

Service Area Expansion

Each BVCP update includes an opportunity for expansion of the city's service area. The process is described in detail in the accompanying document "*Area III- Planning Reserve and the Service Area Expansion Process*". For this update, staff is requesting direction from Planning Commission and the three other BVCP review bodies on whether or not a service area expansion assessment should begin as part of the 2015 update, and to further define the process and approach.

Change Request Process – Opportunity for Landowners and General Public

The Amendment Procedures chapter of the BVCP explains the process for updating the land use map or plan policies during the five-year update. It states:

the process "will include an opportunity for landowners and the general public to submit requests for changes to the plan. All submittals for proposed changes will be reviewed at initial public hearings. Staff will provide recommendations and the approval bodies will provide direction on which proposals should go forward and which proposals should receive no further consideration."

Typically during an update, there may be a few dozen community-initiated requests for changes to the land use map or policies. During this five year update, staff proposes the following schedule:

1. Accepting requests (August through mid October).
2. Initial review of requests (October into early November).
3. Joint screening hearing of the Planning Board and City Council (Nov. 19 or Dec. 10).
The joint hearing will also provide an opportunity for the board and council to review the results of the BVCP survey and identify other areas of focus for the land use map and policies.
4. Joint hearing at the city will be followed by hearing(s) at the county.
5. Continued analysis of changes and other focused area changes to develop a proposed land use map (into early 2016).

According to the BVCP, when a draft land use map is developed with the proposed changes, property owners will be notified about such proposed changes. The city will publish a map indicating where the proposed changes are located and a description of each change when that map is ready.

Other Possible Areas of Focus and Changes to Land Uses

The city and county may also identify other possible changes to the land use map in focused areas to accomplish other community goals such as housing or growth management (e.g. change some areas from future commercial to future residential, or from higher density residential to medium density residential) or to adjust the jobs and housing mix. Such ideas for focused areas of study are proposed to be discussed at the joint hearings in November and December.

Service Area Expansion Assessment Question

The Service Area concept and the creation of Areas I, II, and III are a keystone of the BVCP, and in combination with joint city/county decision-making are a distinguishing feature of the plan. In 1977, Area III was designated as the rural preservation/protection area – the area outside the city that would not accommodate future urban development. In 1993, after extensive evaluation, the 680 acre Area III-Planning Reserve on the north side of Boulder was designated as the only location for potential urban expansion. At that time, the plan's

amendment procedures were modified to define a process and criteria for Service Area expansions that would be initiated by the city and county and provide for comprehensive planning of the Area III-Planning Reserve. Service Area expansion, if and when it occurs, should provide a broad range of community benefits and because there are desired community needs that cannot be met within the existing service area.

During each five year review, the city and county must assess whether or not the Service Area should be expanded. The threshold question to begin the expansion process requires all four bodies to determine that "sufficient merit exists to authorize a Service Area expansion plan." Such a study can take four months to a year to complete. Additionally, the amendment procedures section of the BVCP guides the city and county to notify property owners who would be affected (in the Planning Reserve) if a service area expansion plan is to be developed. The July 28 City Council meeting will be a public hearing to enable property owners and the public to speak to whether the city and county should proceed with consideration of a service area expansion. At that public hearing staff will seek direction from council on whether or not to begin the Service Area Expansion Assessment (study of merit) as part of the 2015 update. Depending on that direction, the next steps of the process could vary as follows:

- **Yes to Study** - If City Council directs staff to move forward, staff will ask the Board of County Commissioners the same threshold question. If the county also says yes, staff would further define the multi-month process to study the range of community needs and how they may or may not be currently met within the existing Service Area. Staff would also invite property owners to participate.
- **No to Study** - If City Council directs staff to not move forward, the next opportunity to consider a Service Area expansion will be during the next five year review.

Since 1993, the city and county have never proceeded beyond this initial threshold step, even though applicants have submitted requests earlier in the planning process. Staff is seeking a recommendation from Planning Commission for council consideration on its determination on whether or not to move forward on the Service Area expansion assessment study.

Area III-Planning Reserve and the Service Area Expansion Process

1. Background on the Area III-Planning Reserve

The Service Area concept and the creation of Areas I, II, and III is one of the keystones of the Boulder Valley Comprehensive Plan (BVCP), and in combination with joint city/county decision-making, distinguishes the plan from many others in the state and country. Area I (the city) and Area II (the area planned for annexation and service provision) form the city's service area. Area III was defined in 1977 to not accommodate urban development and that the rural character should be preserved and protected.

The Planning Areas remained as originally defined until 1993, at the conclusion of the Area III Planning Project. The Area III Planning Project was a three-year joint effort of the city and county planning departments. The city and the county had been receiving incremental requests for Area III to Area II changes, particularly along the Jay Road corridor and East Arapahoe, and the plan did not provide guidance as to where such a change would be appropriate. The goal was to determine where and when urban growth might and might not be acceptable in the future, prior to considering Service Area expansions.

The following studies were completed as part of the project:

- (1) Land Use Suitability Analysis;
- (2) Urban Services Feasibility Analysis;
- (3) Vacant, Redevelopable and Underdeveloped Land Inventories in the existing Service Area;
- (4) Potential Service Area Expansion/BVCP Policy Compatibility Analysis; and
- (5) Gunbarrel Policy Analysis.

At the conclusion of the project, city and county decision-makers determined that only a small amount of Area III should be contemplated for future urban expansion, and then only if detailed planning for the area indicates community benefits exceed potential negative impacts. The final report states:

“Service Area expansion is not desirable simply to provide additional land supply for future development; it must provide a broad range of community benefits...conceptual planning should provide an analysis of cumulative impacts and whether the carrying capacity of the Boulder Valley can absorb this additional growth...and should also provide an evaluation of trade-offs in meeting conflicting community goals.”

After a series of public hearings the four approval bodies agreed in the fall of 1993 to:

- Designate 680 acres in the "West Portion-Northcentral Area" site as Area III-Planning Reserve because it presented very limited environmental constraints, was proximate to urban services, and was of sufficient overall size to potentially accommodate the conclusions of the future vacant land needs analysis.
- Designate the remainder of Area III as “Area III- Rural Preservation Area.”

The procedures for amending the plan were changed following the project to set in place a process for service area expansions that would be initiated by the city and county, and provide for comprehensive planning of the Planning Reserve as opposed to incremental changes.

The policy direction for determining the procedures for amending the Area III/II change process was described in 1993 as the following:

1. Consider limited Service Area expansion to include land in the Planning Reserve Area if the benefits to the community outweigh costs and negative impacts.
2. Revise the Area III to II change process to change it from an incremental, reactive, applicant driven process to a process based on comprehensive planning of growth areas and city-initiated Area III/II changes. The revised Area II/II change process and criteria must establish greater community control over the location, type, acreage, and timing of development.
3. Service Area expansion is not desirable simply to provide additional land for future development—it must provide a broad range of community benefits.
4. Area II to II changes should be large enough areas to cohesively plan and annex by neighborhoods (which should have a diversity of land uses) and to build logical increments for infrastructure.
5. In order to achieve community goals and policies, the city should be more directive in determining what actually gets built both for development in the existing Service Area and for any new growth areas (in Area III).
6. Require that new growth (in Area II and Area III) provide needed land uses that are complimentary to existing subcommunities and that implement a broad range of community goals. Development of land in new growth areas should be phased over many years in order to enhance growth management, encourage appropriate infill and redevelopment in the existing Service Area, and preserve development options for the future.

The procedures and text that developed out of this policy direction is still found in the plan today, including:

1. Area II to II changes only apply to lands in the Area III-Planning Reserve, not the Area III-Rural Preservation Area, unless the change can qualify as a minor amendment to the boundary.
2. A process for expanding the Service Area boundary was established
3. A Service Area Expansion Plan process was created, with a list of what the plan must contain, and the criteria that the plan must meet.
4. The role of property owners in the Service Area expansion process is established.

Since the original procedures were adopted into the plan, several minor revisions and re-organizations have occurred, however the key elements of the process remain intact.

Of most significance was the change that occurred in 2005, when additional text was added to define “sufficient merit” to authorize the development of a service area expansion plan, and a new criterion for approval of a service area expansion plan was added requiring that the change provides for a “priority need that cannot be met within

the existing service area.” This was added to strengthen the intent of the service area expansion process as a comprehensive, city initiated process. The result of these two changes was the addition of an initial community process to identify a list of unmet needs prior to considering whether to authorize a service area expansion plan. This process is further explained in the following section.

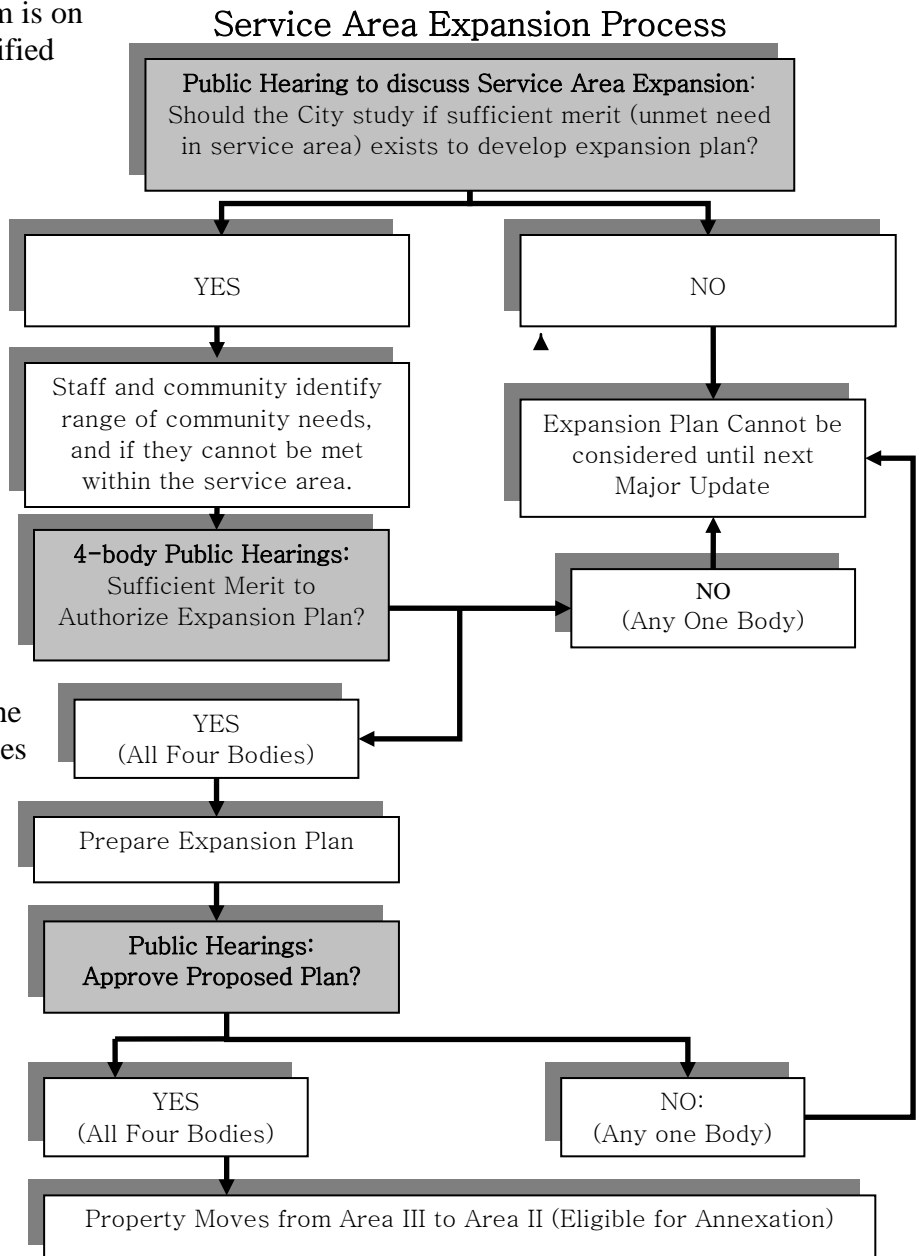
In researching other communities, many utilize an urban service area or growth boundaries, and some have vacant lands designated for specific land uses while others have no future use identified. Of the communities researched, none had a provision for future land reserved for the future needs of the community, such as described in the BVCP.

The closest example of a system similar to that of the Area III-Planning Reserve in the BVCP is the Urban Reserves program recently established by the Oregon Metro Regional Government. Metro’s program is on a regional scale, and has identified lands in

Clackamas, Multnomah and Washington counties that are appropriate for future urban development, and lands for rural preservation. The time horizon of the urban reserves is 50 years. The system was established to eliminate the incremental, site-specific decision making that was required as part of urban growth boundary changes as required by Oregon state law. The guidelines and policies for how an urban reserve can be moved inside the urban growth boundary includes a comprehensive planning process, much like the Service Area Expansion Plan process in the BVCP.

The current process to develop land in the Planning Reserve

The process to develop land in the Area III-Planning Reserve has very distinct steps, and joint decision-



making points. The process is outlined in the flow chart above.

The threshold question to begin the service area expansion process requires all four bodies to determine that “sufficient merit exists to authorize a service area expansion plan.”

In order to find that “sufficient merit exists”, there must be a process where a list of desired community needs is compiled and analyzed to find if there are any community needs that are currently nor being met within the existing service area. The scope and detail of this study could vary, and take anywhere from 4 months to a year to complete.

If all four bodies authorize the development of a service area expansion plan, it is a significant joint city-county planning effort, similar in scope to a subcommunity planning effort. The BVCP outlines what the expansion plan must include, and is estimated to take 1-3 years to develop.

After the expansion plan is completed, all four bodies must review and consider whether to approve the plan, based on criteria listed in the BVCP. If approved, the area included in the plan is moved from Area III-Planning Reserve to Area II. Property owners may then begin the annexation and development process according to the phasing identified in the expansion plan and the extension of city infrastructure. The period of development for the area within the expansion plan is described in the BVCP to occur within 15 years.

BVCP Plan language

1. Considering a service area expansion may only occur at the five-year update.

BVCP Process and Steps

A. Discussions regarding service area expansion only occur during the five-year update.

2. The city and county may assess whether or not sufficient merit exists to authorize a service area expansion, defined by a demonstration that a desired community need cannot be met within the existing service area.

C. The City considers whether to direct staff to identify a desired range of community needs that may not be met within the existing service area. If city **directs staff to identify a range of community needs**, the process continues.

(The city and county have never proceeded beyond this step)

D. The city conducts a public process to identify a range of community needs and how they may or may not be currently met within the existing service area.

E. The Planning Board, City Council, Planning Commission, and County Commissioners hold public hearings to review the identified range of community needs, and determine if sufficient merit exists to authorize a service area expansion plan to be developed. If all four bodies **find that sufficient merit exists**, the process continues.

3. The City and County authorize a planning effort to develop a service area expansion plan

F. The city and county conduct a public process to develop a service area expansion plan for the area identified to be

for the area proposed to be brought into the service area in consultation with the Area III property owners and the public. The plan must address the types of development, key requirements to ensure compliance with community goals and policies, conceptual land use and infrastructure plans, requirements for development impact mitigation and offsets, and the phasing of development.

brought into the service area.

4. Following preparation of the plan, the city and county must determine that the proposed change from Area III-Planning Reserve to Area II meets the following criteria:

- a) Provision of a community need
- b) Minimum size of 40 acres
- c) Minimum contiguity to existing service area of 1/6
- d) logical extension of service area
- e) Compatibility with the surrounding area and comprehensive plan
- f) No major negative impacts
- g) Appropriate timing for annexation within the next 15 years.

G. The Planning Board, City Council, Planning Commission, and County Commissioners hold public hearings to review the service area expansion plan, and **determine if the area proposed to change from Area III-Planning Reserve to Area II meets the criteria in the plan.** If approved, the area is moved to Area II.

H. Annexation and Development occurs in the next 15 years according to the service area expansion plan.

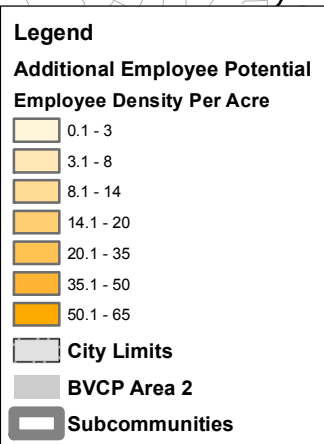
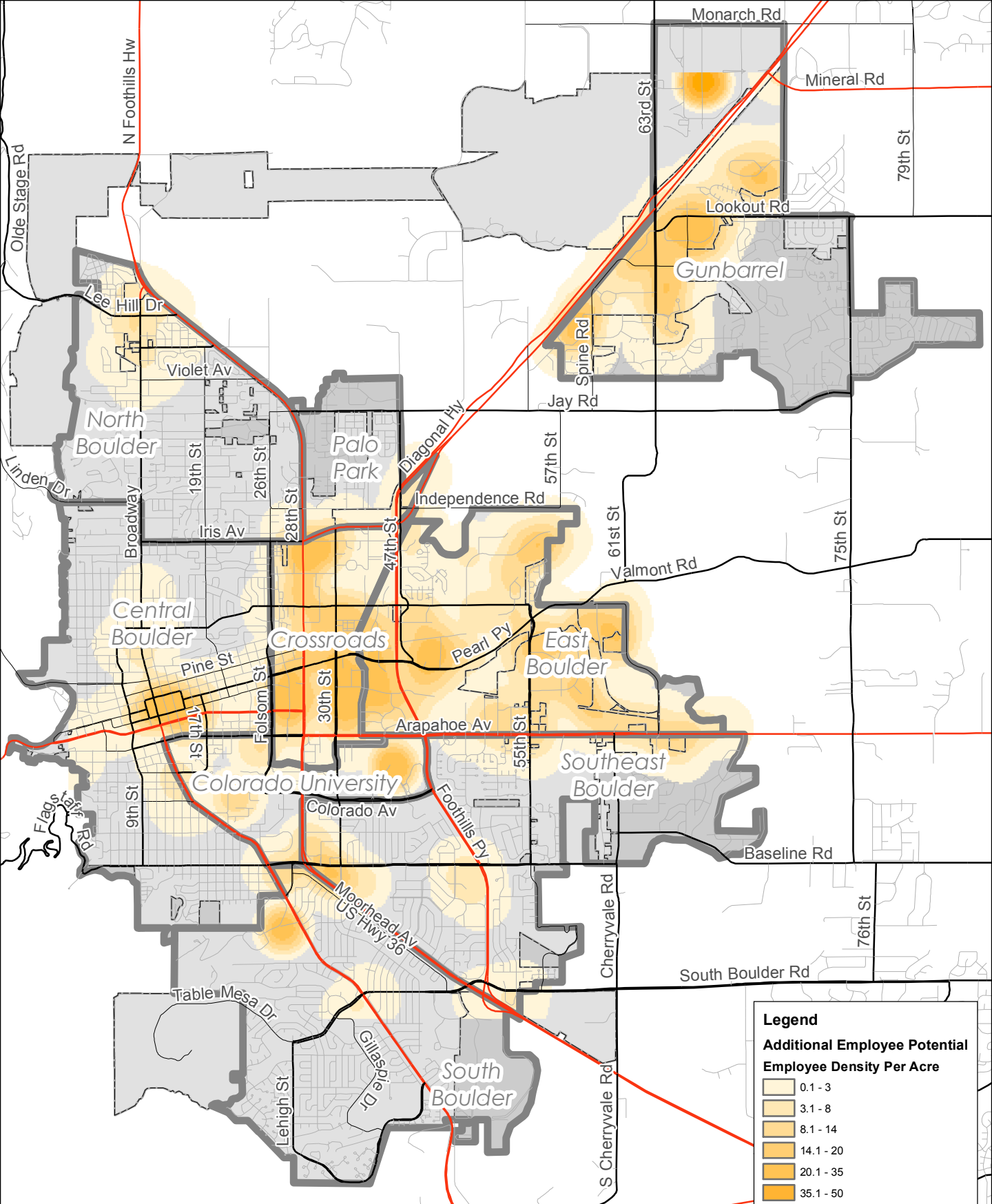
Projections Summary: 2015 to 2040									
Subcommunity*	2040			2040			2040		
	2015 Employees	Additional Employees	2040 Total Employees	2015 Dwelling Units	Additional Dwelling Units	2040 Total Dwelling Units	2015 Population	Additional Population	2040 Total Population
Central Boulder	23,582	3,866	27,448	13,321	2,149	15,470	29,515	4,530	34,045
Colorado University	11,986	2,180	14,166	2,015	325	2,340	9,315	685	10,000
Crossroads	13,853	2,639	16,492	3,849	621	4,470	8,113	1,309	9,422
East Boulder	17,941	3,418	21,359	1,401	155	1,556	3,445	327	3,772
Gunbarrel	12,747	2,429	15,176	5,117	825	5,942	10,786	1,740	12,526
North Boulder	4,381	835	5,216	5,906	953	6,859	12,458	2,008	14,466
Palo Park	789	150	939	1,672	270	1,942	3,643	569	4,212
South Boulder	4,067	775	4,842	7,314	1,180	8,494	15,441	2,487	17,928
Southeast Boulder	10,693	2,037	12,730	9,390	1,515	10,905	23,170	3,193	26,363
Total	100,039	18,329	118,368	49,985	7,992	57,977	115,886	16,847	132,733
Plan Area									
City Limits**	98,507	18,768	117,275	44,271	7,142	51,413	103,841	15,054	118,895
Area II	2,924	557	3,481	5,708	921	6,629	12,032	1,941	13,973

Projections Summary: 2040 to Zoning Capacity									
Subcommunity*	2040 Employees	Additional Employees to Zoning Capacity	Total Employees at Zoning Capacity	2040 Dwelling Units	Additional Dwelling Units to Zoning Capacity	Total Dwelling Units at Zoning Capacity	2040 Population	Additional Population to Zoning Capacity	Total Population at Zoning Capacity
Colorado University	14,166	-	14,166	2,340	638	2,978	10,000	1,345	11,344
Crossroads	16,492	8,349	24,841	4,470	690	5,160	9,422	1,455	10,877
East Boulder	21,359	13,839	35,198	1,556	-	1,556	3,772	-	3,772
Gunbarrel	15,176	10,383	25,559	5,942	241	6,183	12,526	507	13,033
North Boulder	5,216	282	5,498	6,859	717	7,576	14,466	1,512	15,978
Palo Park	939	171	1,111	1,942	431	2,373	4,212	909	5,121
South Boulder	4,842	990	5,832	8,494	265	8,759	17,928	559	18,486
Southeast Boulder	12,730	1,157	13,888	10,905	368	11,273	26,363	776	27,139
Total	118,368	35,172	153,540	57,977	3,694	61,671	132,733	7,786	140,519
Plan Area									
City Limits**	117,275	32,638	149,913	51,413	3,287	54,700	118,895	6,930	125,825
Area II	3,481	1,787	5,269	6,629	354	6,983	13,973	747	14,720

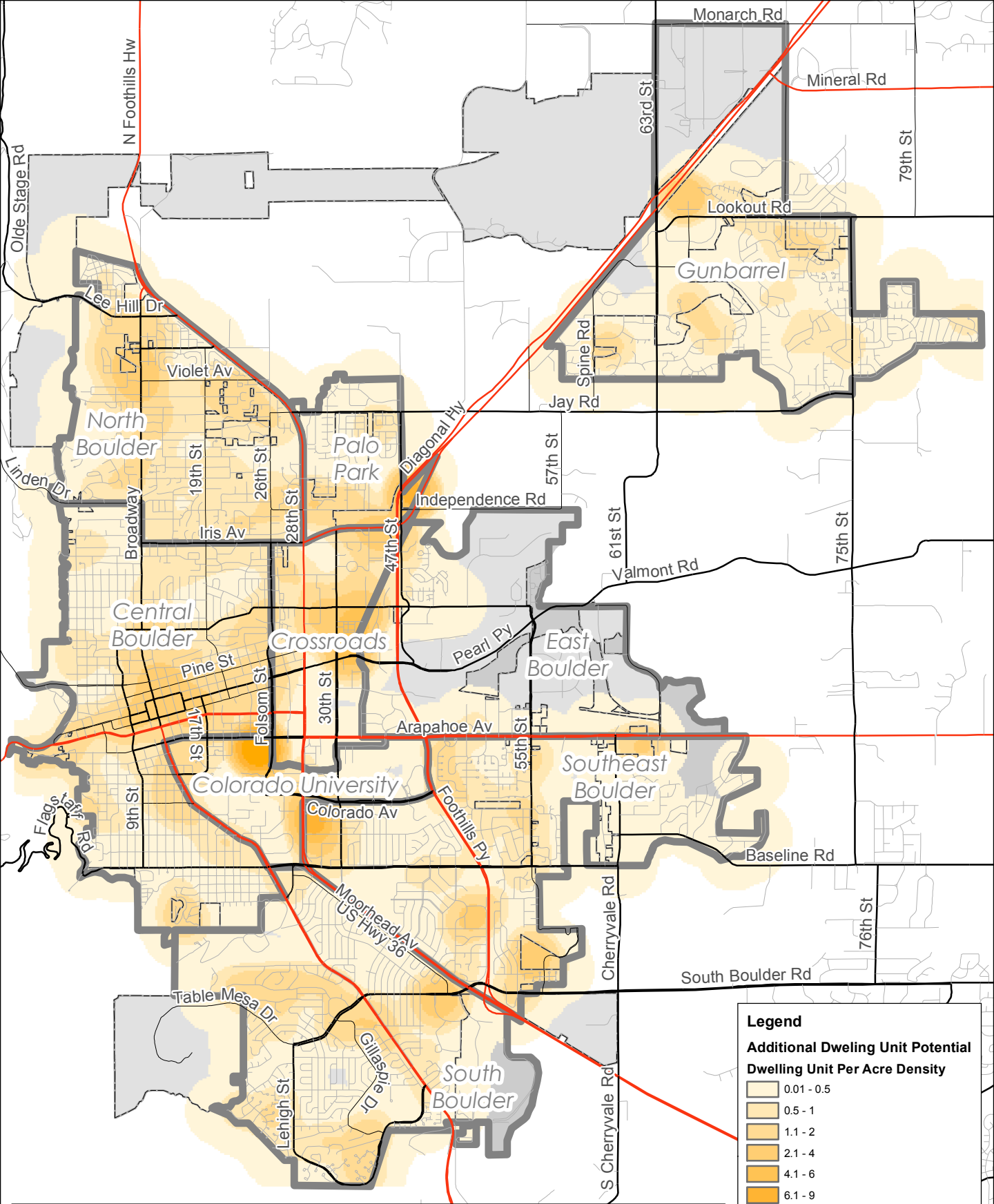
Notes:

*Subcommunities encompass Area I and Area II

**City limits encompass Area I and Area III Annex



Potential additional is expressed as a per-acre density. Density is calculated across the surface in 80'x80' cells using kernel density. Densities are calculated within a neighborhood resulting in the highest density (darker color) being shown where there is a high value or high concentration of values.



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Legend

Additional Dwelling Unit Potential

Dwelling Unit Per Acre Density

- 0.01 - 0.5
- 0.5 - 1
- 1.1 - 2
- 2.1 - 4
- 4.1 - 6
- 6.1 - 9
- 9.1 - 15

City Limits

BVCP Area 2

Subcommunities

Boulder Valley Comprehensive Plan – 2015 Housing Unit, Population, and Employment Estimates and Projections Methodology

Growth projections are made to 2040 based on land use “zoning capacity” and growth rate assumptions. The Boulder Valley Comprehensive Plan has a planning timeframe of 15 years, but calls for growth projections to extend 25 years beyond the last update of the plan.

Background

In 2002, as part of the Jobs to Population project, the city developed a new projections methodology. Growth projections before 2002 were done by identifying vacant land, opportunity sites and areas of anticipated growth. A review of the method determined that it was not very accurate. One of the defined roles of the Jobs to Population Task Force was to examine the growth projections, methodology and assumptions, and to offer advice on how to improve the accuracy and quality of the projections. The task force reviewed and provided guidance on developing a new method of projections, using a combination of a “land use model” and an “economic model.” They requested examination of the total non-residential development that could occur under existing zoning. This zoning capacity (or buildout) number is useful to determine whether building under our current zoning regulations results in the amount and mix of development that is desired for the future, and has no time frame associated with it. This land use and economic model method has been used in our growth projections since. The 25-year projections are based upon this zoning capacity information supplemented by growth assumptions and input from DRCOG, the State Demographer’s Office, and local and state economists.

In 2015, the city slightly refined its methodology and has begun to use CommunityViz software to enhance the capacity calculations. The refinements include:

1. A more accurate estimate of current employment using refined source data and calculations
2. A more accurate estimate of future residential zoning growth capacity and future growth of mixed use zones due to the modeling capability of CommunityViz

Projections are published at the subcommunity as well as BVCP Planning Area levels. Geographic areas smaller than subcommunities are not appropriate for publication because the mathematical calculations as described below are based on averages for entire zoning districts. When the calculations are used for smaller geographic areas the accuracy and confidence in the numbers quickly drops.

Estimating Current (2015) Population and Employment Methodology

The projections begin with establishing an accurate estimate of existing dwelling units, population, and employment. This is done on an annual basis, and is summarized below:

Current Population - Census Bureau Method Applied to City Data

1. An occupancy rate is applied to the existing dwelling units (based on the latest Colorado State Demographer's Office estimate. For 2015 projections the rate used was 97.59%). A persons per household factor is then applied to the occupied dwelling unit number. The current factor is 2.16 persons per household (2010 U.S. Census). These factors are revised and verified with every decennial census.
2. The population living in group quarters facilities is then added, to give a total current population estimate.

Dwelling Units are maintained on a yearly basis in the city's GIS. Boulder County Assessor data is used for Area II dwelling unit numbers. Each year the map of dwelling units is audited using building permit data to account for new units constructed and units demolished. Any dwelling units added via annexations are mapped/verified. Mobile home counts are audited using data provided by the Boulder County Assessor. Unit counts are verified when possible to the rental license and accessory unit databases.

Group quarters population is taken from the city's annual census of group quarter facilities. Group quarters include dormitories, sororities and fraternities, jail, skilled nursing facilities, and group home shelters.

Current Employment

Current employment is comprised of the total number of wage and salary jobs occurring geographically inside the city limits and Area II plus an estimate of self employed jobs based on a percentage of the employed labor force.

Wage and Salary Jobs

The city uses Bureau of Labor Statistics data from the Colorado Department of Labor and Employment to establish the base employment. This data is from the Quarterly Census on Employment and Wages (QCEW, formerly ES-202), which is reported by 98% of all businesses. The data is mapped using the supplied latitude/longitude values and basic Q/C is performed for the historically known employers for which the map coordinates are incorrect. For the most part this geographic correction constitutes the Federal Labs. For firms that do not have latitude/longitude values supplied the address is geocoded in the GIS to garner a coordinate pair. Firms that do not have an address that can be geocoded are discarded. This constitutes about 1.4% of distinct firm locations for Boulder County. The employment numbers are aggregated as a 12 month average for each distinct firm location. This 12 month average is used to summarize the current employment for each geography reported.

Self Employment

Self employment is estimated using the U.S. Census Bureau American Community Survey (ACS) methodology applied to city numbers. The self employed number is obtained by multiplying each year's self employed percentage to the resident employed labor force. The city uses the annual unemployment rate for Boulder County published by the Colorado Department of Labor and Employment. This is the smallest geography for which the rate is published. The assumption is as follows: $((\text{Population} \times \text{Percent of Population 16 and older}) \times \text{Percent of 16 and Older In Labor Force}) \times \text{Percent of Labor Force Employed}) \times \text{Percent Self Employed}$

The city is using the definition of self employed as used in the American Community Survey (for more information please see <http://www.census.gov/programs-surveys/acs/> referenced on 6-25-2015) The number arrived at may not include all self employed jobs for which a person conducts business inside the city limits or Area II nor does this number account for residents whom are self employed but conduct all of their business outside the city limits or Area II. By default all self employed jobs are tied geographically to the address for which the person resides regardless of where the business is conducted. This is one limitation on estimating self employed jobs. For projections purposes the city has determined that the ACS methodology is statistically solid and reproducible over time (forward and backward).

An important note on the self employed estimate is that the city does not include all "non-employer" jobs in the self employment estimate. These are jobs that generate income for which an individual is required to file federal income taxes (such as a sole proprietor or someone who files a Schedule C with their taxes). The limitation on this data is that it includes all jobs for which receipts of \$1,000 or greater are reported (greater than \$1 for construction jobs) and the data is only available at the county level. One cannot add non-employer numbers to wage and salary numbers, as it will result in an inaccurately high estimate. For additional information on non-employer jobs please see the Census Bureau's web page (<http://www.census.gov/econ/nonemployer/index.html> referenced on 6-25-2015).

Estimating Future Population and Employment Methodology

Projecting future population and employment uses a detailed set of assumptions and methodologies, based off of the existing estimates, current property information, development constraints, historic growth rates, zoning districts and land use code.

Dwelling unit and Population Projection Methodologies

Zoning Capacity Methodology for Dwelling Units

Future dwelling unit potential is identified by examining properties where residential use is allowed under current land use regulations, approved area plans and anticipated development projects. For BVCP Area II, future land use is converted to equivalent city zoning districts. A dwelling unit per acre factor and residential to commercial/industrial development mix factors for zones that allow residential uses is then applied to each area where residential use is allowed. These factors are based on city code and historic development patterns. These site-specific and geographic estimates are then used to give an estimate of the total number of additional dwelling units possible taking into account existing dwelling units and existing commercial/industrial development where there is a mix of uses. Additional on-campus student housing planned by the University of Colorado Boulder as identified in the campus master plan is included in this estimate. This establishes the assumed total capacity for future dwelling units under current land use policies and facility plans.

25-year (2040) Projection Methodology for Dwelling Units

The city uses a historic growth rate (0.6%, roughly 268 units per year) to project additional dwelling units into the future, until the zoning district capacity is reached as described above. For some subcommunities, this maximum number of units is anticipated to be reached within the 25 year projections timeframe. Using the same occupancy rate and persons per household factor as current population estimates, a total population count is developed.

Employment Projection Methodologies

Zoning Capacity Methodology for Employment

Future employment potential is identified by examining properties where commercial or industrial use is allowed under current zoning regulations. For BVCP Area II future land use is converted to equivalent city zoning districts. The zoning capacity is generally developed using the following process:

1. Attribute all parcels where projections should not be made (public land, parks, open space, rights-of-way, etc).
2. Add development constraints into model. Assumption is the conveyance and high hazard flood zones, regulatory wetlands and outlots where no development will occur.
3. Attribute unique parcels which require individual assessment and calculation based on individual property assumptions developed by the city and others.
4. Calculate the existing square footage based on Boulder County assessor data.
5. Calculate existing dwelling units using existing mapping.

6. Calculate remaining capacity. Square footage is calculated using an assumed future floor area ratio (FAR) by zone. FAR assumptions are based on zoning district standards and recent development trends. In areas where redevelopment trends are close to the maximum FAR allowed in the zoning district (e.g., downtown), a figure close to the maximum FAR is used for zoning capacity. In other areas where redevelopment trends vary (e.g., the Boulder Valley Regional Center), the assumed FAR for zoning capacity is significantly reduced, based on city assumptions developed in 2002. For example, in the BVRC the maximum FAR allowed under existing zoning is 2:1, whereas the projections assume redevelopment up to a maximum of only 0.7:1.
7. Factor the percentage of properties that will redevelop over time (city typically assumes 95%).
8. Calculate an assumed square footage per employee, which was developed with consulting resources and field-verified by city staff (varies from 285 to 600 square feet/employee). (This factor is not used for special projection sites, see #2)
9. Factor in a vacancy rate.

This process results in the zoning capacity (buildout) of employment and dwelling units. This is the “land use model” portion of the projections.

25-year Projection Methodology for Employment

To establish our 25-year projections the city uses an “economic model.” An annual growth rate is applied to the existing employment to project into the future. This growth rate is developed as an economic model with input and information from state economists, the State Demographer’s office, and DRCOG’s regional model. For estimating growth between 2015 and 2040, the assumed annual average growth rate is 0.7%.