Introduction

Historical perspective provides an understanding of a community and helps to shape the foundation of a planning process. The physical and demographic characteristics of Grand Rapids inform how people live and work. Understanding the community's characteristics, history, and values helps to frame the goals and objectives of the plan. This chapter provides an overview of the historic and existing context. This chapter reviews three components of the existing conditions of Grand Rapids – Geography and Settlement, Demographics, and Development Trends. Chapters 4 through 9 also provide information about the existing context of the city, specific to the plan element at hand.

Geography and Settlement

Grand Rapids was settled at the confluence of the Mississippi River and the Prairie River in Minnesota's expansive northern forest. These woods and waterways provided the perfect setting for a developing logging town, with the Mississippi River serving as the original means for shipping harvest timber to population centers downstream. Once considered the upper limits of steamboat travel in the United States, the Mississippi River inspired the city's name, but its grand rapids have been hidden since the Blandin Dam was completed, leaving the Mississippi Reservoir/Blandin Lake.

Grand Rapids is located in Itasca County, about 70 miles east of Bemidji, 80 miles west of Duluth, and 175 miles north of the Twin Cities metropolitan area. It sits on the edge of the Iron Range (Mesabi Range), with one iron mine to its southwest and several more to the northeast. This mineral deposit is a significant economic driver in the region, but forest product manufacturing historically played a more prominent role in the city's development.

The core of Grand Rapids is focused around the trunk highway system and the railroad. Development radiates outward along US Highway 2 (US 2), US Highway 169 (US 169), and Minnesota Trunk Highway 38 (TH 38). The intersection of these highways divides the city's geography into four quadrants of roughly equal size (see Figure 2.1). South Pokegama Avenue (US 169) has become the primary commercial corridor, attracting big box retailers, while US 2 supports a mixture of commercial, industrial, and civic uses. Downtown is bisected by the BNSF railroad.

The City completed the annexation of the Grand Rapids Township in 2010, expanding the City's footprint and future service area. The natural landscape is dominated by open water, wetlands and forest cover, that must be considered when assessing growth potential outside of the city core. While there are opportunities for additional commercial and residential growth in outlying areas, infill development is a viable option to avoid impacts to the natural landscape. Infill development is a beneficial option as it makes more efficient use of existing infrastructure and curbs blight.

Today, the natural environment supports a robust tourism economy. Adventure seekers enjoy fishing and boating on the 1,000 lakes of Itasca County. Hunting, golf, and miles of nature trails draw thousands of outdoor recreation enthusiasts throughout the seasons.
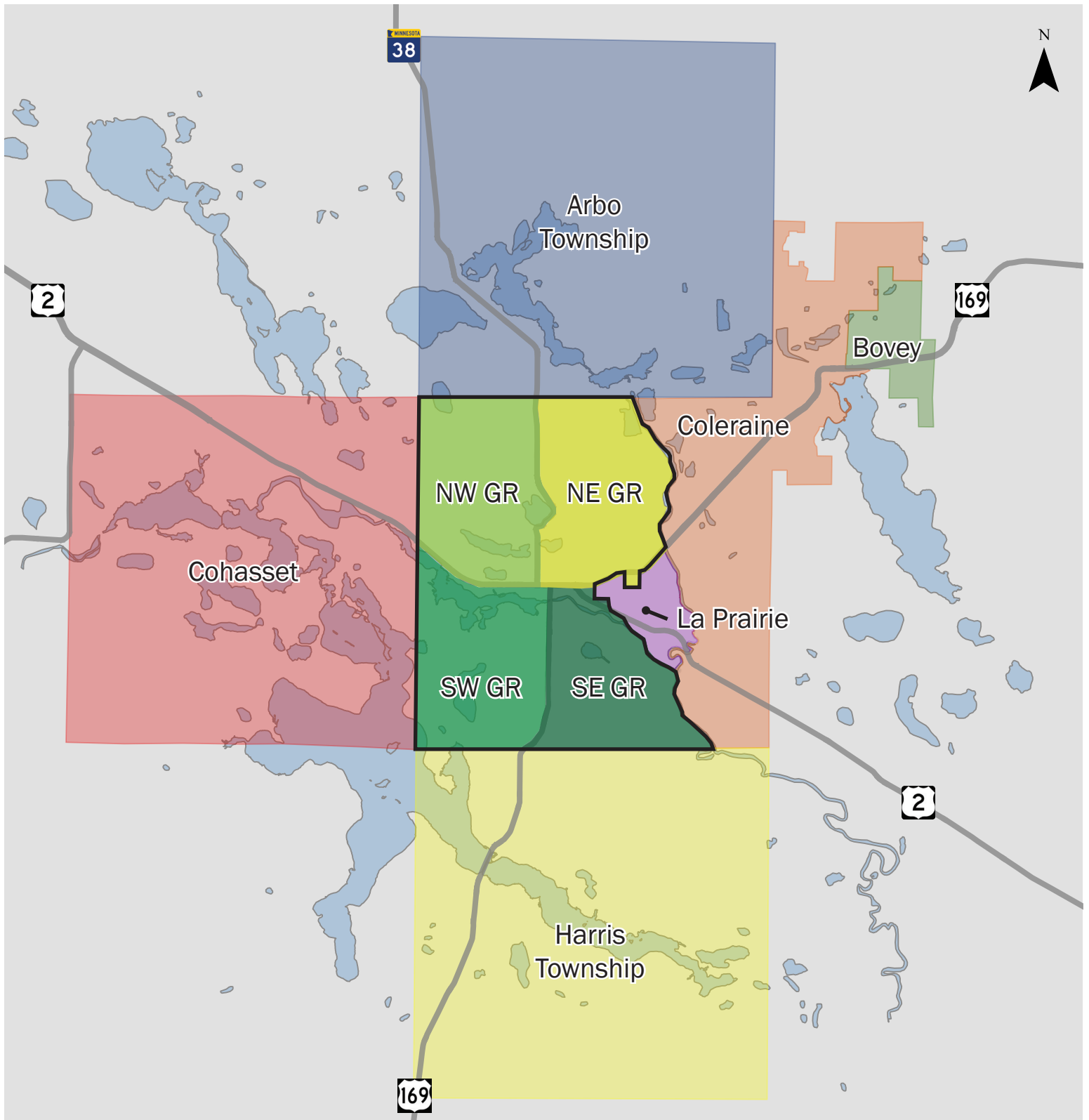
Figure 2.1 - City of Grand Rapids and Neighboring Communities

GROW
Grand Rapids

Demographics

Historical Population Growth

The historic population trends of Grand Rapids from 1920 to 2018 are shown in Figure 2.2. Population growth in the city between 2000 and 2010 was largely attributed to the annexation of Grand Rapids Township, which was phased in across the ten year span. According to the Minnesota State Demographer's population estimate for 2018, the city's population had grown to 11,392, representing a growth of 523 persons since 2010. While growth is estimated over the last eight years, the City should continue to monitor changes to estimated and forecasted trends that inform growth and development decisions.

Figure 2.2.   Historical Population Growth
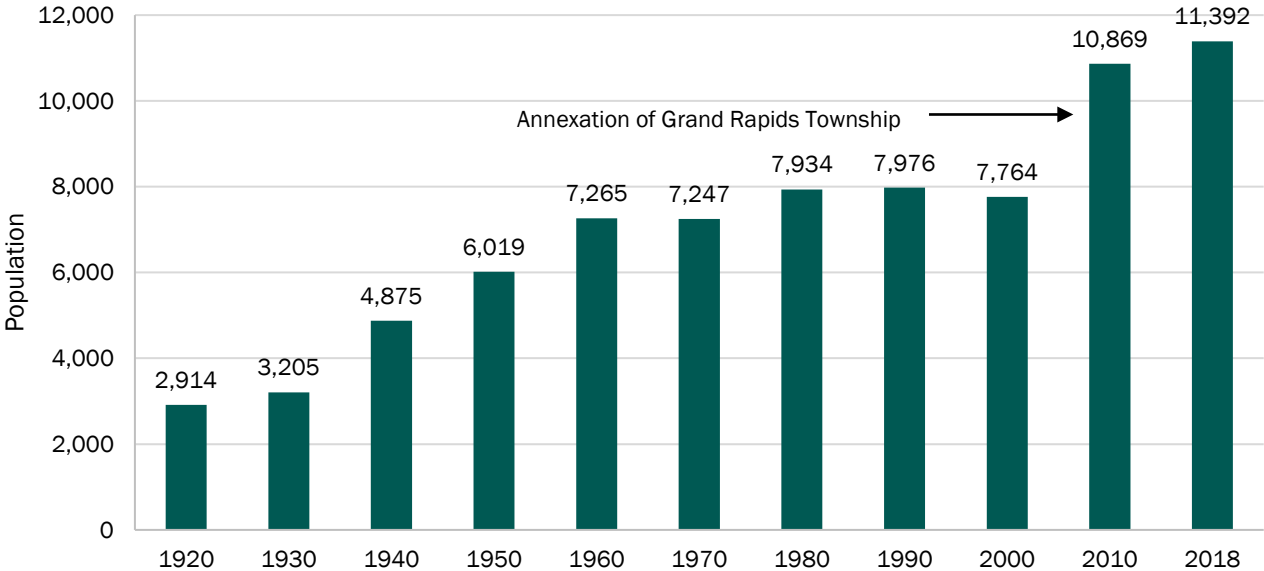
Source: Minnesota State Demographer Estimate (2018); U.S. Census (1920-2010)

Characteristics of the Population and Households

The total population of a place only tells a portion of the story. Various characteristics of the population provide a deeper understanding of the community and inform issues and opportunities.
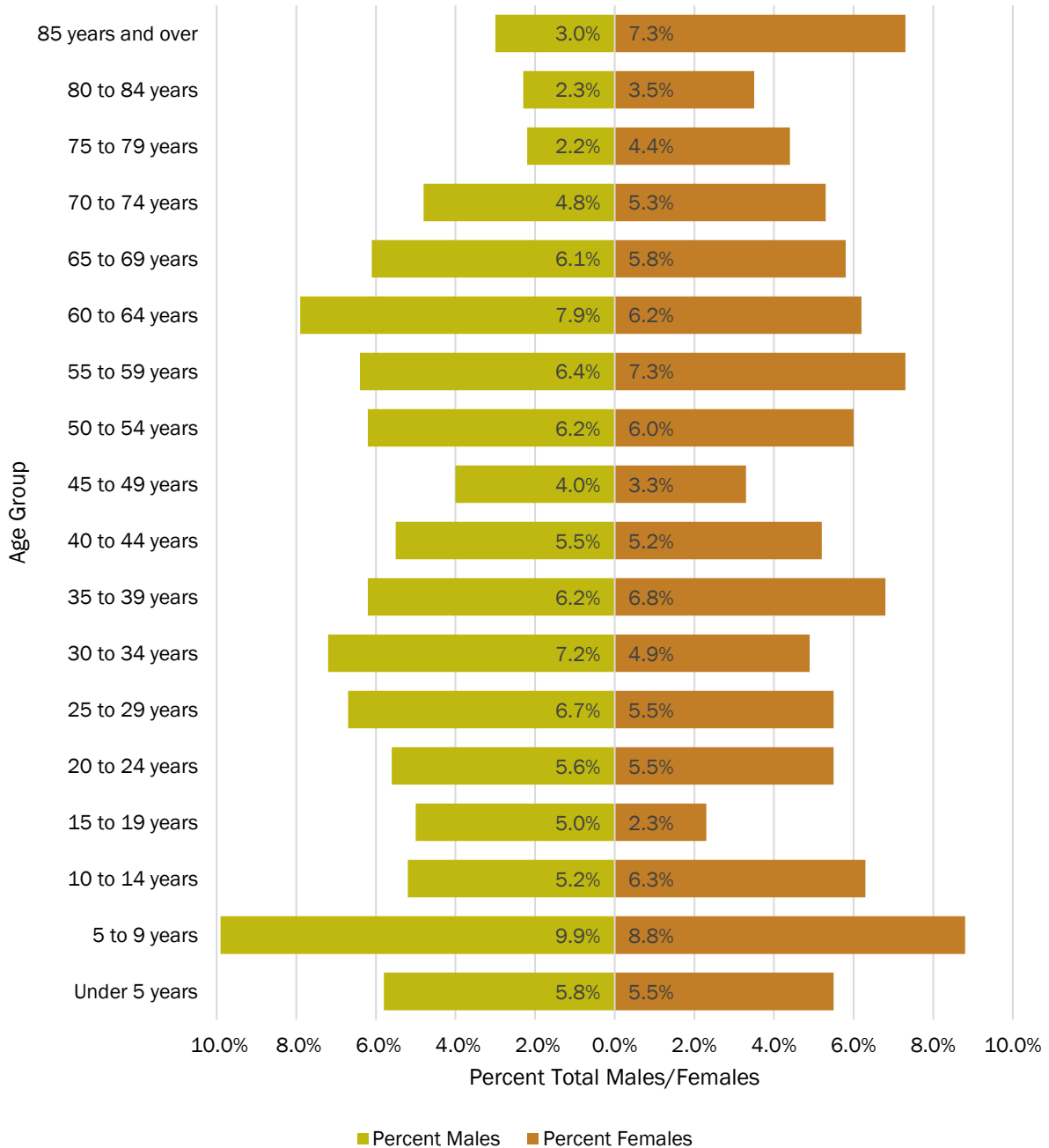
Age Structure

The population pyramid, shown in Figure 2.3, shows the percentages of Grand Rapids residents in each age group and gender. There is a relatively consistent number of individuals in age groups 10-70, with the largest groups being 5-9 years old, and 85 years and older. This suggests the City should focus on adding activities and care for young adults and prepare the housing market for an increasing elderly cohort. The structure of Grand Rapids' population, broken down by age cohorts, has stayed fairly consistent over the last two decades. Figure 2.4 depicts the proportion of various age groups 2000, 2010, and 2018. Shifts among different age groups from year to year are influenced by the movement of individuals between cohorts (aging), fertility, and immigration. Key takeaways include:

- The size of 5-9 group nearly doubled from 2010 to 2018. In terms of raw numbers, this group increased from 495 people at the 2010 Census to an estimated 1,036 people by 2018. In the short-

term future, K-12 schools will need to be able to accommodate more students. Also, youth sports and recreation programs will likely need to be expanded through the YMCA and other partners.

- The middle-aged population is aging. From 2010 to 2018, the proportion of the population aged 30-49 decreased by 3 percent, while the proportion of the population aged 50 to 64 increased by 2 percent. In the next few decades, there will be increased demand for senior housing, including active living communities and assisted living communities.

Figure 2.3.   Population Pyramid

Age Group	Percent Males	Percent Females
85 years and over	3.0%	7.3%
80 to 84 years	2.3%	3.5%
75 to 79 years	2.2%	4.4%
70 to 74 years	4.8%	5.3%
65 to 69 years	6.1%	5.8%
60 to 64 years	7.9%	6.2%
55 to 59 years	6.4%	7.3%
50 to 54 years	6.2%	6.0%
45 to 49 years	4.0%	3.3%
40 to 44 years	5.5%	5.2%
35 to 39 years	6.2%	6.8%
30 to 34 years	7.2%	4.9%
25 to 29 years	6.7%	5.5%
20 to 24 years	5.6%	5.5%
15 to 19 years	5.0%	2.3%
10 to 14 years	5.2%	6.3%
5 to 9 years	9.9%	8.8%
Under 5 years	5.8%	5.5%

Source: 5-Year American Community Survey Estimates (2018); U.S. Census

Figure 2.4.   Age Trends
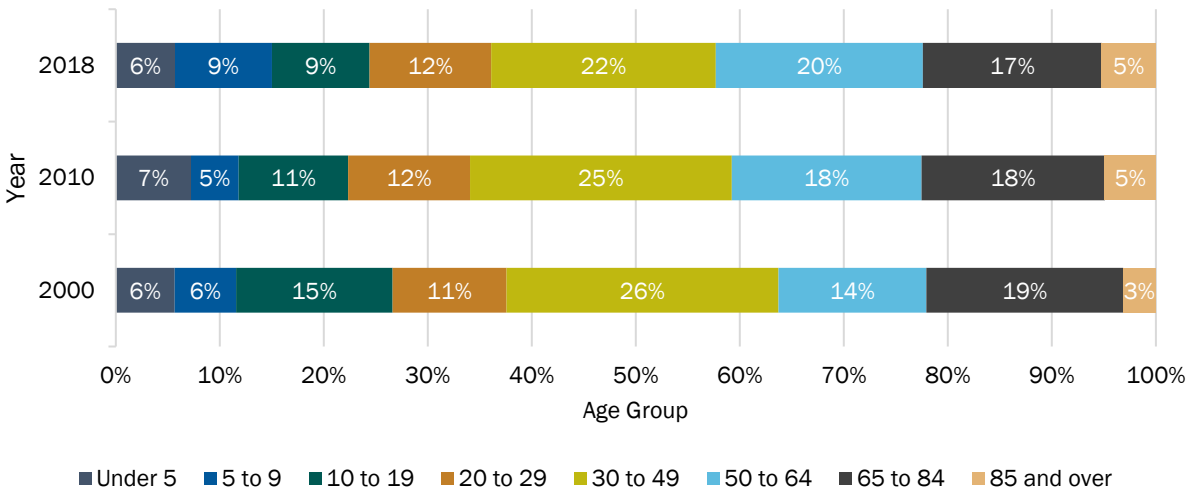
Source: 5-Year American Community Survey Estimates (2018); U.S. Census

Household Size

The average size of households in Grand Rapids, Itasca County, and Minnesota from 1990 to 2018 is shown in Figure 2.5, compared with state and county data. Households in Grand Rapids are smaller on average than households across Itasca County and the State of Minnesota. Consistent with state and regional trends, the average household size in Grand Rapids is steadily decreasing. From 1990 to 2000, the average household size decreased from 2.36 to 2.14. A slight increase was experienced in 2010, followed by a decrease in 2015. The annexation of the township likely contributed to the increase, as the historic size was 0.5 people per household higher than the City in 2005.

The main implication of decreasing household size is that the number of households is increasing relative to the city population. Thus, more housing units are needed to house the population, including a larger contingent of single-person households and empty-nesters.

Figure 2.5.   Household Size
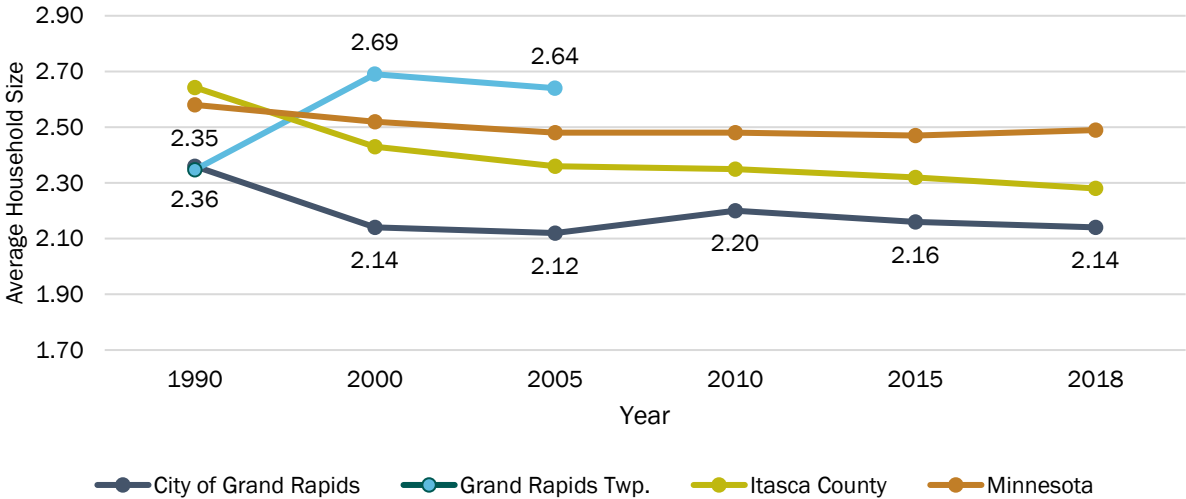
Source: 5-Year American Community Survey Estimates (2005, 2015, and 2018); U.S. Census (1990, 2000, 2010)

Household Types

There are many housing types available within the community that categorize the occupancy characteristics. In 2010 and 2018, a majority of the households were occupied by nonfamily units, or by unrelated individuals. The household types within the city in 2010 and 2018 are depicted in Figure 2.6. Note that the number of single-parent and unmarried families ("Other families with related children") has increased. The number of married families with related children has decreased, partially due to young adults leaving their parents' homes. (During this period, the proportion of teenagers decreased while the proportion of young adults increased).

Figure 2.6.   Household Type
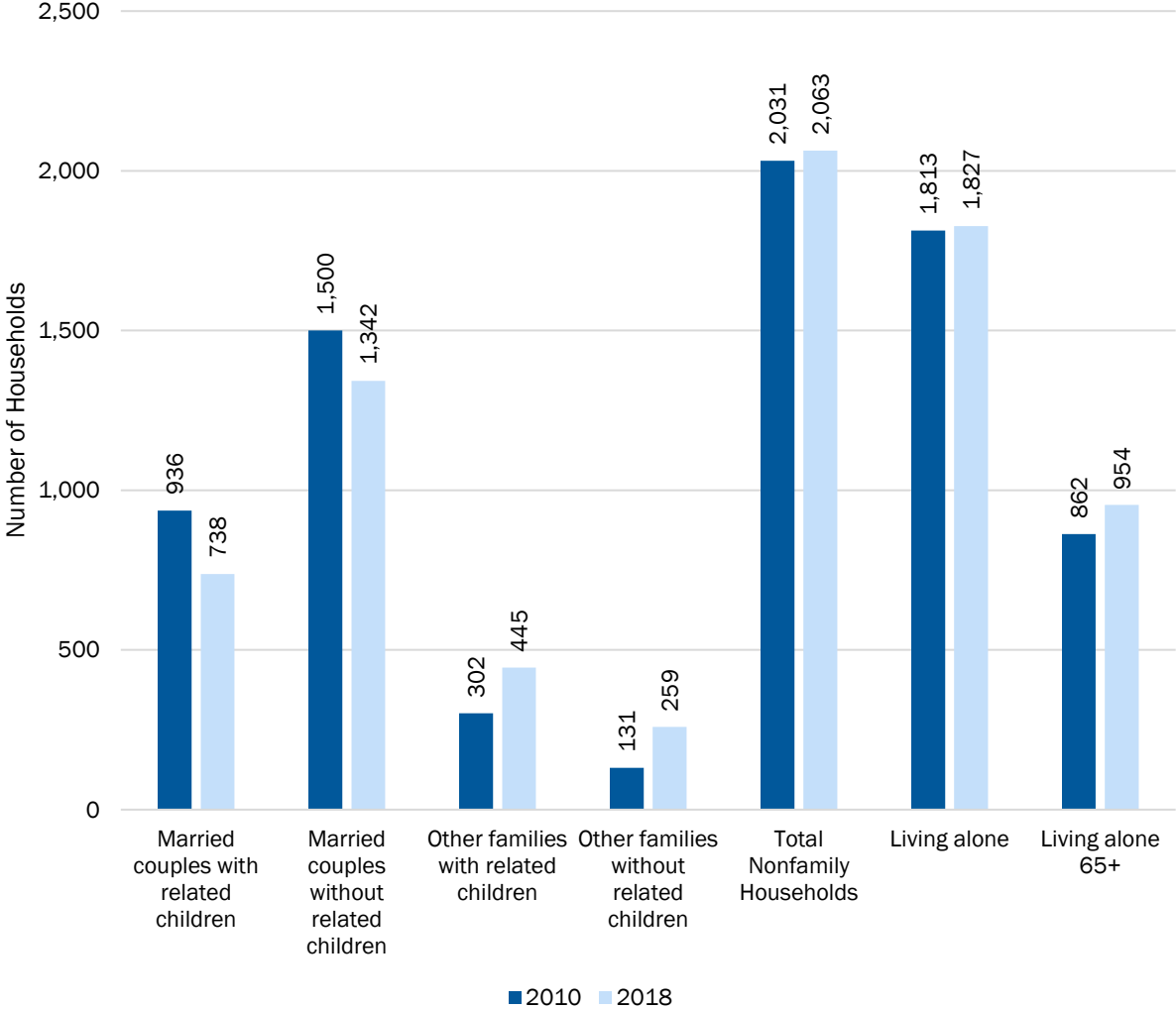
Source: 5-Year American Community Survey Estimates (2018); U.S. Census (2010)

Household Income

Local incomes should be considered when planning for housing and economic development. Incomes partially determine the cost of living (along with housing prices and other costs). Also, community incomes are a key factor in shaping the market for economic development (see Table 2.1).

Figure 2.7 shows the distribution of income for Grand Rapids' households in 2018. Approximately 29 percent of households earn less than $25,000; 30 percent of households earn $25,000 to $49,999; 20 percent of households earn $50,000 to $74,999; and 22 percent of households earn $75,000 or more.

Figure 2.7.   Income Distribution
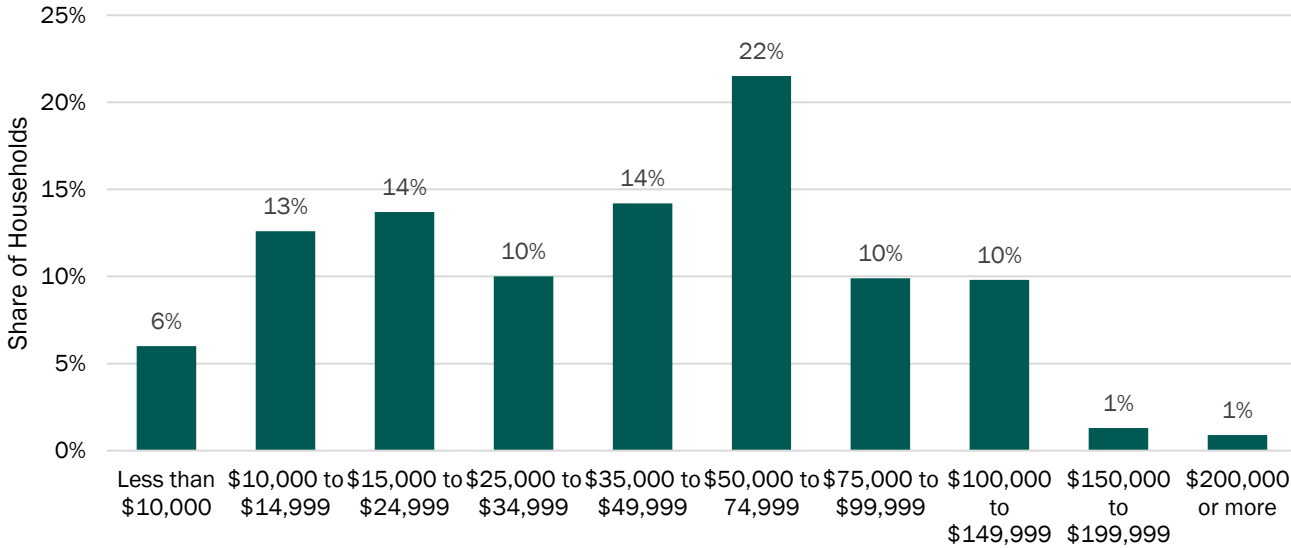
Source: 5-Year American Community Survey Estimates (2018)

Educational Attainment

Educational attainment identifies the level of education completed by individuals in the Grand Rapids workforce. The educational attainment for the 2018 workforce in Grand Rapids is compared to the workforce for the State of Minnesota in Figure 2.8. A majority of Grand Rapids' workforce completed high school or some college.

Figure 2.8.   Educational Attainment
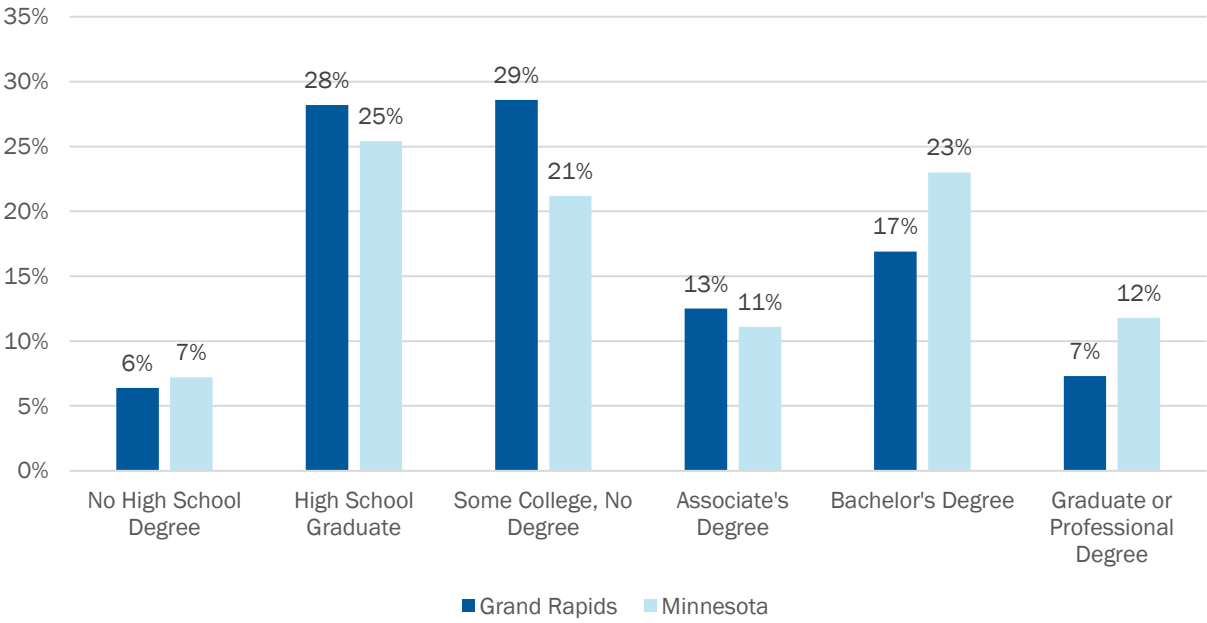
Source: 5-Year American Community Survey Estimates (2018)

Demographic Summary

Table 2.1 provides a summary of general demographics for the City of Grand Rapids according to the 2010 US Census and the 2018 ACS Estimates. Overall, the population, number of households and the median household income are increasing. The average household size (or number of people per household) are estimated to have experienced a decrease, consistent with statewide trends. The community is also trending to be younger, with a median age decrease of three years over an eight year span.

Table 2.1.   Demographic Summary

	2010	2018	Change
Population	10,869	11,392*	+4.8%
Households	4,615	4,847	+5.0%
Average Household Size	2.20	2.14	-0.06 persons per household
Median Household Income	$41,776	$45,784 ($39,599 in 2010)	+9.6%
Percent Households earning $75,000 or more	20.5%	21.9%	+1.4%
Median Age	44.0	41.0	-3.0 years

Source: US Census (2018); ACS Estimates (2018), Demographer (2018)*

Growth Projections

The previous section outlined characteristics of the Grand Rapids population in 2018 and other previous years. This information provides a baseline for understanding where the community is today and allows for assumptions to be made of how trends may continue into the future. Projecting future population growth can help to understand the population that is being planned for with the 2040 Comprehensive Plan.

Minnesota Demographer Growth Projections for Itasca County

The Minnesota State Demographer (Demographer) provides a series of population projections for each county; however, population projections are not completed at the local level. The County's project population growth can be used to inform growth considerations for local jurisdictions.

The 2018 estimate for Itasca County is 45,191. The population is projected to reach 47,064 by 2030, and 47,320 by 2040. Thus, from 2018 to 2040, the total population growth for Itasca County is projected to be 2,129 people (4.7 percent). The Demographer utilizes birth and death rates, natural increase and migration patterns to project future population growth. Over the course of the next 20 years, the birth and death rates for Itasca County are forecasted to be similar, resulting in a net loss (more deaths than births). Therefore, growth in the County is depended on natural increase and migration to the area. As the largest City in the County, the success and growth of Grand Rapids is a likely contributor to increases in migration.

These County-wide projections can be used to inform City population projections over the same time period, when combined with historic growth rates for the City. For example, the County is projected to grow by 4.7 percent over the next 20 years. However, the City of Grand Rapids grew by 4.8 percent in the last 8 years. It is anticipated that the City of Grand Rapids will continue to be a major contributor to the County's population growth and will continue to experience a higher rate of increase than that experienced by the entire County. Only 11 of the 58 jurisdictions included in the Itasca County population estimates experienced positive population growth between 2010 and 2018. If population decreases continue to be experienced in other portions of the County, projected growth in Grand Rapids would be a primary contributor to growth across

the County. If population growth continues at a similar rate to that experienced between 2010 and 2018 (annual growth rate of 0.6 percent), the City could reach a population of nearly 13,000 by 2040, an increase of 14 percent over 22 years.

Development Trends

Recent development trends within the community provides a framework for the character and changes to a community. The following section review the trends in residential and commercial development sectors over the last 15 years.

Residential Building Permits

Residential development in Grand Rapids is dominated by single-family homes. However, the recent trend has been toward multifamily development (Figure 2.9). From 2004 to 2019, the City issued 266 building permits for single-family dwelling units and permits for 287 multifamily dwelling units. The City also issued permits for 195 assisted living units during this time.

Conversely, Grand Rapids has experienced limited new single-family residential in recent years. The community has struggled to attract developers to complete new subdivisions, combined with increased construction costs. New single-family homes tend to be constructed lot by lot, rather than larger subdivision developments. Additionally, trends for additional multifamily and assisted living facilities are anticipated to grow in 2020, according to development inquiries received during the drafting of this plan.

Figure 2.9.   Residential Development Trends
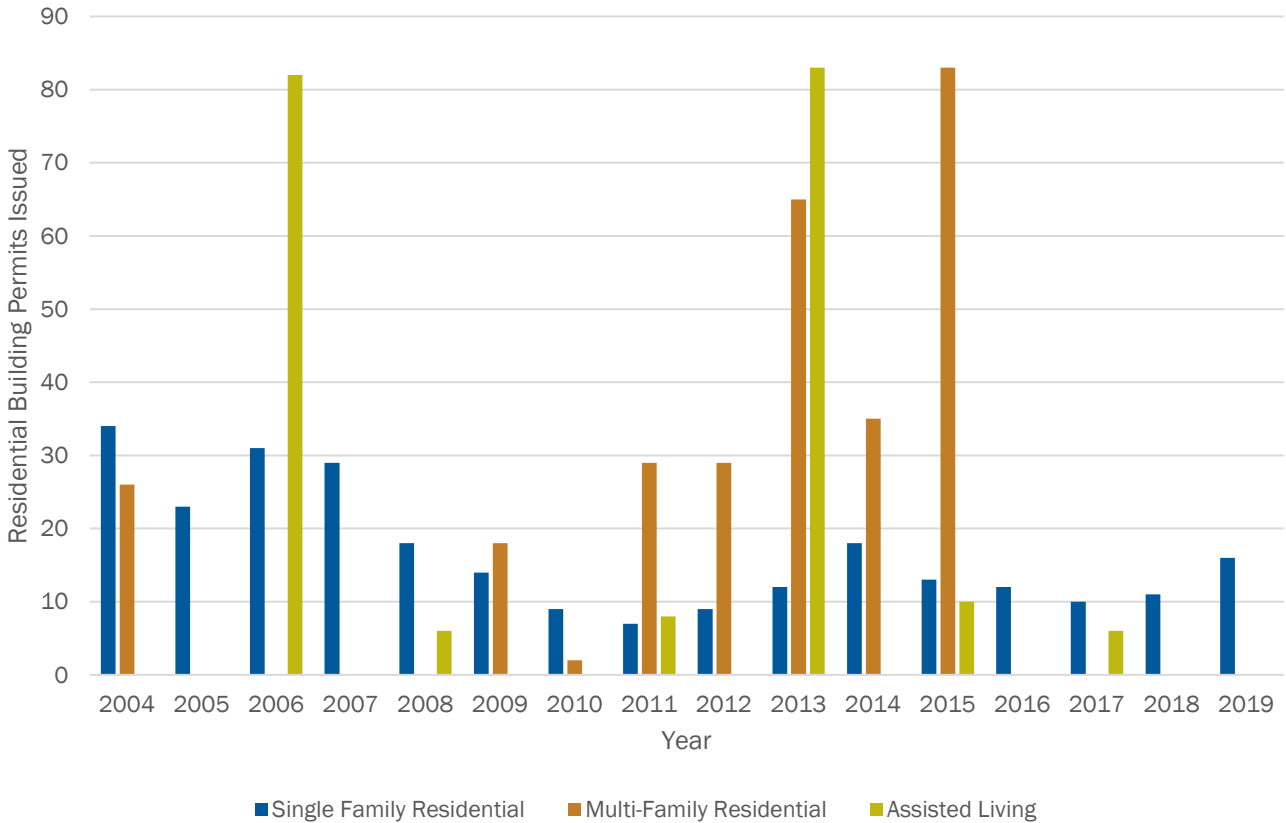
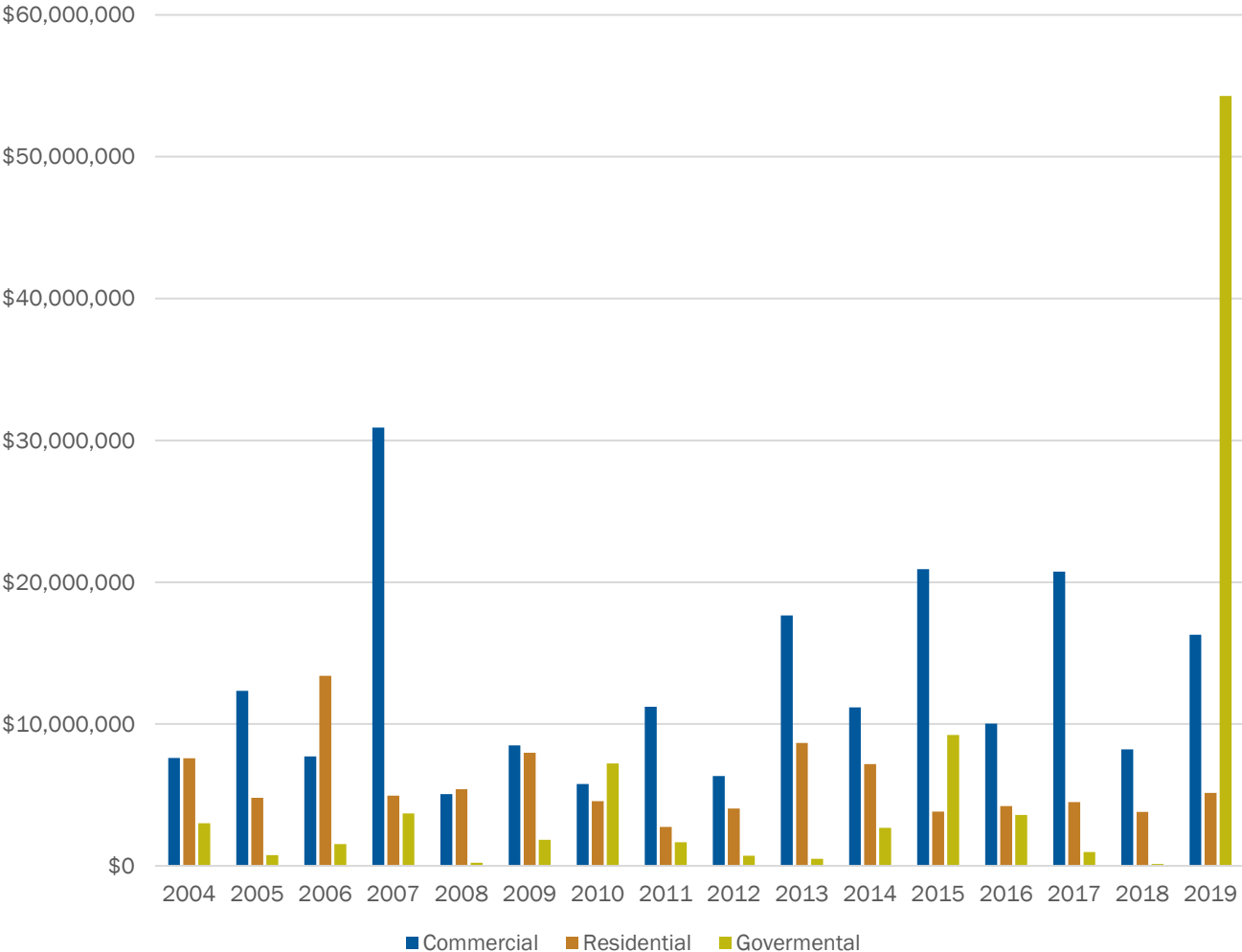*Source: City of Grand Rapids Community Development Department Report (2019)*

Affordable Housing

A significant share of recent residential development is considered affordable housing. From 2004 to 2019, the city added 34 affordable owner-occupied single-family units (13 percent of permitted units), 136 affordable rental apartments (47 percent), and 15 affordable rental senior apartments (8 percent).

Commercial, Residential, and Governmental Investment

Figure 2.10 shows the total investment, in millions, for commercial, residential, and governmental development from 2004 to 2019 (dollar values are not adjusted for inflation). Grand Rapids has consistently attracted $10-20 million per year in private commercial investment. In general, the level of commercial investment has risen since the recession years. Investment in residential is consistent around $5-10 million per year. Commercial and residential development has expanded the city's tax base, generating additional revenue for government investments. Commercial and residential investments in 2019 were consistent with average trends with over $16 million recorded for commercial investment and over $5 million in residential investment. The governmental development investment for 2019 was higher than the sum of investments from 2004 to 2018. Over $54 million was recorded in governmental development investments for the year, with the school construction activities being major contributors.

Figure 2.10.   Annual Development Investment in Commercial, Residential and Governmental Development

Source: City of Grand Rapids Community Development Department Report (2019)