Washington State County Population Projections 1990-2010, 2012."OFM's projected 2012 population for Kitsap County is 269,687.*See* Exhibit 1.The County has asked the Board to adjust the population projection upward.County PHB, at 1.The County asks that the Board adjust the population projection for the year 2014 to 303,460.County PHB, at 2.Failing that, the County asks that the Board adjust the 2012 projection upward by applying the same projected rate of growth that the County used to arrive at its 2014 projection.County PHB, at 6.Although the County did not explicitly prepare an estimate for the year 2012, the population projection for that year would be 292,823, as calculated by the County's witness Reed Hansen (County Exhibit 5, page 3.)<sup>[1]</sup>

### **Positions of the Parties**

#### ***County***

The County argues that its population projection should be adjusted upward.The County's arguments in support of this position are grouped in the prehearing brief into four areas:(1) that OFM population forecasting has historically underestimated Kitsap County's actual growth and therefore it can be presumed that it has erred in the twenty-year forecast presently before the Board; (2) that Kitsap County has evolved as a regional retail center and the resulting increase in retail trade will become a greater factor in population growth, a factor for which OFM has taken no account;(3) that Kitsap's military population will increase rather than decrease, contrary to OFM's assumption; and (4) that Kitsap's fertility rate will be higher than the state average, contrary to OFM's assumption.The County argues that these factors demonstrate why Kitsap has been experiencing growth faster than projected by OFM and that it is likely that it will continue to do so.County PHB, at 6.

These arguments were expanded upon at the hearing on the merits.In response to an initial Board question about what the County's proposed projection for 2012 is, Mr. Fortner said that the County had not generated a projection for 2012.In order to derive a 2012 population, he said, the County would ask that the Board simply apply the same growth rate that was used to arrive at the County's 2014 figure, in effect doing a straight line projection that stops in 2012 instead of 2014.

[1]

Testimony by the County's witness, Reed Hansen, a consulting economist, was that the OFM projection for 2012 was too low because it began with a too low base year and used too low a growth rate for its projection. He contended that the low base year was due to an undercount by OFM of military personnel and the low growth rate was based on OFM's underestimate of future military population and increases due to Kitsap's economic growth. Mr. Hansen generated "adjusted OFM" forecasts, based upon an increased base-year and an increased base-year with higher growth from natural increase, which yielded 2012 population forecasts of 286,615 and 296,953, respectively. County Exhibit 5, at 9.

Mr. Hansen said that Kitsap County experienced an average (compound) annual rate of growth of 3.7 percent in the 1970s, 2.6 percent in the 1980s and 3.0 percent from 1990-1994. County Exhibit 5, at 2. In support of the allegation that OFM forecasts have historically underestimated actual population growth, citation was made to the variation between OFM forecasts in 1978, 1980, 1986 and 1992 for Kitsap versus actual census or postcensal estimates. *Supra*, at 4. The importance of the military population to Kitsap County population was referenced, including an observation that the County experienced substantial military migration during the Trident Subase Bangor build-up during the late 1970s and 1980s. *Supra*, at 7.

Mr. Hansen argued that OFM's January 1992 projection incorrectly assumed zero increase in armed forces employment between 1990 and 1995. He recited the current and scheduled assignment of vessels to the Puget Sound Naval Shipyard (**PSNS**), stated that there is "speculation" that the *USS Abraham Lincoln* will remain at PSNS rather than be homeported at Everett, and argued that "it is possible that substantial increases in military deployments associated with naval vessel homeporting will take place during the latter half of the decade." *Supra*, at 8. In response to a question from the Board, Mr. Hansen stated that he received his information regarding likely future ship deployments to PSNS from a Navy public information officer, whom he did not identify.

Mr. Hansen also argued that increased purchases of goods and services in Kitsap County will generate employment opportunities in Kitsap, presumably adding population not accounted for in OFM's forecast. Further, he argued that the expansion of employment in nearby urban counties will result in increased population within Kitsap due to the increase in net-commuting between Kitsap and other counties. *Supra*, at 13.

Turning to natural increases, Mr. Hansen cited to historical data to show that Kitsap County, from 1960 to 1990, had a higher fertility rate than the state as a whole. He argued that the OFM twenty year forecast has incorrectly assumed that Kitsap's fertility rates will converge with the state average through the forecast horizon.

He summed up by stating that "it was expected by most analysts that the 1990's would be a period of slower growth, due to military downsizing and expected reductions in immigration due to the cooler national and regional economies. So far these expectations have not proven valid for Kitsap County." *Supra*, at 15.

*OFM*

OFM argues that its twenty-year planning population projection should not be adjusted. OFM's 2012 population projection for Kitsap County was based on a cohort-component model which included different assumptions about population increases in different parts of the forecast period. For example, OFM's forecast of the county's net migration is different from 1990 to 2000 than from 2000 to 2010. OFM Exhibit 1, page 48. The OFM projection from 1992 to 2012, works out to an average annual population growth rate of 1.9 percent. OFM PHB, at 1. OFM notes that Kitsap County claims that it will have an average annual population growth rate of 2.5 percent for this same period, a higher growth rate than OFM believes is likely to occur. OFM contends that the 17.8 percent state growth rate during the 1980s is forecast to decline to 15.3 percent during the 1990s and to 11.3 percent during the period 2000 to 2010. OFM PHB, at 4.

OFM explained that the "cohort component methodology" used to derive the 2012 population projection for all counties, including Kitsap, takes place within the framework of state population forecasts of births, deaths and migration. OFM PHB, at 4. OFM disputes the County's suggestion that OFM simply adopted the state's average fertility rate and applied it to Kitsap County, and also the contention that OFM assumed no increase between 1990 and 1995. Rather, OFM cites to OFM Exhibit 8 to support the proposition that the OFM population projection for Kitsap County reflects that county's specific population and is above the average fertility rate for the state. OFM agrees that a major contributor to Kitsap's historical growth has been the military and military dependent population. During the 1980's, approximately half of the County's net immigration was military or military dependent (of the 25,986 for the decade, a total of 13,000 was attributable either to PSNS or the Naval Submarine Base at Bangor), while additional unspecified increases in the civilian population could be attributed to navy employment and increases in service and trade jobs associated with the added military population. OFM PHB, at 5. In assessing the number of naval personnel to be included in the population on which its population estimate would be based, OFM received information enumerating resident personnel, rather than assigned personnel, from Kathy Drake, the Director of Housing Services at the US Department of the Navy. Attachment A to OFM Response Brief.

Turning to the forecast period, OFM states that Kitsap County's armed forces are expected to remain stable over the next twenty years and that absence of growth in the military is an explicit assumption in OFM's forecast for Kitsap County. OFM PHB, at 5. OFM contends that, although the County has claimed that its average annual growth rate of 3.0 percent from 1990 to 1994 (*see* Petition for Review, at 2) supports a higher long-term population growth forecast, this rate is deceiving and should not be considered indicative of any long-term trend. 1990 to 1994 includes the strong growth associated with the state's peak economic expansion of 1989-1990 and the atypical migration gains associated with the so-called "rural rebound." OFM PHB, at 7. OFM cites to OFM Exhibit 12, page 3, to support the contention that Kitsap's annual population growth rate declined from 2.1 percent in 1993 to 1.5 percent in 1994.

OFM argues that Kitsap's proposed adjustment is based on a faulty assumption that the atypical growth rate of 1990 to 1994 will continue. OFM contends that the County's forecast assumption fails to account for the military's contribution to growth in the past, growth that is not expected to

carry forward into the future. With respect to forecast methodology, OFM points out that the County's method consists of simply extrapolating a straight line between the present and 2014, assuming a constant annual rate of growth and taking no account of specific components of population growth. OFM PHB, at 7.

#### *1000 Friends*

As a general proposition, 1000 Friends argues that the Board should approve an adjustment only if there is adequate rationale. Several criteria are suggested for determining the adequacy of the rationale, including: that the adjustment should be at least as suitable as the OFM projection for purposes of growth management planning; that the methodology for the proposed adjustment must have been prepared using a professionally accepted methodology; that the petitioner should demonstrate that the proposed adjustment is not self-induced through either lax or exclusionary growth management policies; and that the proposed adjustment is within a range of consistency with other projections being used for regional transportation planning under the Act. 1000 Friends PHB at 4, 5.

### Discussion

The Board has reviewed the argument and evidence presented by the parties. Following is a summary of the comparative merits of OFM's and the County's projections.

#### *Data*

Unless OFM were to base a county's population projection on demonstrably subjective (as opposed to objective) data, it will be difficult to persuade the Board, based solely on allegedly inappropriate data, that the population projection should be adjusted. The Board cannot conclude in this case that either party has presented data that, on the whole, is objectively superior. The Board therefore turns to the comparative assumptions and methodologies to determine whether or not an adjustment is appropriate in this case.

#### *Assumptions*

The key assumption driving the County's projection is that the rate of growth for the population in Kitsap as a whole, and of the military population specifically, will continue at a higher rate than OFM assumed. While the County presented data regarding past population forecasts and actual population growth in Kitsap, the Board could not find "nearly equal increments of absolute growth per year, decade or other unit of time", a critical component of a linear or straight line model such as Kitsap used.<sup>[1]</sup> It is difficult to analyze other assumptions supporting the County's projection simply because the record does not disclose them.

OFM has assumed that the military population in Kitsap County is likely to remain relatively stable and that it is prudent and appropriate to be conservative rather than speculative in making assumptions about future military population. The County has not shown why these are not credible assumptions. Much of the justification for Mr. Hansen's higher military population projection was speculative and anecdotal rather than factual or analytical (e.g., his comment that

"there is speculation that the *USS Abraham Lincoln* will remain at PSNS rather than be homeported at Everett," and that "it is possible that substantial increases in military deployments associated with naval vessel homeporting will take place during the latter half of the decade.") The County's argument, that OFM's future projections are suspect because of past undercounting and low estimates compared to subsequent counts, is unpersuasive. OFM disputes many of the County's and Mr. Hansen's allegations regarding OFM's incorrect fertility rates and undercounting of military personnel. Even if the Board were to grant the County this point, that OFM's forecasts have historically been low, that alone would not be sufficient reason to agree with the County's data, assumptions and methods for the upcoming forecast period. The 1992-2012 population projections have to stand or fall on their own merits, not the alleged demerits of past projections.

### *Methodology*

The two different methods under review here are the linear or straight-line model used by the County and the cohort-component method used by OFM. Both of these population projection methods are described in the literature excerpted in footnote 7. . The cohort-component method is far more complicated than the straight-line model, isolating and modeling discrete events to predict what is likely to be happening to the population over time. The cohort-component method begins with base data, such as an estimate of current population, and then attempts to identify what is likely to occur to the various sub-populations over the forecast period. As used by OFM, it makes separate analysis and conclusions about housing unit occupancy, fertility, mortality and migration for these sub-populations, and also factors in the scheduled, as opposed to speculative, increases in the military related population.

The straight-line method also begins with a base year based on an estimate of current population, identifies an annual rate of growth based on historical data, and then simply extends that growth rate over the forecast period. The method, as applied by the County, does not attempt to disaggregate sub-populations of the total population, whether by age, sex or employment, nor to predict fertility, mortality and migration for these groups. Whatever assumptions are made about these sub-populations or the military population are not explicitly stated, but rather subsumed within the selected growth rate used to draw a straight-line projection.

The key weakness with the County's methodology is that it stands or falls based on its assumption that the next two decades will be, essentially, a straight-line projection of the recent past. As described above, the Board is not persuaded that this is a credible assumption. Therefore, the straight-line method application fails to yield a credible projection.

Even if the Board were persuaded that the County-proposed annual growth rate was a credible assumption, the Board is troubled by the lack of analytical rigor in a straight-line projection methodology. A straight-line projection is better suited to short time periods, given the many variables and events that can occur over a twenty year period, and is uncommon as a long range forecasting tool. Neither the Puget Sound Regional Council<sup>[1]</sup> nor the State Office of Public Instruction<sup>[1]</sup> uses a straight-line methodology for forecasting populations. Each of them uses a more sophisticated model. The Board concludes that the cohort-component method used by OFM

is a more analytical, commonly used and appropriate methodology for creating a twenty year population projection than the County's straight-line projection.

Applying the two part test to the facts and arguments of the present case, the Board concludes that Kitsap County's proposed adjustment fails the first part of the test. While the evidence does not suggest that the County's data was any more or less objective, taken as a whole, than OFM's, the County's proposed adjustment fails in its assumptions and its methodology. The County's assumption that the military-inspired growth of the last five years will continue at a similar pace through 2012 is not credible and the linear projection used to explain the County's forecast is a less analytical methodology for a long range population projection than OFM's cohort component method. Therefore, the Board need proceed no further to determine that the County's petition for the requested adjustment for 2012 should be denied.

### Conclusion No. 1

The County fails to meet the first element of the two part test which the Board has adopted to decide upon petitions to adjust planning population projections. The County has not shown by a preponderance of the evidence that its rationale for the proposed adjustment is supported by more credible assumptions and a more analytical methodology than the documented rationale that supports OFM's projection. Therefore, the answer to the first part of the test is "no". Even had the County asserted that it used the data, assumptions and methods outlined in the Hansen memorandum and Mr. Hansen's testimony to arrive at its proposed population adjustment, the outcome would have been the same. Consequently, the Board need not address the second part of the test. Because the County's proposed adjustment fails to meet the test, the Board declines to adjust the 2012 population projection and the County's petition should be denied.

### Legal Issue No. 2

***If the answer to issue No. 1 is yes, to what number should the Board adjust the growth management planning population projection for Kitsap County for the year 2012?***

### Discussion

Because the answer to Issue No. 1 was "no," the Board need not address Legal Issue No. 2.

### Conclusion No. 2

Because the answer to Issue No. 1 was "no", the Board will not address Legal Issue No. 2.

### Legal Issue No. 3

***May Kitsap County propose, for GMA planning purposes, and have the Board approve, a population forecast adjustment for the year 2014?***

The Act requires the use of OFM's twenty year population projection for designating UGAs. See RCW 36.70A.110(2), RCW 36.70A.130(3), RCW 36.70A.280(1)(b), and RCW 36.70A.350(2). However, nothing in the Act specifies the year that OFM is to make its projection. Because OFM made its projection in 1992, the twenty year projection establishes a projected population for each county planning under the GMA in the year 2012. OFM Exhibit 1.

Positions of the Parties

*County*

The County argues that nothing in the Act limits the Board to 2012 and that the Act requires that the comprehensive plans of the jurisdictions planning under the Act be completed by July, 1994. Therefore, the County argues, the twenty years should start in 1994 and run to 2014. The County argues that the Board should be able to adjust the 2012 forecast to allow counties to plan for twenty years, as is required by the Act. County PHB at 7.

*OFM*

OFM disagrees with both the County and 1000 Friends on this subject. OFM argues that the Board does not have authority to "approve" a population forecast for the year 2014. OFM calls attention to the language of RCW 36.70A.280(1)(b) which establishes the board's jurisdiction in the present matter. The pertinent provision states that the board shall hear and determine petitions alleging:

- (b) That the twenty-year growth management planning population projections adopted by the office of financial management pursuant to RCW 43.62.035 should be adjusted. (emphasis added).

Because OFM has made no population projection for 2014, and has not adopted one, there is no projection to "adjust." OFM PHB, at 9. As a practical matter, OFM argues that without an initial independent forecast of the county's population for 2014, there is no administrative record against which such a request can be measured.

*1000 Friends*

1000 Friends argues that a population adjustment for the year 2014 is appropriate under the Act. It argues that portions of the Act related to urban growth areas demonstrate that counties are required to plan for twenty year periods, regardless of whether or not the OFM projection corresponds to those twenty year periods. RCW 36.70A.110(2) provides:

- Based upon the growth management population projection made for the county by the office of financial management, the urban growth areas in the county shall include areas and densities sufficient to permit the urban growth that is projected to occur in the county for the succeeding twenty-year period. (emphasis added).

1000 Friends argues that the legislature did not foresee that the deadline for growth management plans would be extended and that a number of counties would subsequently be required to plan

under the Act, resulting in OFM projections becoming unsynchronized with the 20-year planning horizon.

1000 Friends further argues that because a county is authorized to adjust its UGA as often as once a year, and because a UGA must accommodate the urban growth projected to occur in the county for the succeeding 20-year period, the Act implicitly authorizes counties to propose population adjustments for the year 2014 or any other year representing the 20-year planning horizon. 1000 Friends PHB, at 7.

### Discussion

The Board has previously addressed a similar issue.<sup>[1]</sup> In addition, the Board is persuaded by OFM's argument that the Board does not have jurisdiction to "adjust" a population forecast for 2014 because there is no 2014 forecast to adjust. Thus, Kitsap may not include a 2014 population forecast for designating or amending its UGAs, nor may the Board approve such a figure. The County's UGAs, which must be incorporated into its comprehensive plan, must be based upon 2012 as the GMA mandated twenty-year planning horizon.

Nevertheless, the Board concludes that a county may, as an optional and supplementary feature of its comprehensive plan, include a population projection for any year subsequent to 2012, provided that such supplementary projection is unrelated to the process of designating UGAs. It may be wise to look beyond the GMA-mandated twenty year time horizon, in view of the fact that major capital investments, i.e. sewage treatment plants and transportation facilities such as roads, airports and rail lines, have well beyond a twenty year life and the results of certain public policy decisions will likewise endure beyond twenty years. However, the land supply and density decisions that must be made in designating UGAs must accommodate only the demands of twenty years of growth. See *Rural Residents*, at 34. While looking beyond 2012 may be useful for other planning purposes, such prognostication cannot be used as rationale to "inflate" the supply of land for designating UGAs sufficient to meet the demand for 2012.<sup>[1]</sup>

The Board also notes that OFM intends to issue updated population projections in late 1995. OFM Response Brief, at 7. This represents an opportunity for OFM to make any adjustment that it concludes are appropriate, and provides counties with another opportunity to propose an adjustment.

### Conclusion No. 3

The Board does not have the authority to adjust the OFM population forecast to the year 2014. It can only adjust the population projection actually made by OFM, which currently is for the year 2012. The County may not, at this time, use a population projection adjustment for the year 2014 for designating its UGAs. However, if a county wishes to look beyond 2012 in its comprehensive plan, it must explicitly identify any post-2012 projection and clearly state that this is an optional feature for long-range GMA planning purposes unrelated to designating UGAs. When a county

"shows its work" explaining how the UGA portion of the comprehensive plan was derived, it must show that the land supply and density assumptions are serving the population expected by the end of the OFM forecast period, which currently is 2012, not a subsequent year.

Legal Issue No. 4

*If the answer to issue No. 3 is yes, what is the appropriate population figure for Kitsap County for the year 2014?*

Discussion

Because the Board has concluded that it has no jurisdiction to adjust a population forecast for 2014, the Board will not address this legal issue.

Conclusion No. 4

Because the Board has concluded that it has no jurisdiction to adjust a population forecast for 2014, the Board will not answer this legal issue.

Legal Issue No. 5

*If the growth management population planning projection for Kitsap County is adjusted, what implications would the adjustment have for the population forecast for the entire state?*

Discussion

Because the Board has not elected to adjust the planning population projection for Kitsap County, it will not address Legal Issue No. 5 further.

Conclusion No. 5

Because the Board has not elected to adjust the planning population projection for Kitsap County, it need not and will not answer Legal Issue No. 5.

**F.ORDER**

The Board finds that, when compared to the OFM projection, the County has not shown by a preponderance of the evidence that its proposed adjusted population projection for 2012 is supported by more objective data, credible assumptions and analytical methods. The County's

Petition is therefore **denied**.

So ORDERED this 27th day of March, 1995.

## CENTRAL PUGET SOUND GROWTH MANAGEMENT HEARINGS BOARD

M. Peter Philley  
Board Member  
Joseph W. Tovar, AICP  
Presiding Officer  
Chris Smith Towne  
Board Member

Note: This Final Decision and Order constitutes a final order as specified by RCW 36.70A.300 unless a party files a Petition for Reconsideration pursuant to WAC 242-02-830.

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<sup>[1]</sup>The state as a whole has experienced approximately 2.2 percent more growth by 1994 than OFM projected for this year in 1992. The differential between projected and actual population for 1994 is less in Central Puget Sound than in most of the rest of the state. Fifteen non-Central Puget Sound counties have a differential twice that of Kitsap, while five have a differential triple that of Kitsap. Finding of Fact 12 .

<sup>[1]</sup>The Board has previously employed this analytical framework (*purpose, nature and effect*) to discern the meaning of other important sections of the Act, how various sections relate to one another to achieve a coherent whole and, thereafter, how specific narrow legal issues in a given case can be appropriately answered. The Board used this analysis with countywide planning policies (**CPPs**) adopted pursuant to RCW 36.70A.210 (*see Snoqualmie v. King County*, Case No. CPSGPHB 92-3-0004 (1993), at 7) and UGAs adopted pursuant to RCW 36.70A.110 (*see Rural Residents*, at 11).

<sup>[1]</sup>The Board held in *Rural Residents*:

"The Board holds that counties must use only OFM's twenty-year population projection in adopting UGAs. OFM's forecast is the exclusive source for the relevant countywide figures -- both the floor and the ceiling for population projections. Counties must base their UGAs on only these projections. Counties cannot add their own calculations to nor deduct from OFM's projections.

"The Board reaches this decision for several reasons. First, this interpretation constitutes a sound legislative policy. If the legislature intended to permit counties to modify OFM's projections, it would have drafted RCW 36.70A.110 and RCW 43.62.035 differently. Second, OFM is a state agency independent of local political considerations. If counties were free either to alter OFM's projections or derive their own projections, local biases could enter into the formula and, as *Rural Residents* argued, enable counties to skew the forecasts to justify any size UGA. *See Rural Residents' Prehearing Brief*, at 11. Accordingly, by placing the sole responsibility on OFM for making countywide population projections, the legislature has accomplished an overriding purpose of the GMA: achieving consistency. Yet, the legislature protected local jurisdictions by requiring OFM to review its projections with each county. RCW 43.62.035.

"Third, if a county concludes that OFM's twenty-year population projections are incorrect and should be adjusted, it can appeal the matter to the Board. *See* RCW 36.70A.280(1). If the legislature intended that a county could modify OFM's numbers at will, it need not have bothered to establish a specific appeals procedure to challenge OFM projections. Importantly, if a county does not timely appeal an OFM projection, a county is bound by it. [NOTE: The Board subsequently amended its rules of practice and procedure so that there is no longer a time limitation on such appeals. *See* WAC 242-02-220(3).] Fourth, counties are also

required to review their designated UGAs at least once every ten years, presumably to coincide with OFM's decennial review. *See* RCW 36.70A.130(3). If OFM elected to prepare a twenty-year projection more than once every ten years, counties could re-evaluate their UGAs accordingly. In addition, because OFM is required to annually determine the current population of each county, the Board presumes that if OFM observed an unexpected fluctuation in annual population, it would re-analyze its twenty-year forecast sooner than every decade.

"Fifth, RCW 36.70A.350(2) provides:

"New fully contained communities may be approved outside established urban growth areas *only if a county reserves a portion of the twenty-year population projection and offsets the urban growth area accordingly* for allocation to new fully contained communities that meet the requirements of this chapter. Any county electing to establish a new community reserve shall do so no more often than once every five years as a part of the designation or review of urban growth areas required by this chapter. The new community reserve shall be allocated on a project-by-project basis, only after specific project approval procedures have been adopted pursuant to this chapter as a development regulation. When a new community reserve is established, urban growth areas designated pursuant to this chapter shall accommodate the unreserved portion of the twenty-year population projection..." (Emphasis added.)

"Again, the legislature has made it clear that OFM's figures are the only population projections that matter. RCW 36.70A.350 recognizes this by requiring counties to deduct from OFM's projections the number of persons it expects to reside in a new fully contained community." *Rural Residents*, at 33, 34.

[1] The population component is not the only factor that must be examined when designating UGAs. *See Rural Residents* and *Tacoma et al. v. Pierce County*, CPSGMHB Case No. 94-3-0001 (1994).

[1] The Board notes that there is nothing in the record to indicate that the County used Mr. Hansen's data, assumptions or methods in deriving the population forecast that it has proposed, nor even applied that data to its forecast before it filed its Petition asking the Board to adjust the OFM projection. Mr. Hansen's Memo, County Exhibit 5, is dated December 15, 1994. The County's petition for review was dated September 28, 1994. Because there is no evidence in the record to the contrary, this simple chronology proves that, whatever the merits of Mr. Hansen's data, assumptions and methods, the County's proposed 2014 and 2012 population projections were generated without them. Nevertheless, the Board addresses Mr. Hansen's analysis, County Exhibit 5, as the *only* documentary rationale available to support the County's requested population adjustment for 2012.

[1] The record does not indicate how the County's proposed 1994-2014 growth rate was derived. The attachments to the Petition for Review, a February 28, 1990 letter from then Kitsap County Commissioner John Horsley to Tim Watterson of the Puget Sound Council of Governments staff, and a January 13, 1994 letter from Ron Perkerewicz to Wolfgang Opitz of OFM, state various growth rates and resulting populations, but the only rationale presented for the County's assumed growth rate was anecdotal rather than analytical.

[1] The *linear (straight-line) model* is used when the population of the area being studied has exhibited a history of nearly equal increments of absolute growth per year, decade, or other unit of time. The assumption is made that this pattern will persist into the future. There are two simple ways the data can be fitted to a straight line. One is simply to graph the data, to observe that, indeed, the historical trend is linear (not significantly curved or irregular), and to take a straightedge and a pencil and extend the line. The other approach is to calculate the numerical differences in absolute growth for the historical periods, to determine if they were equal, or nearly so, and then to add these increments in future time periods.

The *cohort-component method* is premised on the recognition that population change is a function of natural increase and migration. The term "cohort" indicates that the computational procedure is applied to age categories (rather than gross population totals), with the identity of each age group retained as it is carried forward through time. For example, the 1975 cohort comprising population 15-19 years of age is projected to 1980 by accounting for deaths (employing survival rates) and migration, at which time the cohort's population will be between 20 and 24 years of age. Typically, the cohorts span five years and contain four subpopulations -- the male and female sectors of the white

and nonwhite populations. The Practice of State and Regional Planning, Frank So, Irving Hand, and Bruce McDowell, Editors, American Planning Association and International City Management Association, Chicago, Illinois, 1986, at 277, 278.

[1] The Board takes official notice of "Draft Economic and Demographic Forecasts of the Central Puget Sound Region," issued by the Puget Sound Regional Council (PSRC) in November 1994. This document describes the methodology used by PSRC as an econometric model that employs linkages to the national economy to forecast both economic and demographic change in the region.

[1] The Board takes official notice of WAC 180-27-045 which requires school districts in Washington State to use a modified cohort-component methodology for time periods as short as three to five years.

[1] The Board cannot agree with 1000 Friends' argument that the legislature simply did not foresee that the deadline for growth management plans would be extended and that a number of counties would subsequently be required to plan under the Act. The Board addressed this issue in the *Tacoma* decision. In that case, Pierce County made a very similar argument that the twenty year forecast period required by RCW 36.70.110 should be measured from the date of the county enactment rather than from the 1992 date that OFM issued the population projections. The Board held:

"Although ... [Pierce] County cannot be faulted for wanting to adjust its population projections by 'updating' them to twenty years from the year 1993 (i.e., the year it actually adopted the IUGAs), the Act does not permit such extrapolation, even if a straight line may make sense. Moreover, the County adjusted its figures twenty years from 1994, not 1993. The legislature required OFM to prepare twenty-year projections at least every ten years. The legislature did not require OFM to annually prepare twenty-year projections. If it wanted annual twenty-year projections, the legislature would have required them. The language of RCW 43.62.035 could not be any clearer on this point.

"Moreover, the legislature implicitly acknowledged this 'gap' when it amended RCW 36.70A.040 in 1993. The legislature is presumed to know that in 1992 OFM complied with the requirement to make twenty-year population projections. In 1993, the legislature amended RCW 36.70A.040(3) and (4) to give counties and cities an additional year to adopt comprehensive plans and it did not amend RCW 43.62.035.

"The effect is that for Central Puget Sound counties, by the time they adopt comprehensive plans and implementing development regulations, it will be late 1994 or early 1995 -- three years after OFM's population projections first came out. For 'new' planning counties just beginning to plan under the Act, the gap is even greater -- more of the ten-year planning period will have already elapsed. Nonetheless, all counties must base their UGAs on OFM's 1992 projections for the year 2012, unless OFM subsequently elects to alter them." *Tacoma*, at 26, 27.

[1] The Board has also noted in an earlier case that a population forecast from other sources might be useful as a tool to evaluate the OFM population projection. The Board held:

"For internal planning purposes only, such as ascertaining whether OFM's projections needed adjustment and therefore should be appealed to the Board, the County could use the KRPC's year 2010 figure or any other entities' forecasts as it saw fit." *Rural Residents*, at 36.