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Planning for the future does not start on a clean slate. The future of Faribault will be built on the foundation of Faribault as it exists today. The Faribault of 2002 has evolved over time, shaped by a variety of forces that will continue to shape the community into the future. A clear understanding of these forces that influence the pace and form of development provide the context for planning decisions.

## External Factors

The Comprehensive Plan seeks to manage development to achieve local goals and objectives. In planning for the future, it is important to recognize that some factors that influence community development lie beyond local control. These external factors create both challenges and opportunities.

### *Location*

Faribault's location plays an important role in community planning. Faribault is uniquely situated to draw upon regional assets while maintaining a distinct identity and small-town environment.

The most obvious locational factor is Faribault's relationship with the Twin Cities Metropolitan Area (see following section). Location and accessibility allow Faribault to benefit from the economic vitality of the Twin Cities. This location also means that Faribault is not subject to the regional planning controls of the Metropolitan Council.

Faribault has developed other regional relationships. Health care creates a link between Faribault and Rochester. The Mayo Clinic and related facilities are as accessible from Faribault as are the major hospitals in Minneapolis. Minnesota State University (Mankato) provides classes in Faribault.

### *Twin Cities Growth*

The Metropolitan Council currently projects that the 7-county metro region will add 930,000 people, 460,000 households and 550,000 jobs over the next three decades. This growth impacts Faribault.

The gap between Faribault and the Twin Cities shrinks every year. Interstate Highway 35 provides excellent access to the metropolitan area. This access makes it possible for people to live in Faribault and conveniently work in the Twin Cities. Continued job growth in Dakota and Scott counties increases the residential growth opportunities in Faribault.

This relationship poses challenges along with the opportunities. Access to regional shopping areas (Burnsville Center, Mall of America) has created barriers for certain types of commercial development in Faribault. The future will bring Twin Cities' retail areas even closer to Faribault.

The implications of development in the Twin Cities will spill over into Faribault.

- Policies adopted by the Metropolitan Council may limit or promote southward expansion of the Twin Cities metropolitan area.

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- Does this growth management in the Twin Cities cause growth to leap-frog into Faribault?
  - How do traffic volumes/congestion influence residential, commercial and industrial growth in Faribault?

### ***Legislative Actions***

Actions taken by the State Legislature create direct and indirect effects on local planning and development. The challenge facing local planning efforts is the certainty that legislative change will occur and the inability to predict the nature of the change.

- **Tax Policy.** State tax policies influence the decisions of businesses to locate, expand and remain in Minnesota. Property tax policies affect the ability to fund local government.
- **Annexation.** Township officials continue to seek voter approval as a requirement for annexation. Such legislation would make it more difficult to expand city boundaries to accommodate future growth.
- **Development Finance.** Tools such as tax increment financing and tax abatement provide cities with financial resources to undertake community development initiatives. History shows that the legislative authority to use these tools will change over time.
- **State Budget.** State institutions (State Academy for the Deaf, State Academy for the Blind, and State Correctional Facility) are important elements of the community. The long-term viability of these institutions depends on State funding decisions.
- **Transportation.** State decisions about funding highway and transit improvements influence development in the Twin Cities and in Faribault.

### ***Economy***

The combination of low interest rates, low inflation and low fuel prices encouraged development over the past decade. These economic factors will play a role in shaping the form and pace of future development in Faribault. Faribault appears well positioned to weather any economic conditions:

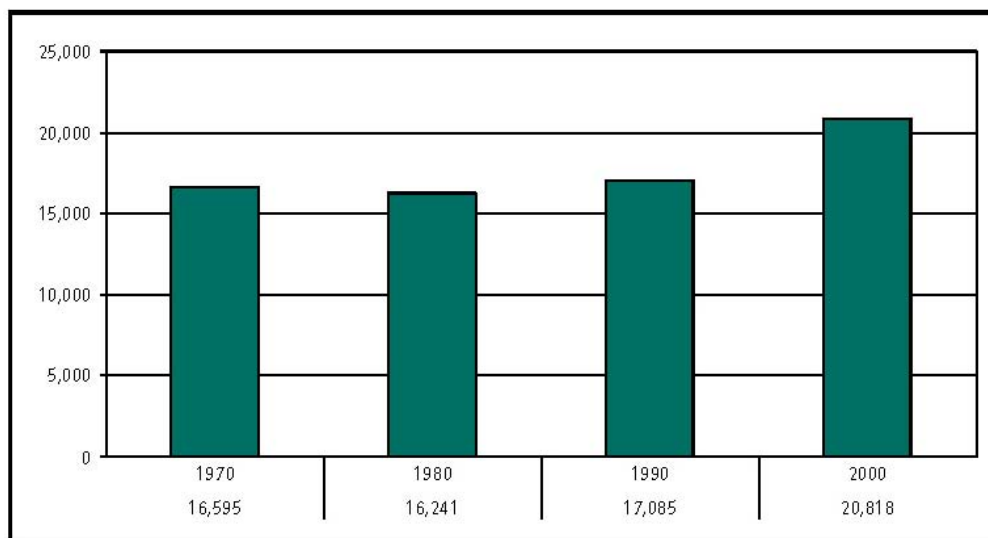
- The low interest rate/low fuel cost conditions of the recent past favors continued suburban style growth. Single-family housing costs rise slowly. The costs of commuting are acceptable.
- As a “full service” city, Faribault is not completely dependent on the ability to travel into the metropolitan area. The ability to combine jobs, shopping and services with more affordable housing should give Faribault a competitive advantage over suburban communities in times of a weaker economy.

## Growth

Past growth trends provide guidance in planning for the future. The form and pace of growth illustrate the development forces at work in Faribault. Planning considers how these trends may extend into the future. Available information focuses on growth in terms of population, property valuation and new development.

### Population

After two decades of little population change, Faribault's population grew significantly in the 1990's. According to Census data, Faribault's population increased by 3,733 from 1990 to 2000 (21.85%).



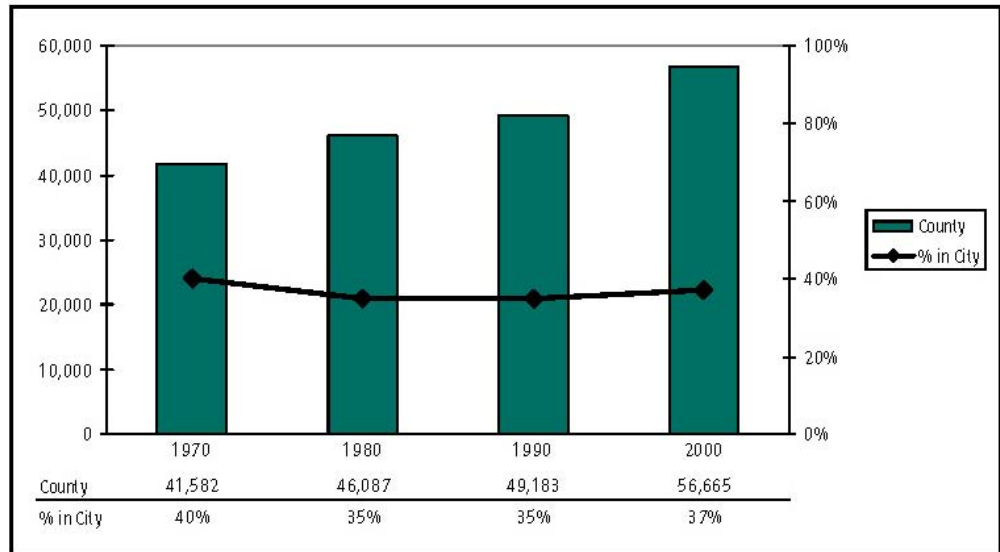
*Figure 3-1*  
*Population Growth*  
*(Source – U.S. Census)*

Not all of this growth came from *traditional* sources. In 1990, the City annexed a subdivision in Walcott Township. The Rice County Housing Study estimated that the annexation increased the City's population by 441. The 2000 Census reported that the number of Faribault residents in "group quarters" increased from 1,194 in 1990 to 1,887 in 2000 (gain of 693). Group quarters include correctional facilities, long-term care facilities and student housing.

After accounting for these factors, Faribault's population increased by 2,599 people from 1990 to 2000.

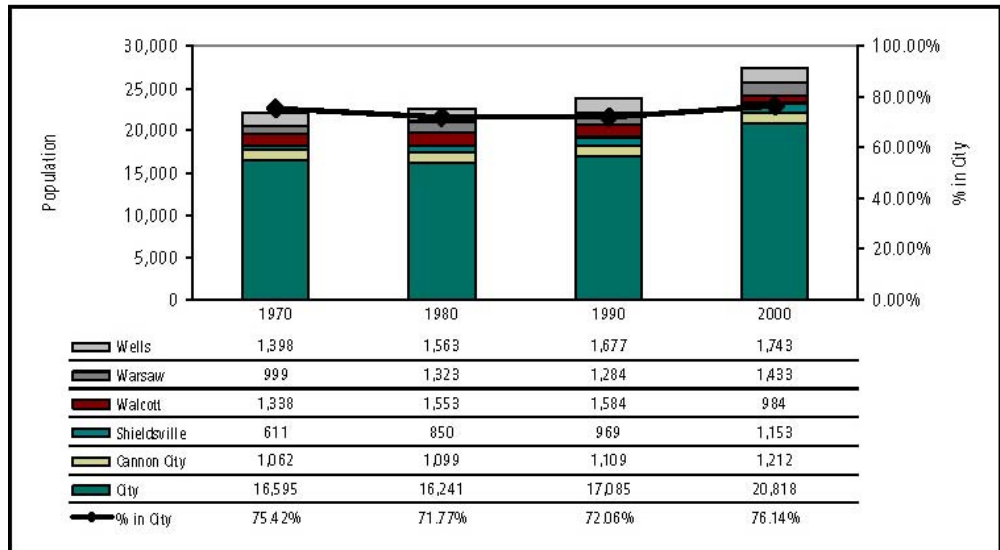
Another population perspective comes from viewing Faribault as part of Rice County. From 1990 to 2000, Rice County's grew by 7,482 people (15.2%). The County's population base shifted slightly to Faribault, increasing from 35% in 1990 to 37% in 2000. Annexation accounts for much of this shift (see Figure 3-2)

Almost two-thirds of County population resides in either Faribault or Northfield. This proportion has remained relatively constant over the three most recent census periods.



**Figure 3-2**  
**County Population**  
(Source – U.S. Census)

County land use regulations have helped channel development into the City. Although the surrounding townships grew in population from 1990 to 2000, population growth remains focused in Faribault. Figure 3-3 shows the growth in population for adjacent townships and share of “area” population located in Faribault.



**Figure 3-3**  
**“Area” Population**  
(Source – U.S. Census)

One other perspective of population growth comes from residency in 1995. Of the 2000 population (age 5 and older), three-quarters of this group lived in Faribault lived in 1995 (see Figure 3-4). Few residents moved to Faribault from other places in Rice County, only 3% of this population group. A slightly larger number moved to Faribault from outside of the United States.

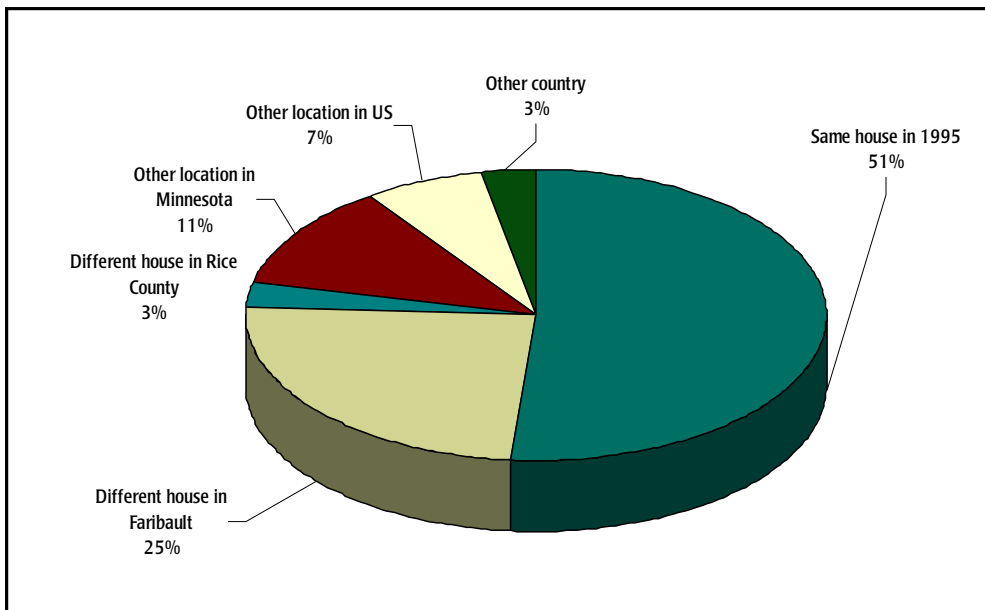


Figure 3-4  
Residence in 1995 (populations 5 years and older)  
(Source – U.S. Census)

### Property Valuation

Property valuation provides a different indicator of growth. The growth in property value comes from new development, reinvestment in existing structures and the appreciation of property. Since local government draws on property taxes for operating revenues, property valuation is one measure of community wealth.

Estimated Market Value (EMV) offers the most consistent indicator of property valuation. The county assessor sets the EMV for every parcel in Faribault. From 1990 to 2001, the total Estimated Market Value of Faribault increased by 119%. The annual EMV increases averaged 8.2% during this period. This growth represents both new development and the appreciation of existing property.

Another important measure of property valuation is Tax Capacity. The Tax Capacity value is used for levying property taxes. The State Legislature sets percentage factors for converting EMV to tax capacity. The factors vary according to type of property. Over the past six years, the Legislature has reduced the percentage factors (class rates) for all type of property. These legislative changes explain why total tax capacity grew 61% from 1991 to 2001, far less than the increase in EMV.

These trends are illustrated in Figure 3-5 on the next page.

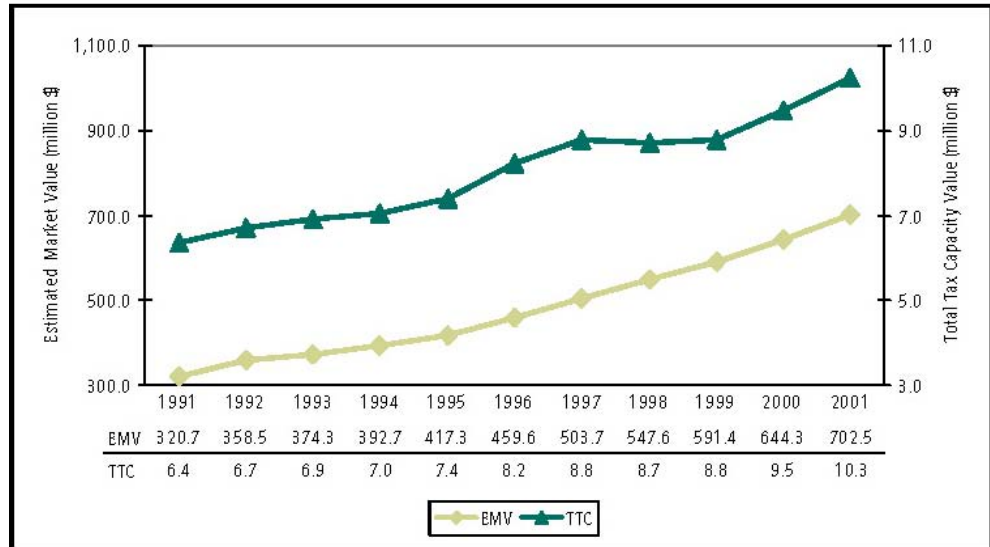


Figure 3-5  
Property Valuation  
(Source – City Bond Official Statements)

### Housing

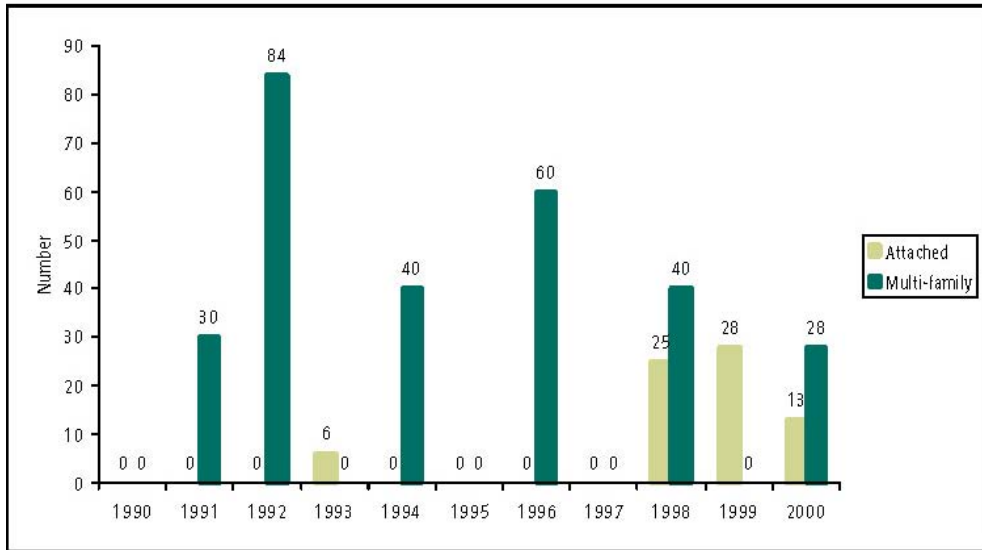
The Housing Element of the Comprehensive Plan examines the characteristics of the housing stock in Faribault. For the purposes of Community Context, housing is an important measure of growth.

Faribault experienced strong growth in housing during the past decade. From 1990 through 2001, the City issued building permits for 741 single-family housing units. Growth ranged from 41 units (1995) to 75 units (2000), an average of 61 units per year (Figure 3-6).



Figure 3-6  
Building Permits for New Single Family Housing  
(Source – City of Faribault)

Building permit data for other housing types (attached and multi-family) shows a less consistent trend (Figure 3-7). Multi-family projects have followed a pattern of occurring every-other year, suggesting the need to absorb new units before another project begins. Development of attached (townhouse) style housing is a more recent trend. Increased townhouse development reflects both lifestyle and housing cost factors.



*Figure 3-7*  
*Building Permits for New Attached and Multi-Family Housing*  
*(Source – City of Faribault)*

## Population Characteristics

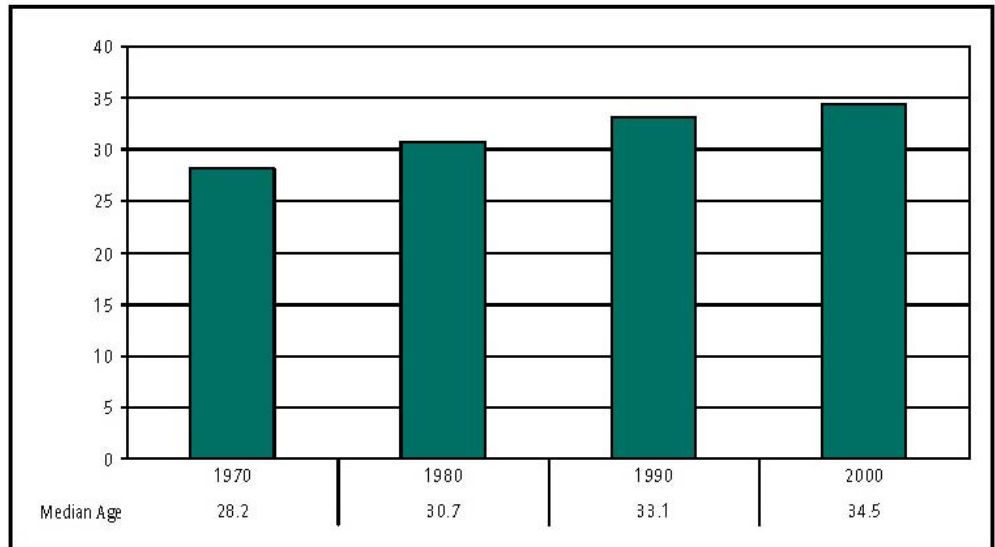
Not only is Faribault growing, but the characteristics of the population are changing. The nature of the population influences many aspects of community development:

- Type of residential development.
- Supportable local businesses.
- School enrollment.
- Medical and other community services.

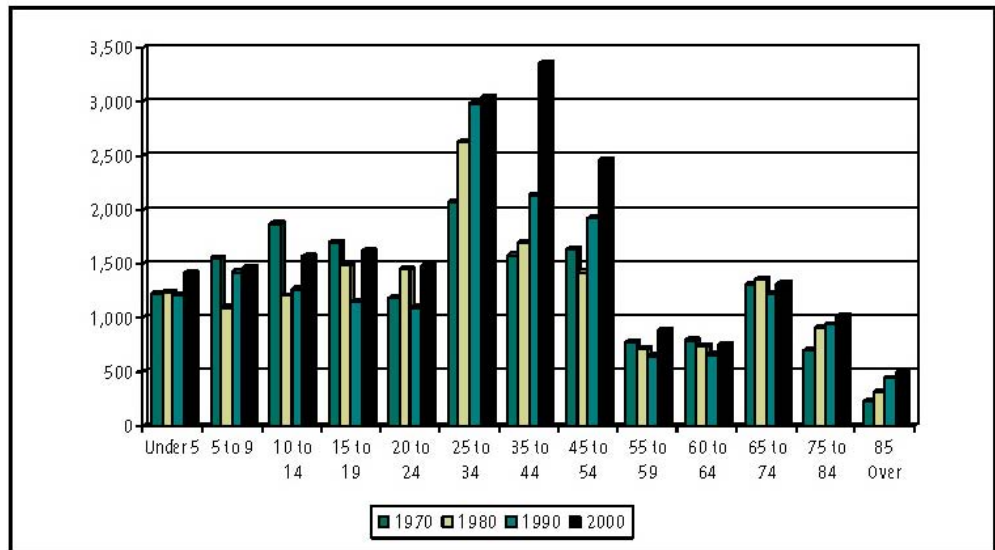
### Age

Understanding the aging of Faribault will guide a variety of planning decisions. The population of Faribault is growing older. The median age has increased from 28.2 years in 1970 to 34.5 years in 2000 (Figure 3-8). The change in median age slowed in the last decade. The median age rose 8.9% in 1980 and 7.8% in 1990. In the 2000 Census, Faribault’s median age rose just 4.2%. Faribault (34.5 years) remains slightly younger than the State (35.4 years).

The intuitive reaction to an increase in median age is to look for growth in the number of the elderly. In reality, the aging of Faribault is occurring in the middle age brackets. One-third of the new population coming to Faribault from 1990 to 2000 was age 35 to 44. Over 55% of the growth fell between the ages of 25 and 59. Figure 3-9 shows the distribution of population among age groups for the past four Census periods.



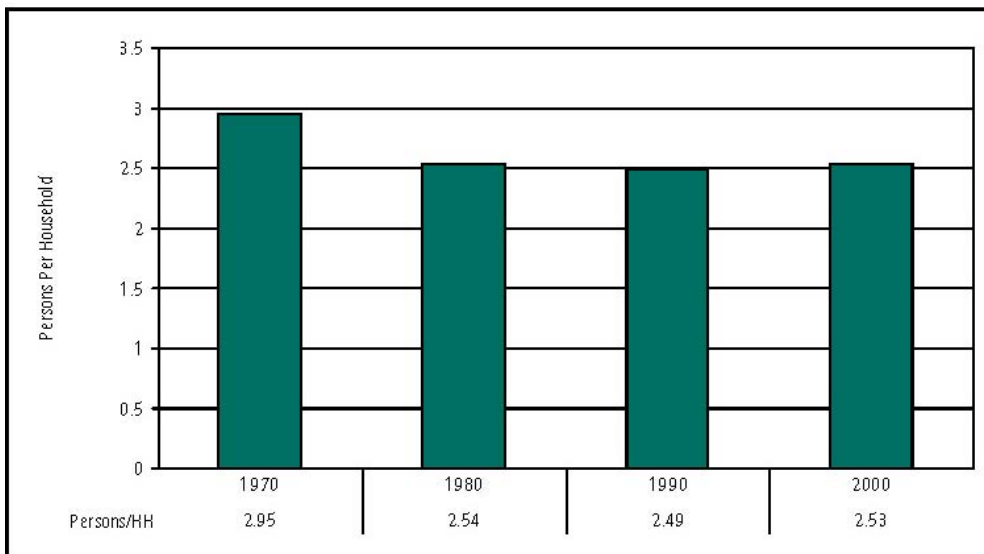
**Figure 3-8**  
*Median Age*  
(Source – U.S. Census)



**Figure 3-9**  
*Age Distribution of Population*  
(Source – U.S. Census)

### Household Size

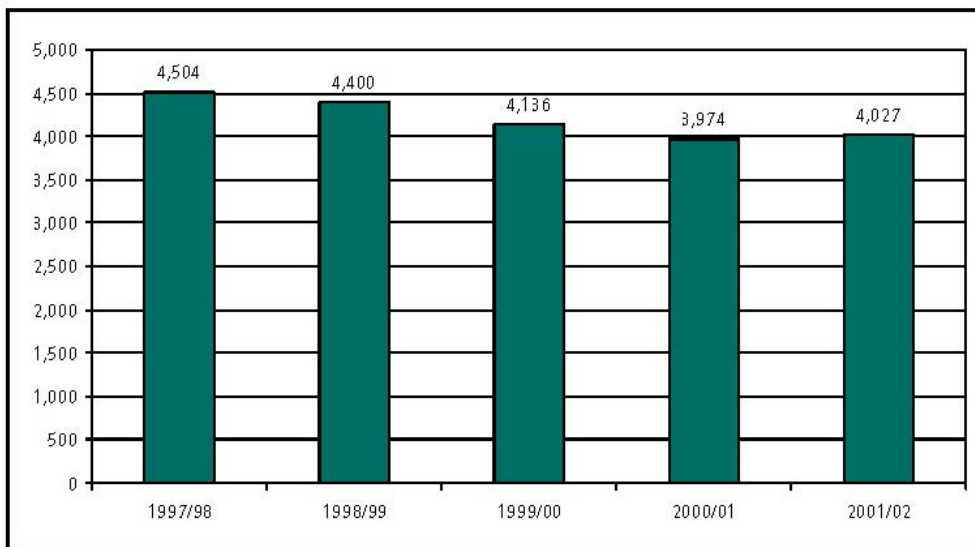
Household size trends show how housing development converts into population. Not all of Faribault population resides in “households”. Almost 9% of the 2000 population lived in “group quarters”, including the State Correctional Facility and nursing homes. The 2000 Census reported 7,472 households, resulting in an average household size of 2.53 persons. This mirrors the state-wide average of 2.52. The average size of households in Faribault remained constant over the past three Census periods (Figure 3-10). The average family size in Faribault is slightly higher at 3.10 persons.



**Figure 3-10**  
**Average Household Size**  
(Source – U.S. Census)

### School Enrollment

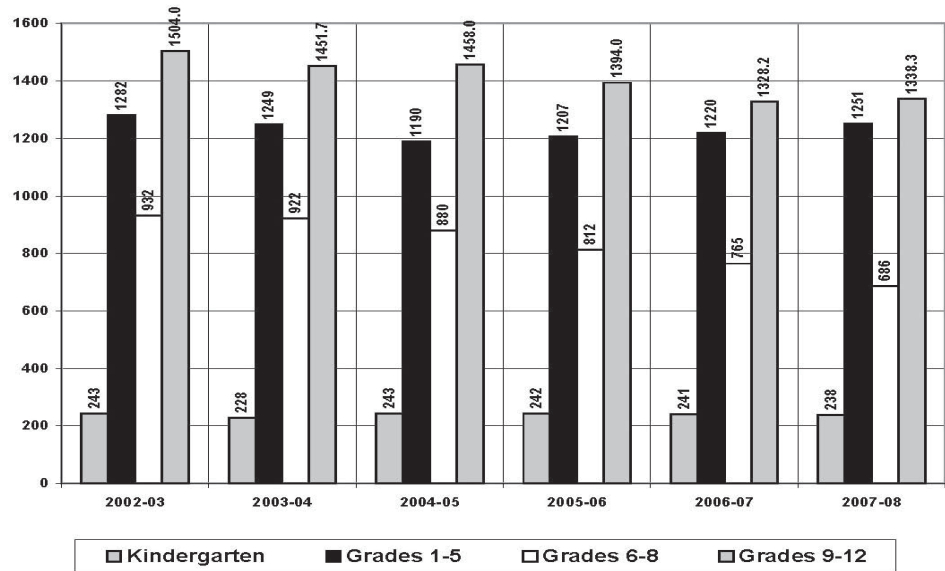
Another indicator of changing demographic composition comes from enrollment in the public school system. Figure 3-11 contains total enrollment for the Faribault School District for the past five years. The trend shows a slow decline over this period.



**Figure 3-11**  
**Total Enrollment – Faribault School District**  
(Source – Minnesota Department of Children, Families and Learning)

In 2002, the School District commissioned a study to determine future enrollment and demographic characteristics of the student population. The findings of this study appear in the Demographic Study and Enrollment Projections report prepared by SchoolFinances.com. Among the findings are a continuation of the downward trend in total District enrollment (see Figure 3-12).

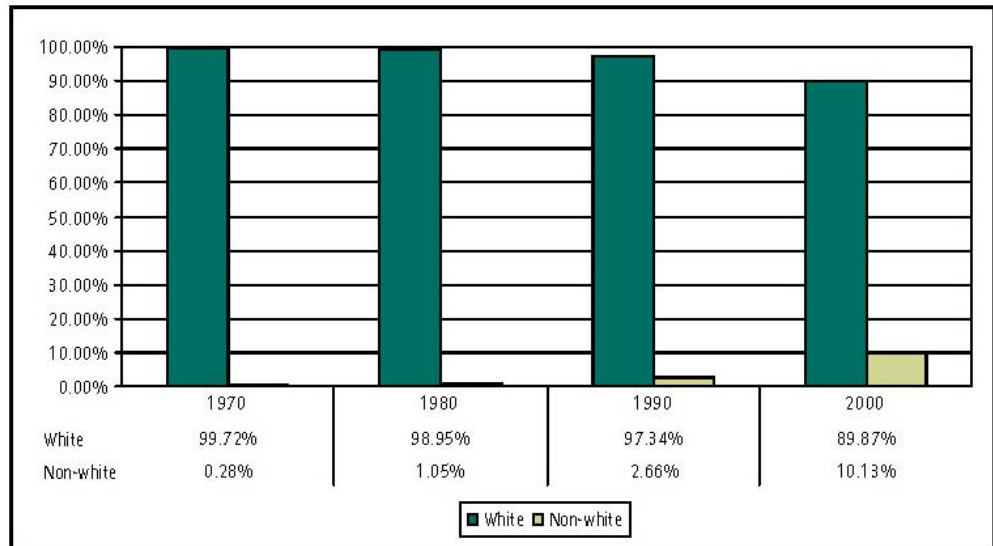
**Graph 16 - Current and Projected Enrollment  
By Grade Groupings**



*Figure 3-12  
Projected Enrollment – Faribault School District  
(Source – Demographic Study and Enrollment Projections, SchoolFinances.com.)*

### Diversity

Faribault experienced a significant increase in population diversity during the 1990's. The 2000 Census classified 85% of Faribault's population as white/non-hispanic. This compares with 98% in 1990. The Hispanic/Latino population increased from 1% to 9% of the total population. According to Census data, Faribault has the 10<sup>th</sup> largest Hispanic/Latino population in Minnesota.



*Figure 3-13  
Minority Population  
(Source – U.S. Census)*

## Economic Factors

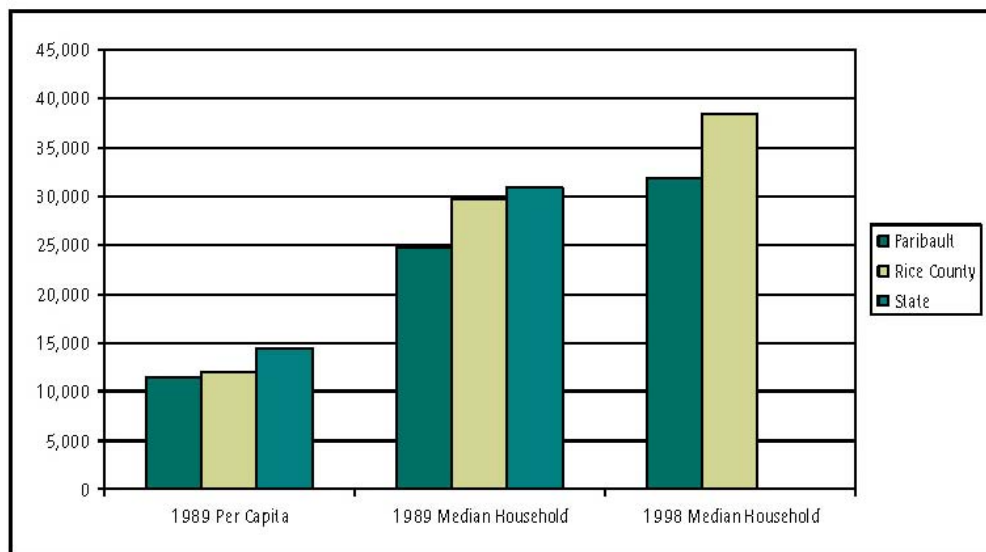
Available information paints a clear picture of Faribault's population and housing stock. Less Faribault-specific information can be found on the local economy. An examination of the existing data does, however, offer some valuable insights on economic factors that will shape the future.

### Income

Income influences many community development issues from housing affordability to retail purchasing capacity. Figure 3-14 compares per capita and household income level for Faribault, Rice County and Minnesota. This chart makes several important points about community income:

- Median incomes of Faribault residents and households fall below County and State averages. Faribault per capita income in 1999 was 80% of the State median. Median household income was 87% of the State-wide average.
- Per capita income grew faster in Rice County overall than in Faribault. From 1989 to 1999, per capita income grew by 65% in Rice County compared with 61% in Faribault. Income growth in Faribault matched increases for the State.

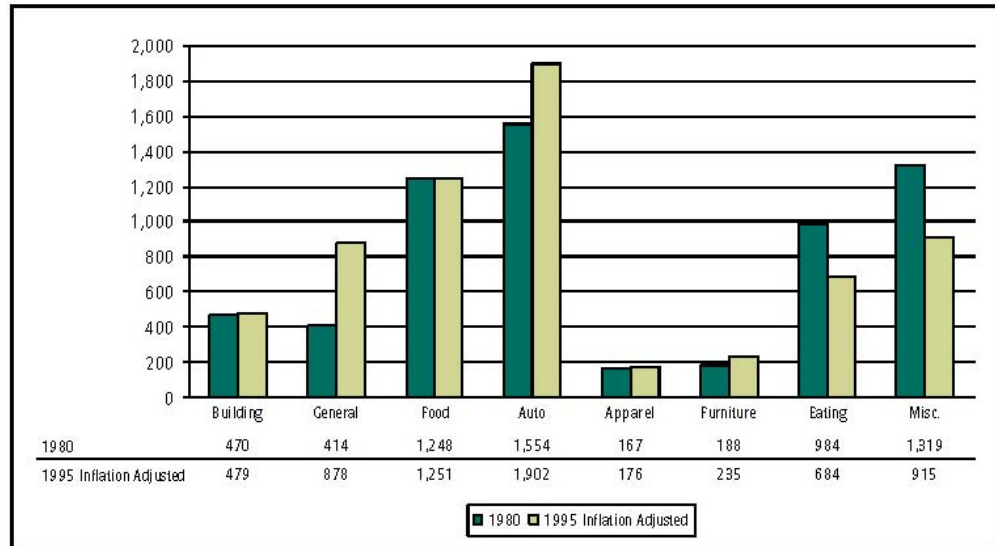
For household income, Faribault grew at a faster rate than the County or State. Median household income in Faribault increased 65% from 1989 to 1999. During the same period, Rice County increased by 63%. The State median household income increased by just 52%.



**Figure 3-14**  
**Income Data**  
(Source - U.S. Census)

## Retail Sales

The State collects and publishes data on retail sales. This information offers some insights on the Faribault economy. The chart below (Figure 3-15) contains retail sales per capita for various SIC (standard industrial classification) groups. The chart compares actual sales in 1980 with 1995 sales adjusted for inflation. (*The inflation adjustment is based on the Minneapolis/St. Paul Consumer Price Index*).



**Figure 3-15**  
**Retail Sales Per Capita**  
(Source – Minnesota Planning)

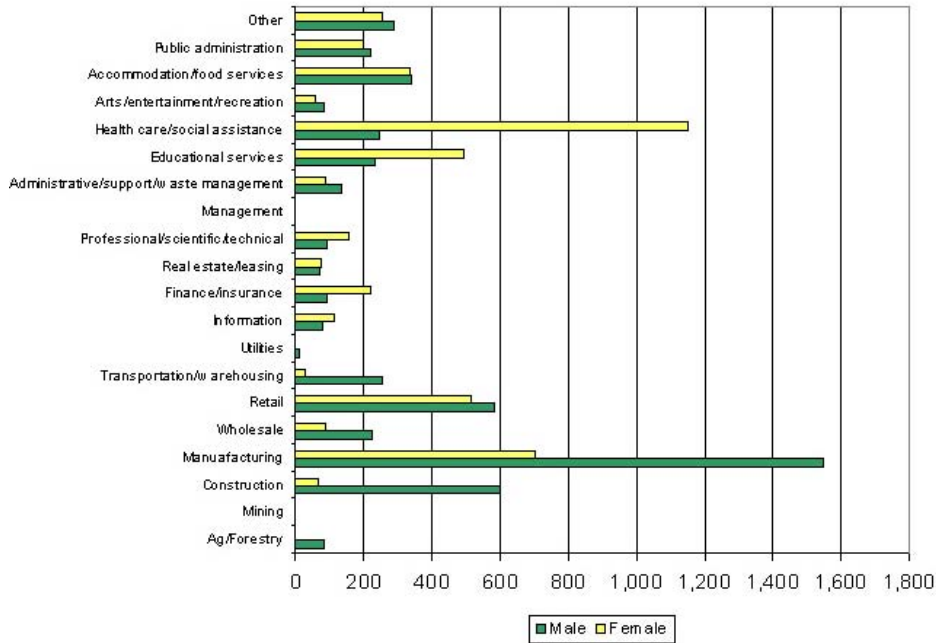
The local economy experienced slight real growth. Total retail sales per capita grew by 3% after adjusting for inflation. A closer examination of these trends illustrates several other points:

- If the two loss categories (eating/drinking places and miscellaneous) are removed, real growth rises to 17%.
- The only significant gains came in Automobile and General Merchandise categories. Growth in the General Merchandise category reflects to opening of WalMart. These factors suggest that more conventional retail activity experienced little growth. This data reinforces perceived challenges for competing with Twin Cities commercial areas. The limited sales in Apparel and Furniture are due, at least in part, to spending leaving the community.

## Employment

Manufacturing, health care and retail are the three largest areas of employment. Together, these sectors employ almost 49% of Faribault residents (employed residents age 16 and older). Figure 3-16 below shows field of employment by gender from the 2000 Census.

Another available indicator of local employment is the listing of largest employers pub-



**Figure 3-16**  
*Industry of Employment (Workers Age 16 and Older)*  
(Source – U.S. Census)

lished in City bond offering documents. Figure 3-17 compares the largest employers in 1980, 1991 and 2000.

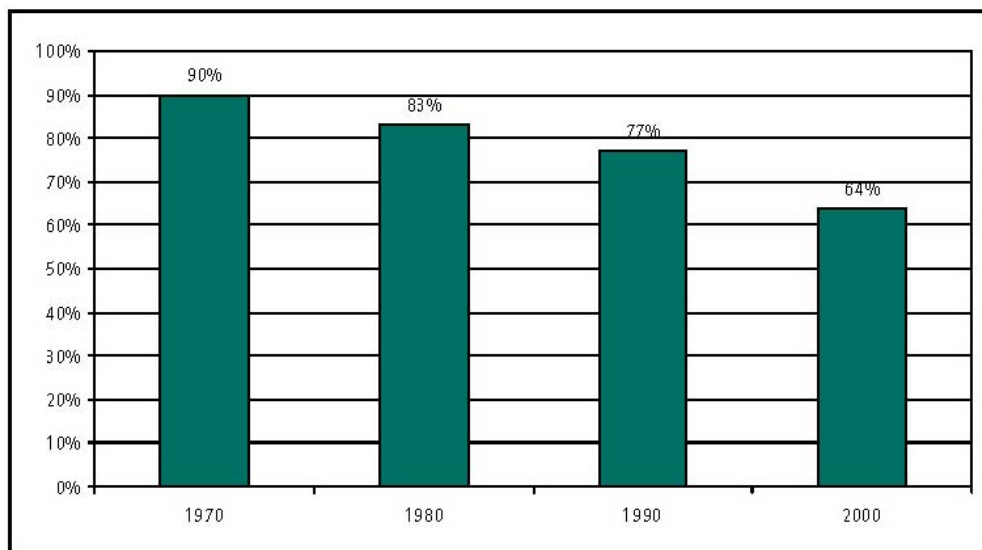
This comparison points to several important characteristics of Faribault’s employment base.

- In some communities, the employment base is dominated by service businesses and government. Faribault has maintained a balanced base with a strong manufacturing element.
- The employment base has become broader. In 1980, the difference between the top and bottom of the list was 965 employees. By 2000, the gap shrunk to 368.
- The decline in employment at the Minnesota Correctional Facility (formerly the Faribault Regional Center) is the reason that the larger employer list is lower in 2000 than in 1980. If this employer is removed, total jobs provided by the largest employers grew by 522 (18%).

Over time, an increasing number of people have chosen to live in Faribault and work in other places. The number of employed persons in Faribault that reported working outside of the City increased from 1970 to 2000. In 2000, less than two-thirds of Faribault workers (age 16 or older) were employed in Faribault (see Figure 3-18).

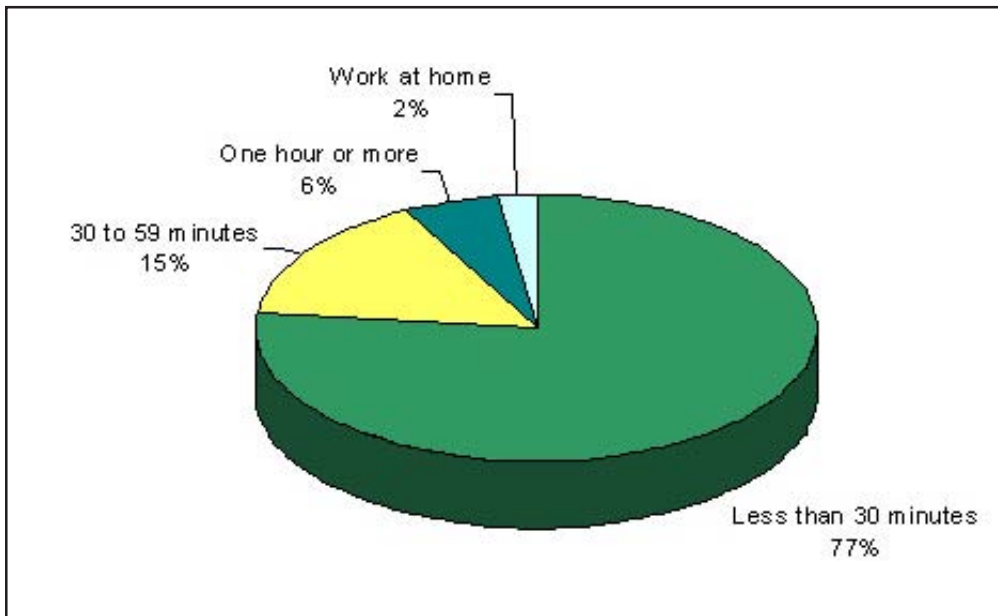
1980		1991		2000	
Faribault Regional Center	1,099	Faribault Regional Center	1,250	ISD 656	568
ISD 656	617	ISD 656	550	McQuay International	450
McQuay Inc	436	McQuay Inc	410	The Turkey Store Co.	450
Faribault West Shopping Mall	300	Jerome Foods Inc.	382	Minnesota Correctional Facility	401
Jerome Faribo Foods, Inc.	280	Faribo Foods Inc.	375	Rice County	343
Faribault Canning	245	Constance Bultman Wilson Center	285	Rice County District One Hospital	265
Nutting Truck and Caster	199	Crown Cork and Seal	266	Constance Bullman Wilson Center	250
Rice County	196	Rice County District One Hospital	220	Mercury Minnesota	240
Crown Cork and Seal	188	Faribo Woolen Mills	180	Met-Con Companies	225
Minnesota School for the Deaf	159	Minnesota Academy for the Deaf	151	Crown Cork and Seal	225
Faribault Woolen Mill Co.	150	ABC Bus	150	Minnesota Academy for the Deaf	210
Mercury Minnesota	134	Mercury Minnesota	140	ABC Bus	200
Total	4,003	Total	4,359	Total	3,827
	2,904		3,109		3,426

**Figure 3-17**  
**Larger Employers**  
(Source – City Bond Official Statements)



**Figure 3-18**  
**Employed Residents Working in Faribault**  
(Source – U.S. Census)

Faribault residents employed outside of the community work in a variety of locations. According to the 2000 Census, over 30% of workers reported travel time to work of 20 minutes or more (Figure 3-19). This data suggests employment locations in both adjacent cities and in the Twin Cities.



*Figure 3-19*  
*Travel Time to Work*  
*(Source – U.S. Census)*

The 1990 Census provides county level information on commuting patterns. (Place of employment data from the 2000 Census has not been released.) The 1990 Census reported the following information on the employment location of workers in Rice County:

- 79% of the County's 24,253 employed residents worked at jobs located within the County.
- 15% of the work force traveled to jobs in the 7-county metropolitan area. The majority of these jobs (76%) were located in Dakota and Hennepin counties.
- Rice County did not lose many workers to non-metro neighbors. Only 4% of workers lived in Rice County and worked in an adjacent (non-metro) county.

The Census also looked at the residence of persons working in Rice County:

- 22,620 worked for Rice County employers.
- 85% of these people lived in the County.
- 6% came to the County from the Twin Cities, with 71% of this amount from Dakota County.
- An additional 7% traveled to Rice County from other adjacent counties.

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## Population Projections

The future population of Faribault is an important element of the planning process. The amount and composition of population growth shapes the:

- Amount of land needed to accommodate new housing.
- Demand for goods and services and opportunities for local business development.
- Need for municipal services.
- Enrollment in local schools.

A wide range of factors influence the potential for population growth in Faribault. Not all of these growth factors are influenced by local planning and decision making.

- The Comprehensive Plan creates a framework that continues to make Faribault a desirable place to live.
- The combination of job growth in the southern sections of the metropolitan area and good highway access. The latest forecasts by the Metropolitan Council (1/21/02) show the creation of almost 278,000 new jobs in the southern half of the region between 2000 and 2030.
- Will traffic, road conditions and fuel costs continue to make commuting from Faribault an acceptable option?
- Will Rice County continue policies that restrict growth in unincorporated areas?
- Will employment opportunities increase in Faribault?

Population projections often focus solely on the number of people represented in the estimate. Population and housing are inseparable. Population growth requires a place to live. The projections in the Comprehensive Plan use housing growth to estimate population change.

In planning for the future of Faribault, five sets of growth scenarios were considered.

- The Current Trend scenario represents a continuation of actual development trends experienced in the City of Faribault over the past five years. Continuing these trends into the future yields an average annual growth of 60 single-family and 30 multi-family housing units. Assuming that the average single-family housing unit contains 2.7 people and the average multi-family unit contains 2.1 people, the Current Trend scenario results in a 202 population of 25,318.
- Two Accelerated Growth options assume more new housing development will be attracted to Faribault. The first scenario projects 80 single-family and 40 multi-family units per year. The second scenario increases growth to 100 single

and 50 multi-family units annually. Using the same household size assumptions as the Current Trend, the Accelerated Growth options create a 2020 population of 26,318 to 28,318.

- The population projections in the Rice County Comprehensive Plan provide another perspective on growth. The County’s population projections show a 2020 population for Faribault of 33,000. Equating this projection to housing, a total of 226 new housing units per year (2.7 persons per household) is required from 2000 to 2020 to achieve this population.

The most recent population projections of the State Demographer’s Office for Rice County show a slower rate of growth. The County’s Plan projects a county-wide 2020 population of 89,135. The State Demographer projects a population of 72,430 for Rice County in 2020. In 2000, Faribault contained 36.7% of the total County population. Using this ratio, Faribault’s share of the State Demographer’s projected 2020 population is 26,610. This amount is consistent with the City projections based on new housing starts.

The table below compares the results of the population projection alternatives.

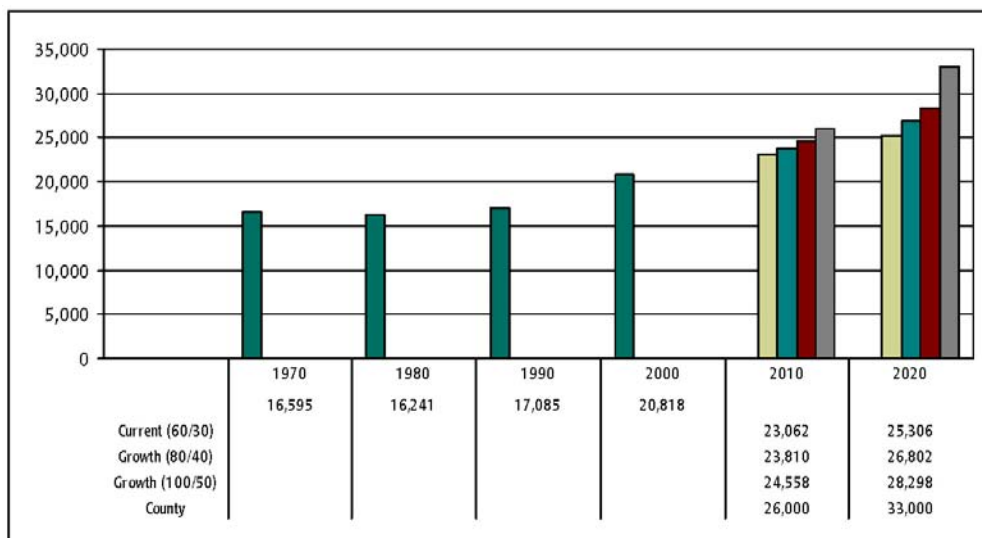


Figure 3-20  
Population Projections