

Metropolitan Council

Meeting date: February 12, 2014

For the Metropolitan Council meeting of February 12, 2014

Subject: Updated regional forecasts to 2040

District(s), Member(s): ALL

Policy/Legal Reference: *Minnesota Statutes* 473.146 and 473.859

Staff Prepared/Presented: Libby Starling (602-1135) and Todd Graham (602-1322)

Division/Department: Community Development / Regional Policy and Research

Proposed Action

Discussion of updated regional forecasts of 2040

Background

The Metropolitan Council updates its 30-year regional and local forecasts of population, households and employment at least once a decade. Consistent with *Minnesota Statutes* 473.146 and 473.859, these regional and local forecasts provide a shared foundation for coordinated, comprehensive planning aligned between the Council and local governments.

Regional Policy and Research released a preliminary regional forecast for the seven-county area on April 18, 2012. Council staff will present the updated regional forecast for population, households and employment to 2040 on February 12, 2014.

Three updates are driving changes in the regional forecasts:

- The Council aligns its regional economic forecasts to the data inputs that the State Economist at Minnesota Management and Budget uses for the state budget forecasting. Global Insight has updated its 30-year forecast for national economy and employment, and MMB has adjusted its forecast of wages upward. This is reducing regional economic and employment growth, and consequently economic migration to the region.
- Both national and regional population growth are also scaled back as a result of a new and lower long-term immigration forecast by Census Bureau, issued in December 2012.
- The reduced growth in household is mostly due to the lowered population forecast. The balance of the household forecast reduction is due to the Council's method of grouping population into households (using current Census-based household formation rates).

Council staff will release the Draft Local Forecasts for Public Comment on February 19. The Council will formally adopt revised and updated regional and local forecasts to 2040 with the adoption of *Thrive MSP 2040* in May.

Rationale

Consistent with *Minnesota Statutes* 473.146 and 473.859, the regional and local forecasts are intended as a statement of future expectations and will reflect regional and local planning and policies.

Funding

The regional and local forecasts are a regular part of the Community Development workplan.

Known Support / Opposition

None