Preliminary local forecasts to 2050

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metrocouncil.org/forecasts/

METROPOLITAN COUNCIL

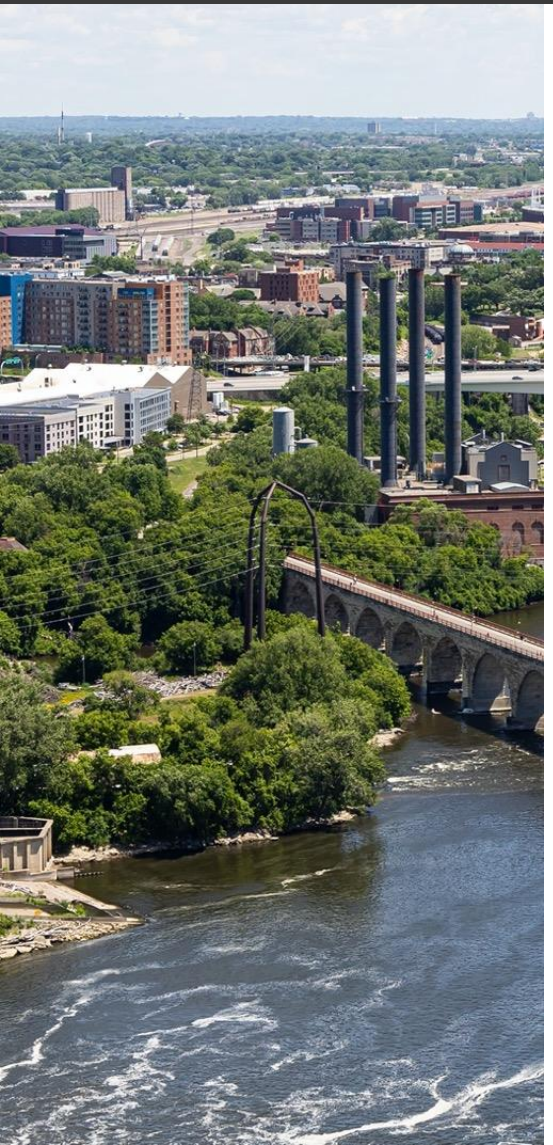
Agenda

1. Why and how we forecast
2. Regional forecast recap
3. How we forecast: local allocation
4. Preliminary local forecasts, version 1
5. Input from local partners and the public

METROPOLITAN COUNCIL

Why and how we forecast

Why we forecast



Long-range forecasts of population, jobs

Provide a shared foundation for coordinated planning, systems and services

- Regional systems and services are scaled to meet forecasted demand
- Local plans, infrastructure, services respond to the same forecasts
- Coordination with partner agencies

Maintained, updated to inform planning

Authorized by *MN Statutes* 473.146 and 473.859

How we forecast: models

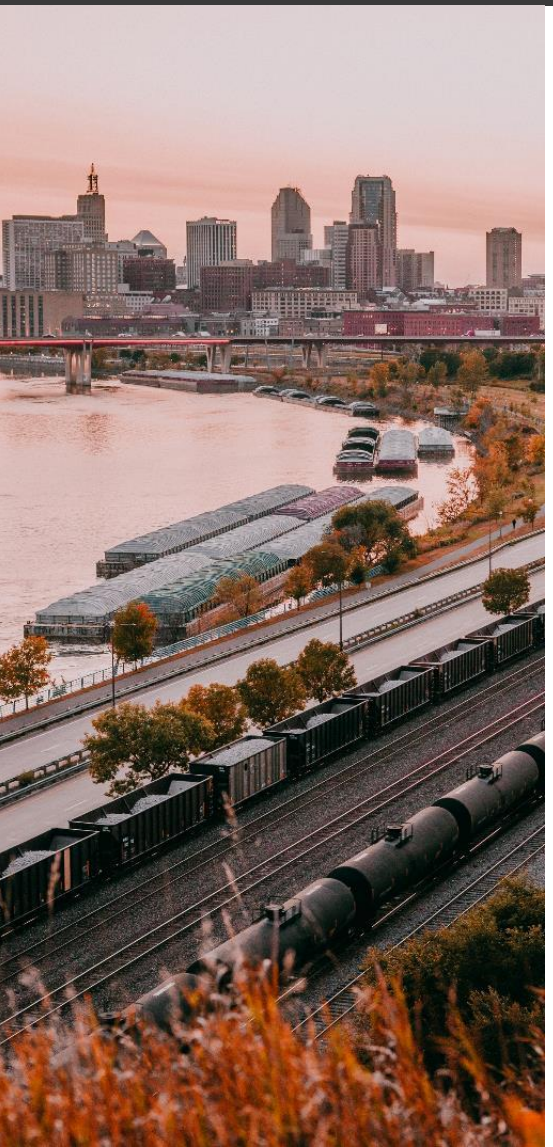
Models are an attempt to represent real-world systems in a simplified way

- Economic and employment growth
- Real estate market dynamics
- Interactions of land and transportation

We're representing through mathematical representations

- Formulas, parameter settings, time- and place-specific variables

Forecast models toolkit



Regional economic model for macro-level employment and population

Land use model for location of future land use, local households and employment

Travel demand model accounting for connection of places; projects travel patterns and loads

Regional forecast recap

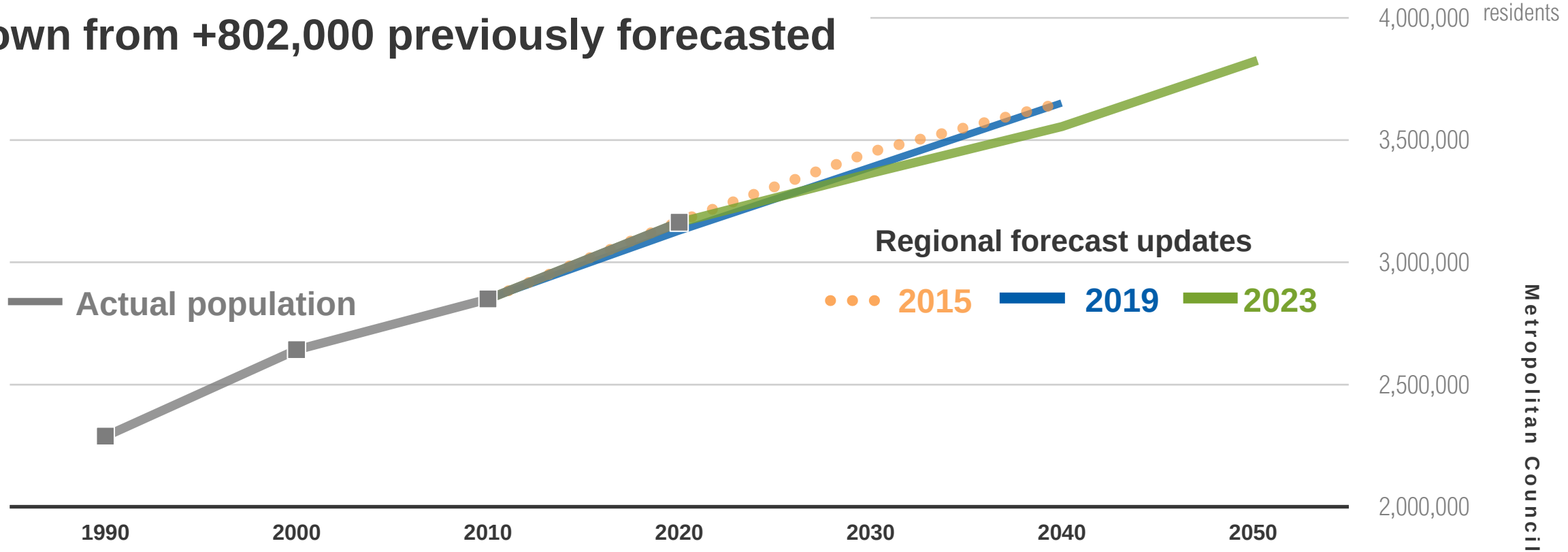
Updated regional forecast to 2050

	2010	2020	2023	2030	2040	2050
Employment	1,541,000	1,581,000	*1,754,000*	*1,802,000*	*1,895,000*	*2,074,000*
Households	1,118,000	1,240,000	*1,274,000*	*1,350,000*	*1,450,000*	*1,564,000*
Average HH size	2.50	2.50	*2.47*	*2.44*	*2.40*	*2.39*
Population	2,850,000	3,163,000	*3,207,000*	*3,364,000*	*3,555,000*	*3,820,000*
Population Growth	207,000	313,000	—	*201,000*	*191,000*	*265,000*

Source: 2010 – 2022: US Bureau of Labor Statistics (BLS), US Census Bureau, Metropolitan Council;
2023 – 2050: Metropolitan Council's regional forecast (2023)

Population grows, but less growth than past forecasts

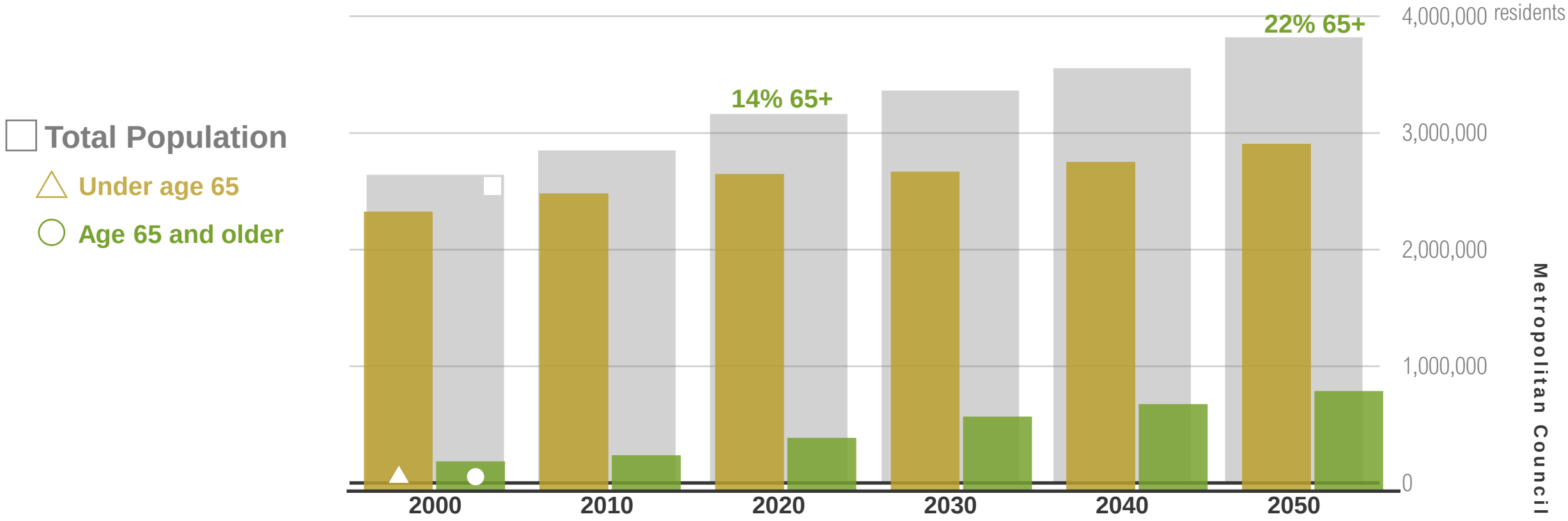
Population gains +705,000 (2010-40),
down from +802,000 previously forecasted



Source: 1990-2010 from U.S. Census Bureau; 2015, 2019, 2023 forecasts from Metropolitan Council.

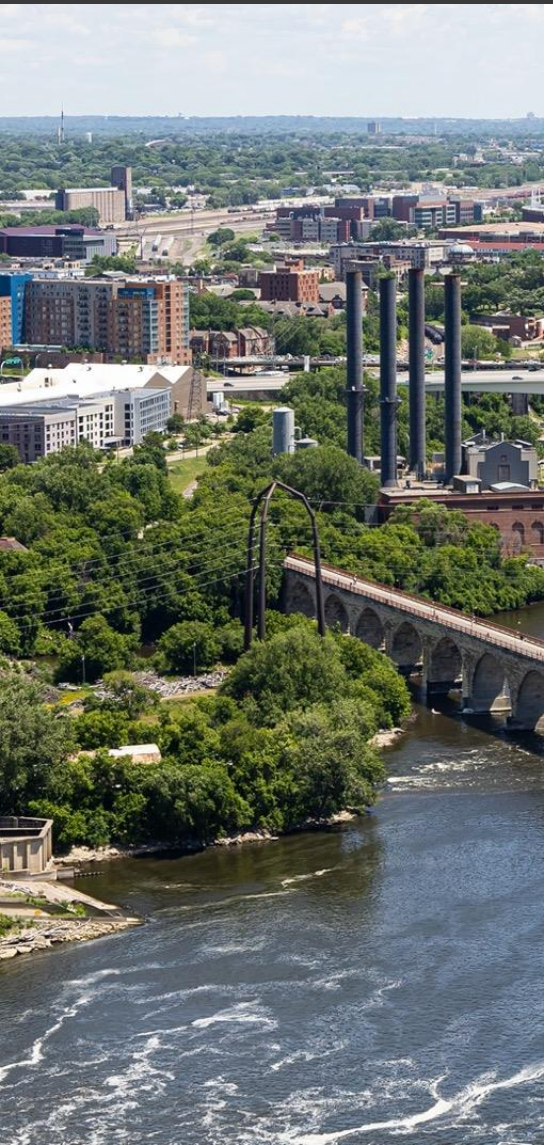
Aging of the Population

Share of population over age 65 nearly doubles in 2050



Source: 2000-2010 population from Census Bureau; 2020-2050 from Metropolitan Council regional forecast (2023)

Regional forecast summary



Less growth than past forecasts

Metro will reach 3.8 million population and over 1.5 million households – but will take longer to get there

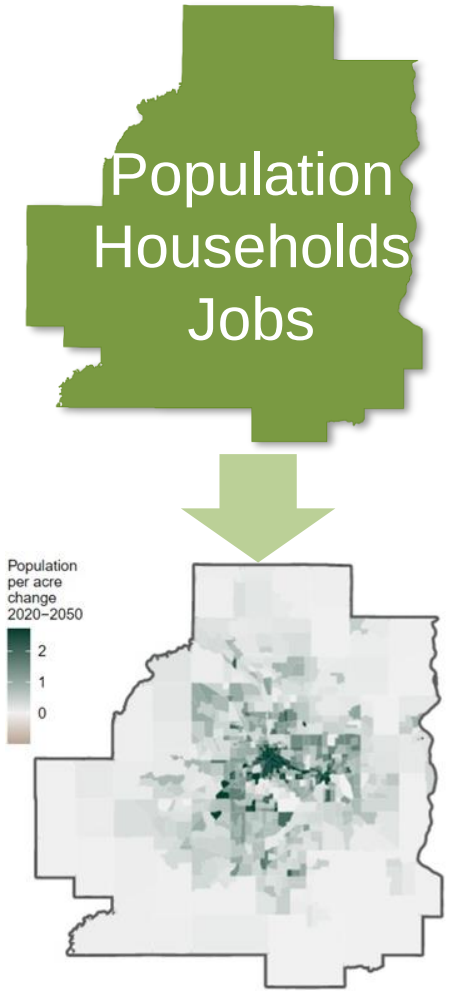
Demographic sources of growth are weakened

- Births and birth rates are at record-lows
- Immigration still a major contributor and growing – but not as much as past expectations

2050 will look very different

- Growing racial and ethnic diversity
- Growing numbers and share of older adults (65+)
- Implications: different patterns of activity, time use, different housing demands

From macro-level to local

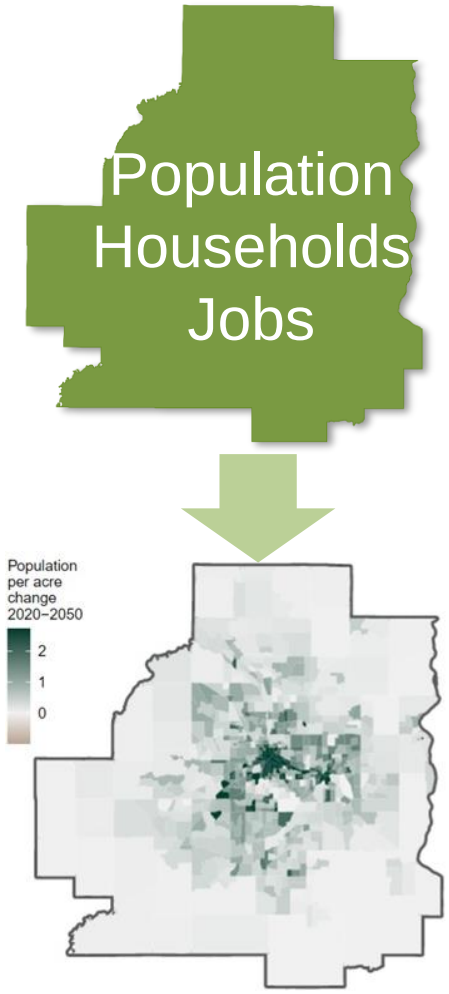


Regional totals from the macro model are allocated to specific places

- The local forecasts serve to accommodate the growth expected by the larger region
- All jobs, households and people are situated somewhere

How we forecast: local allocation

From macro-level to local: Our local land use model



Regional totals from the macro model are allocated to specific places

UrbanSim model

- Analyzes, represents, and projects where growth will happen
- This future projection involves extrapolation of behaviors, trends, patterns
- Accounts for the competition between places

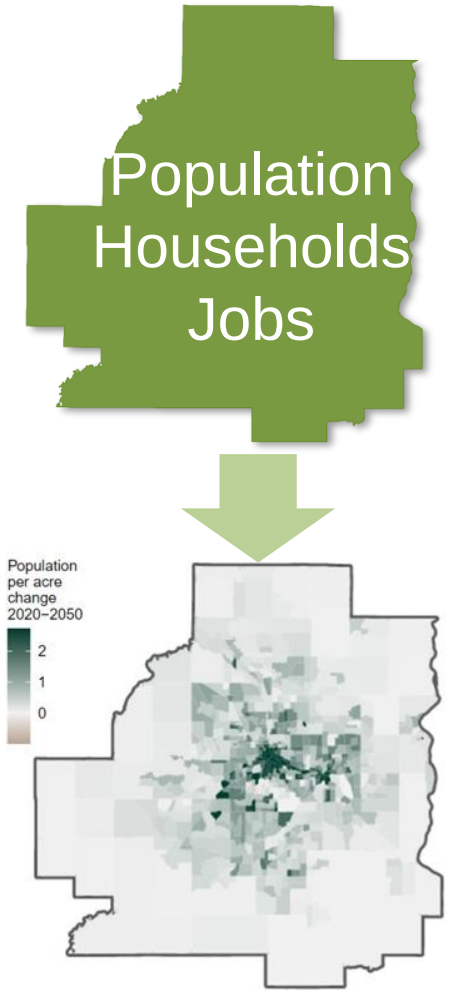
Specifically, UrbanSim simulates real estate dynamics, with submodels that handle the projection of

- Real estate supply (new development)
- Location choice behavior

Location choice: We value place options, and places, to varying degree

- Location choice probabilities derived from observed data on choices
- Factors that go into those choices
  - If one group especially values place characteristics, more likely to locate accordingly → *differentiation*
  - If **all** groups value a cumulative package of characteristics, then rents or prices rise in locations which have that → *market valuation*
- What matters in location choice
  - Place value and amenities
  - Access to destinations: everyone values this
  - Employment presence in neighborhood: differentiation in who values

Where will the metro's next 324,000 households choose to live?



Local forecast results determined by both predictive modeling *and* policies

UrbanSim is allocating with behavior-based, utility-maximizing logic

It does so bounded or limited by policies within the model

Policies establish an envelope of what's possible

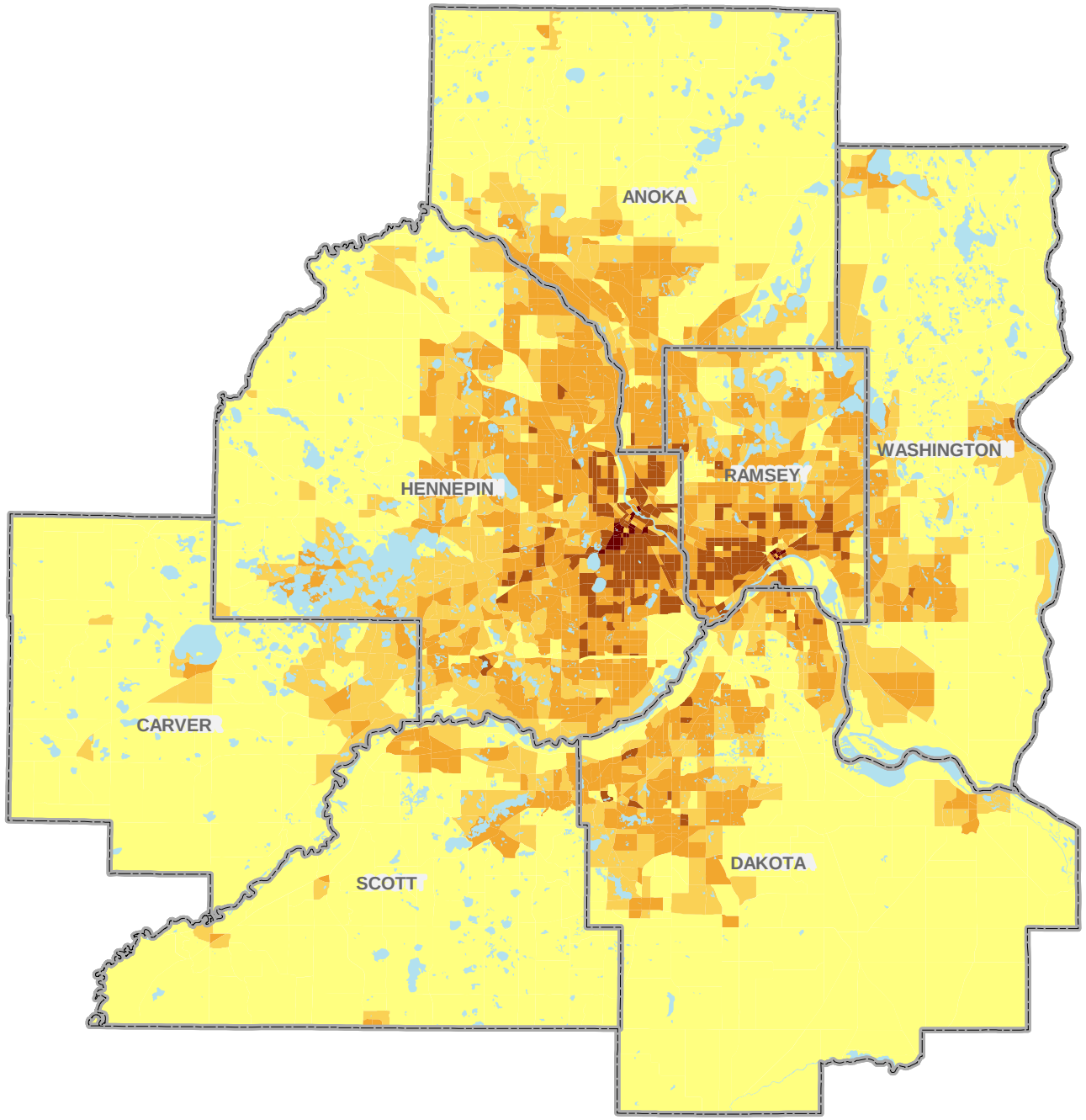
- From local governments: Allowed land uses, allowed densities – these determine the capacity of places
- From Met Council: 2050 wastewater service area (MUSA), 2050 high-frequency transit, future highways and arterials network

In version 2 model, do we assert development limits for: significant ecological areas? prime agricultural lands? floodplains? groundwater supply capacity limits?

Preliminary local forecasts

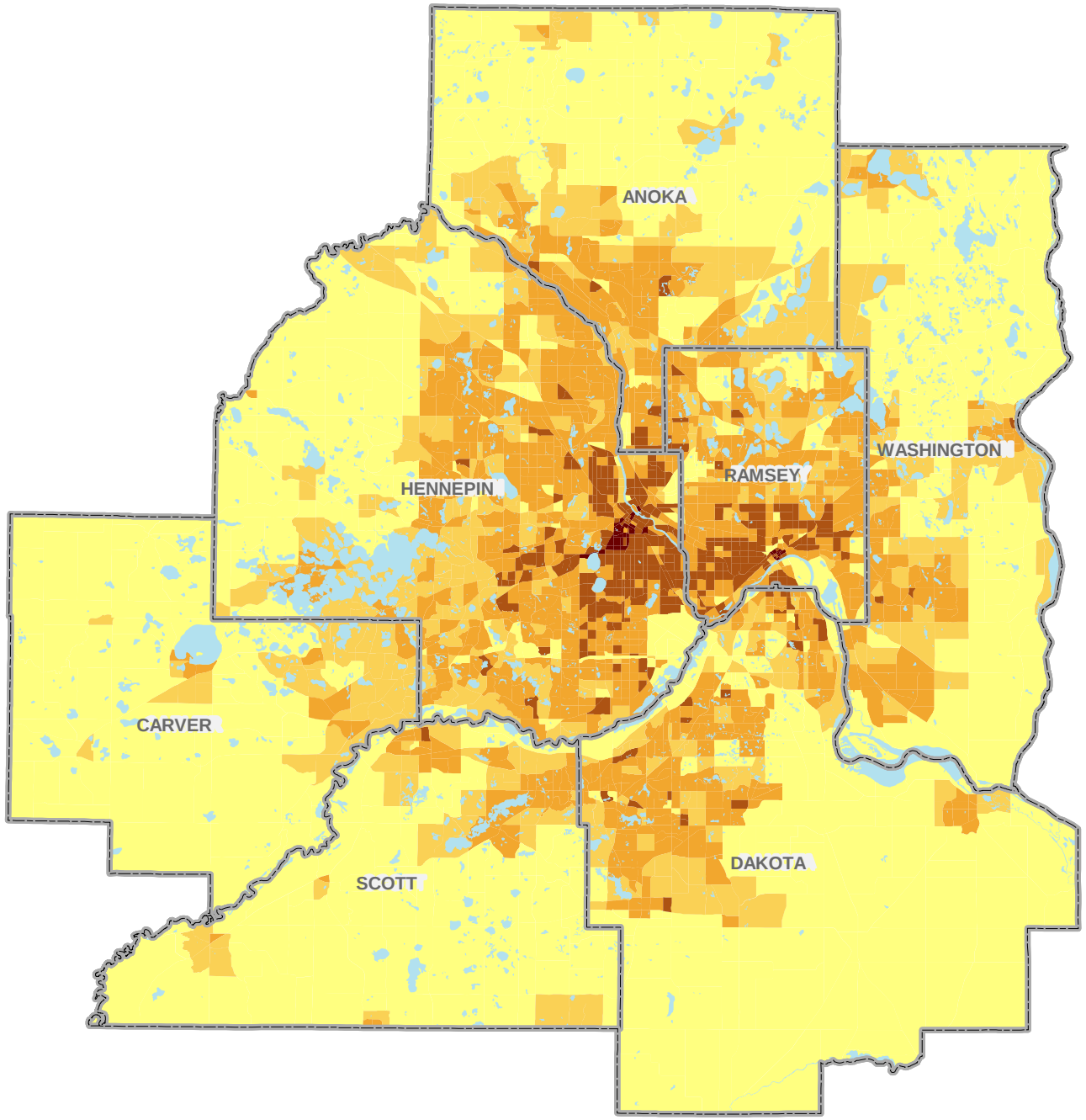
Households in 2020

- 1,239,500 households in 2020
- 3,163,100 population
- A full range of community types
- More suburban in composition than most peer major metros



Households in 2050

- Metro region to add +324,000 households by 2050
- Outward growth around the suburban edges
- Existing suburbs are filling in
- Substantial intensification and redevelopment in urban centers
    - Map graphic from v1



Households growth, 2020-50

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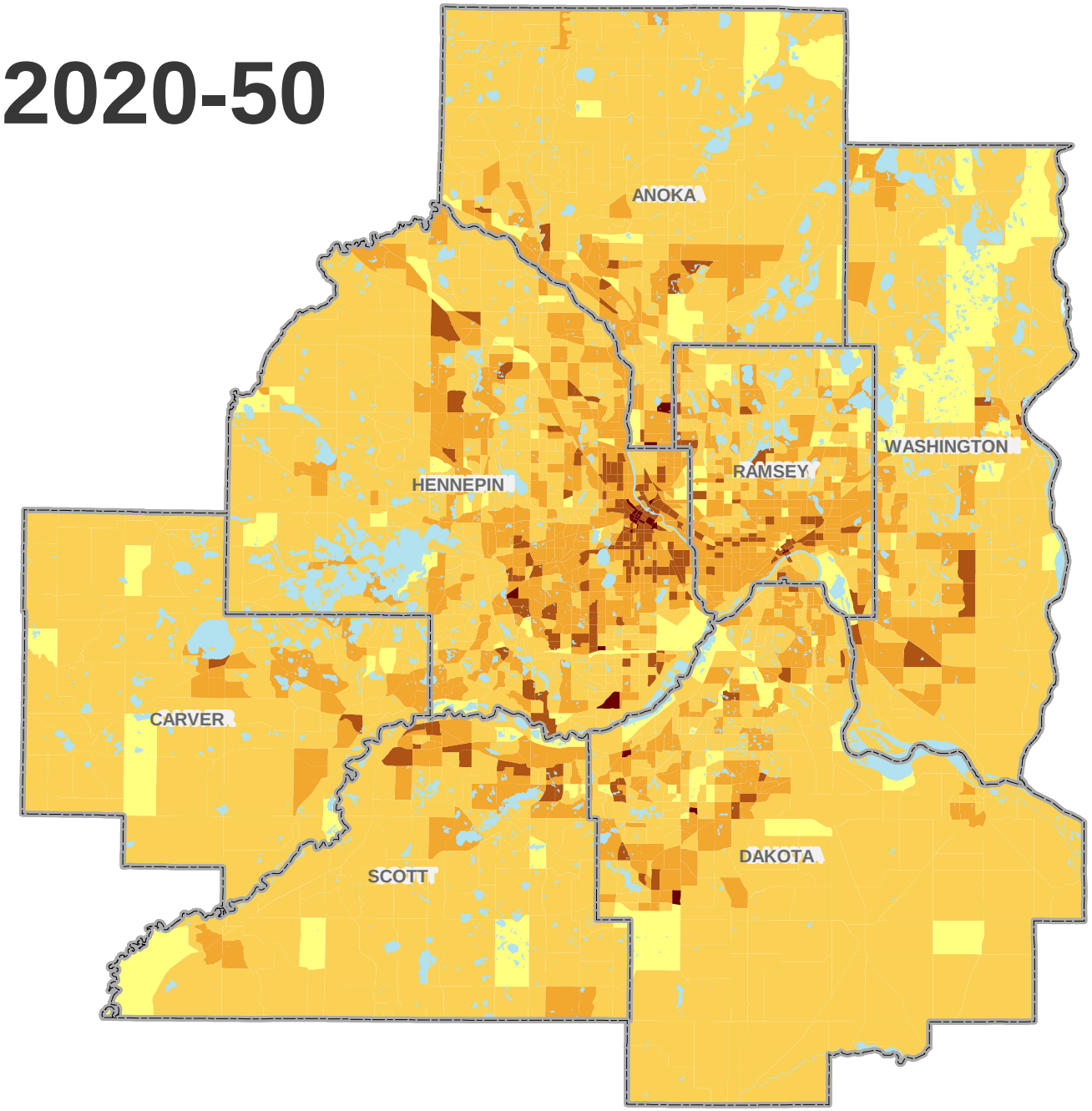
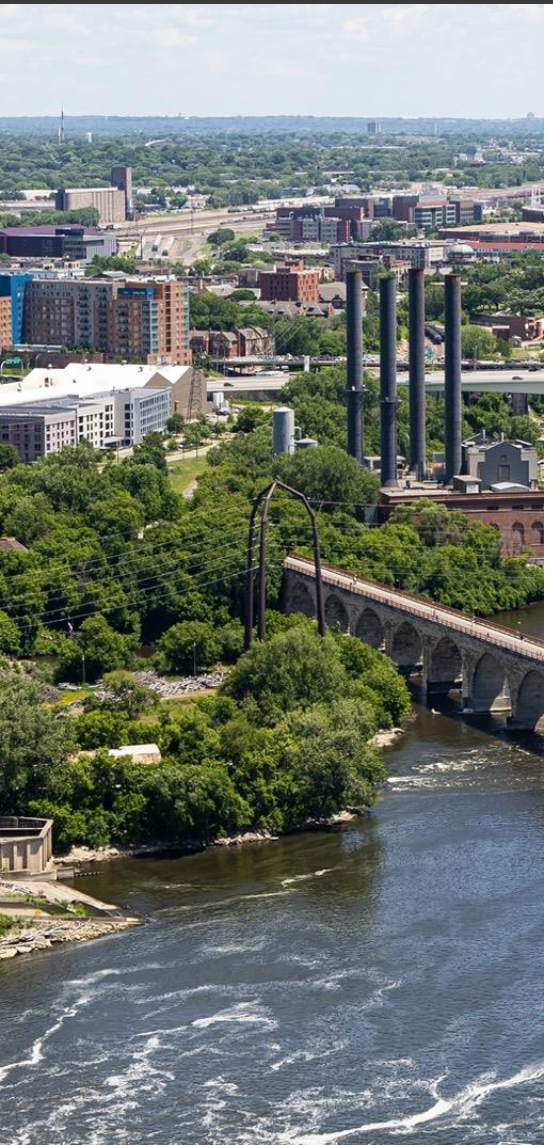


total_households / sq_miles

- No growth
- 1 - 200
- 201 - 600
- 601 - 2,000
- 2,001 - 6,000

Local forecast summary: households



Growth happens in local, specific places

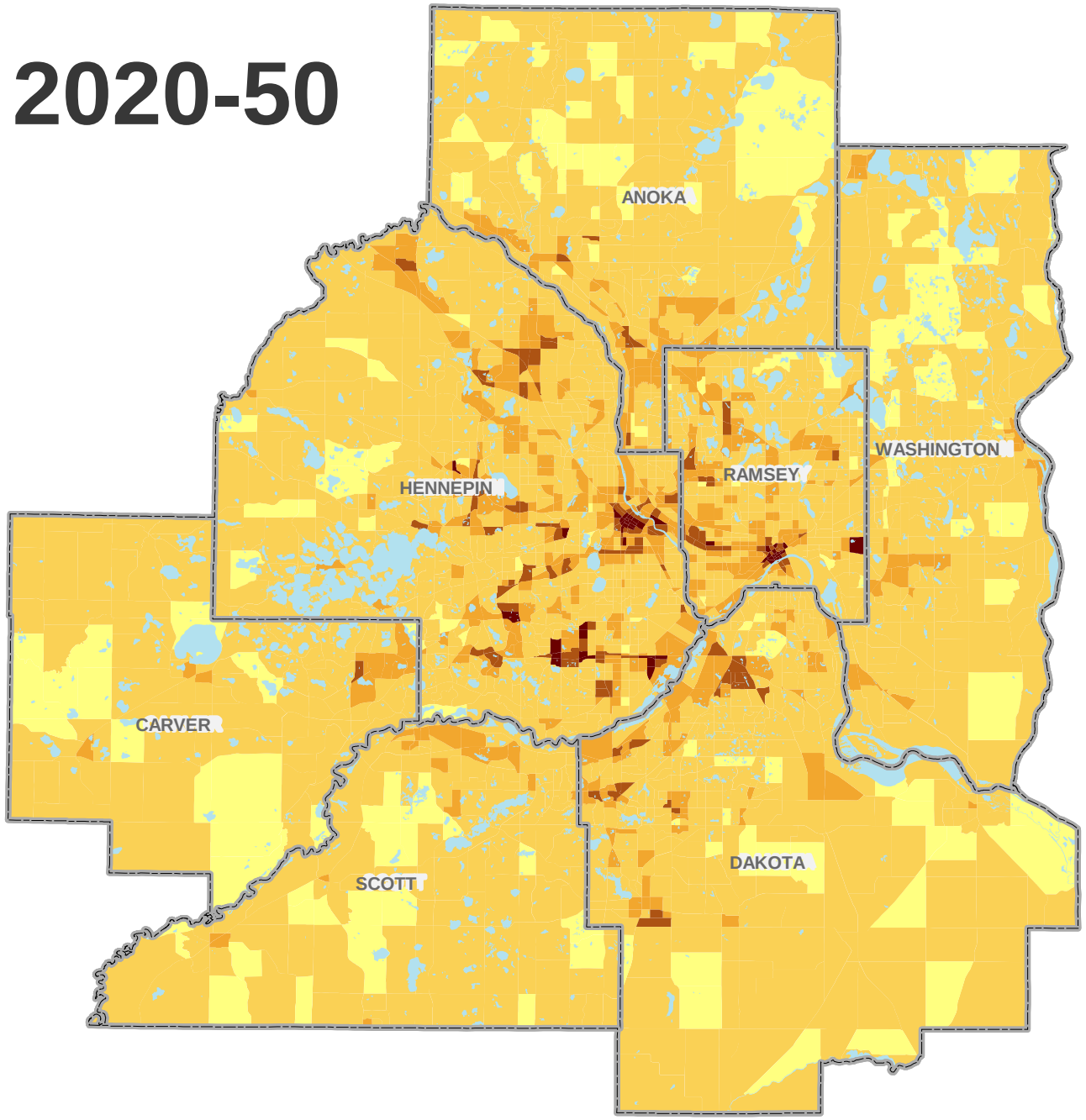
Adding 324,000 households over 30 years – where?

Our model is designed to produce a probable, middle-of-the-road answer

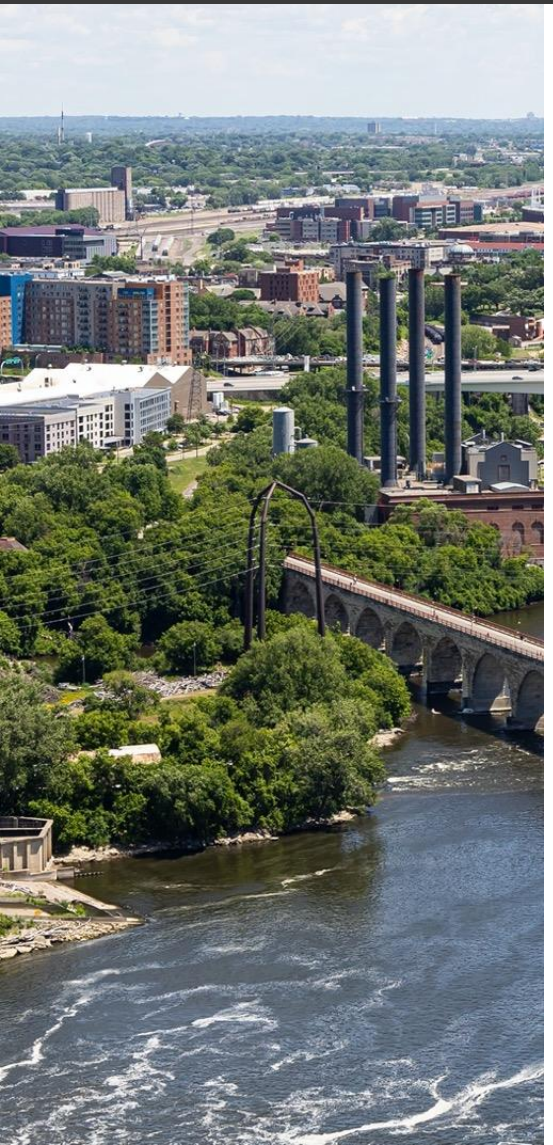
- 31% of the net growth in urban centers and urban communities
- 43% in suburban and suburban edge
- 19% in emerging suburban edge
- 7% in rural communities
- This pattern is +3 points more urban and -3 points less rural than current (Thrive MSP 2040) forecast

Employment growth, 2020-50

- 1,581,000 jobs in 2020
- 1,754,000 jobs in 2023
- 2,074,000 jobs forecasted, 2050
- Concentrates in places that have been employment centers
- And along transportation corridors
- Where office/ commercial/ industrial uses are allowed



Local forecast summary: employment



Growth happens in local, specific places

1,581,000 jobs in 2020, at the pandemic low-point

1,754,000 jobs in 2023

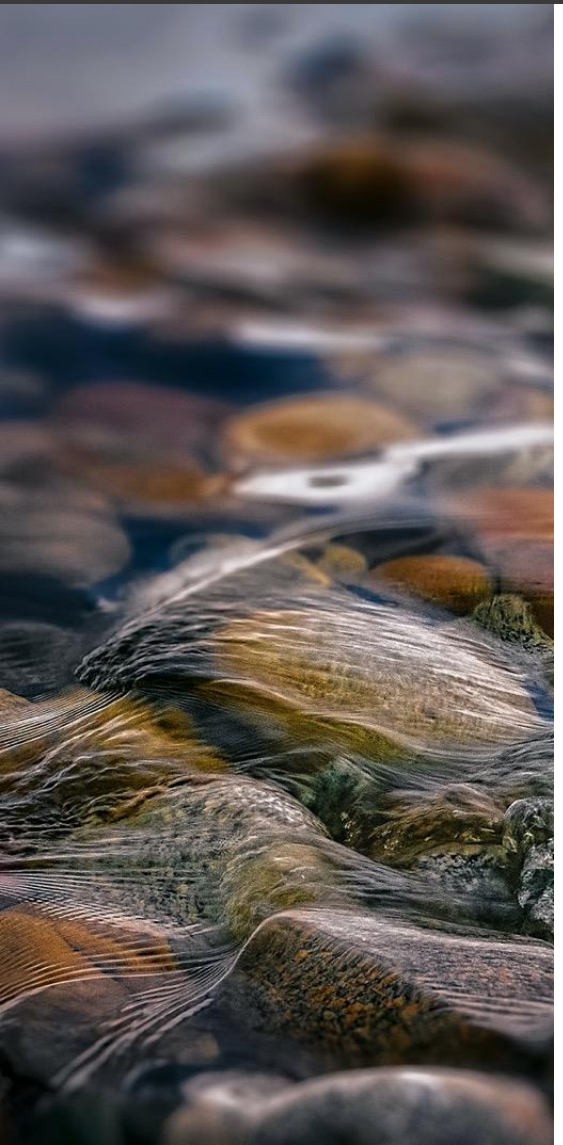
2,074,000 jobs forecasted, 2050

UrbanSim model results are very different from Council's previous model

- 40% of the net growth in urban centers and urban communities
- 45% in suburban and suburban edge
- 11% in emerging suburban edge
- 4% in rural communities
- This pattern is -8 points *less* urban than current forecast

Input from local partners and the public

Preliminary local forecasts set (version 1), January 2024

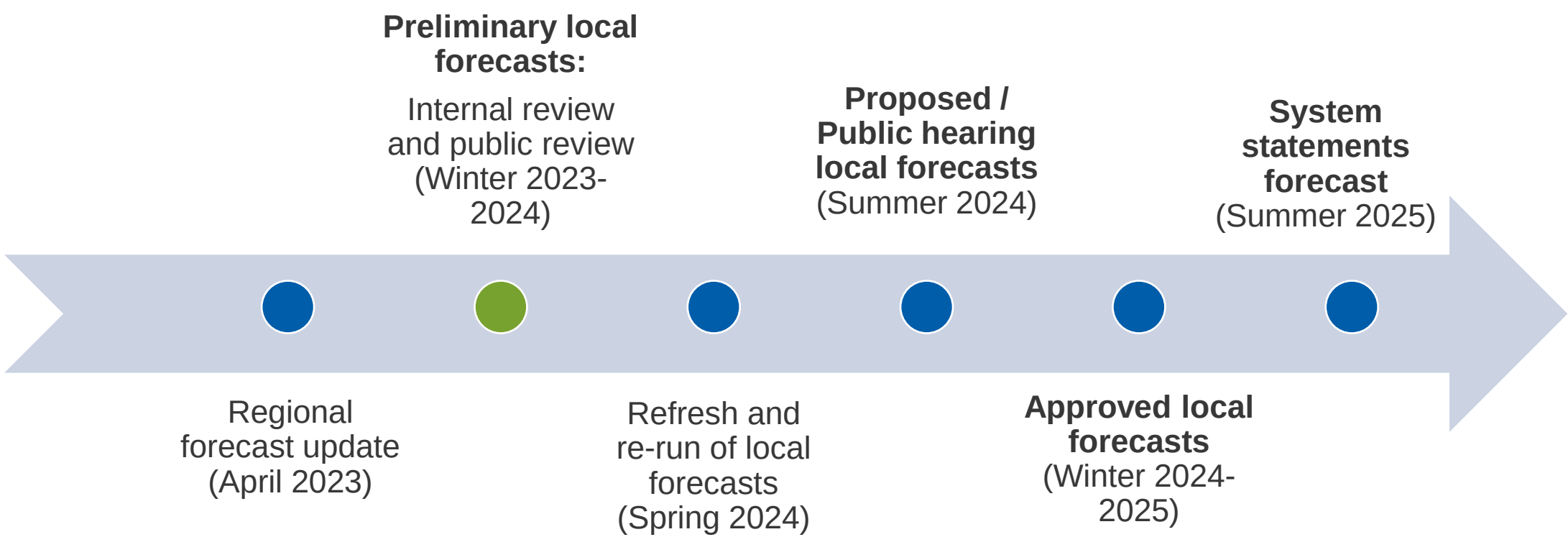


About the product set

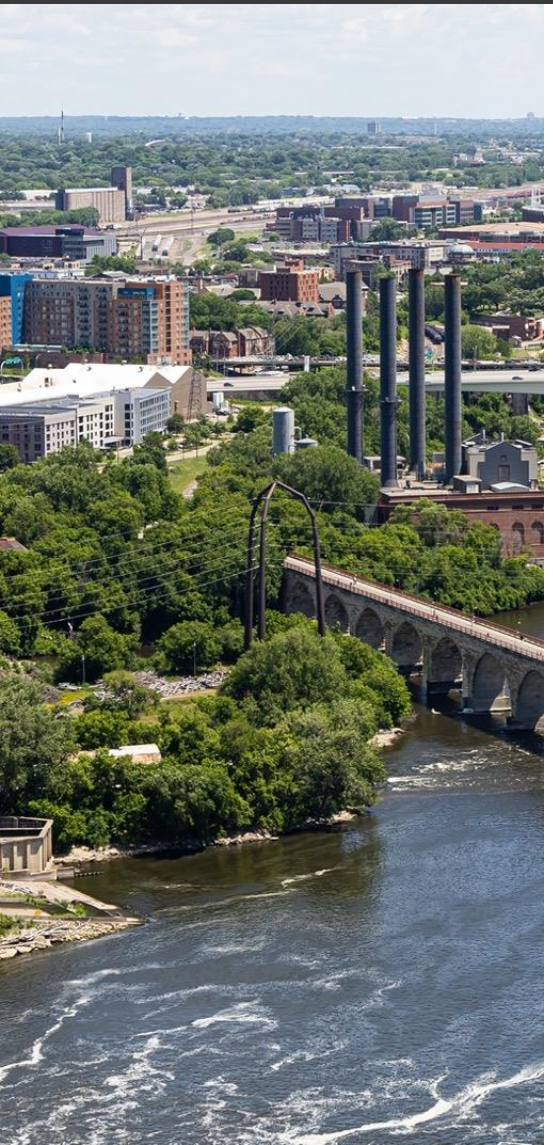
- City- and township-level results
  - Subcity, zonal results come later
- Excel workbook format
- Also an interactive webmap

Visit https://metrocouncil.org/forecasts

Forecast timeline parallels the *Imagine 2050* timeline



Why versions 1, 2, 3…?



We want to get this right

Preliminary Local Forecasts (version 1) does not yet reflect known/ proposed developments; transportation model results; water supply analysis; nor any new regional policies.

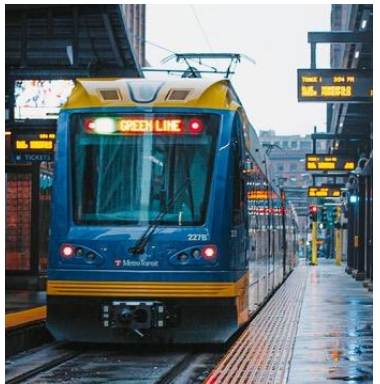
- Published January 2024. Local governments can comment, Jan.–Feb. 29

Proposed Local Forecasts (version 2) will introduce new regional system characteristics, including a refresh of planned transportation and transit networks. It will further introduce new regional policies and implications for spatial planning. Council staff are asking direction on new policies from Council Members.

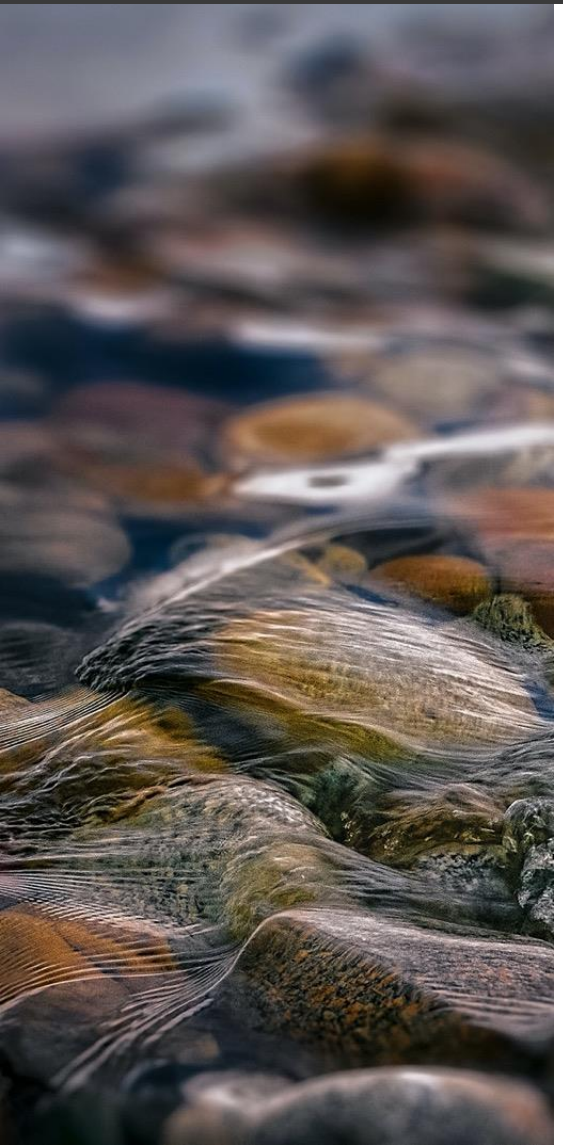
- Expected Summer 2024. Public hearing, Aug. 15 – Oct. 7, 2024

Multiple opportunities for stakeholders to review and comment

Jan. – Feb. 29, 2024	Review and comment on **Preliminary Local Forecasts v. 1** • Includes population, households, employment for counties, cities, townships
Aug. 15 – Oct. 7, 2024	Review and comment on **Proposed Local Forecasts v. 2** • Includes population, households, employment for counties, cities, townships, subcity sewer-serviced and policy areas, and Transportation Analysis Zones • Part of public comment period for *Imagine 2050*
Sept. – Dec. 2025	Review and comment on **System Statement Local Forecasts** • Includes population, households, employment for counties, cities, townships, subcity sewer-serviced and policy areas • Part of appeals period for System Statements
2026 – 2028	Preparation and review of Comprehensive Plan Updates • Met Council and local governments can agree to local forecast revisions as expectations and plans evolve
2026 – 2034	Preparation and review of Plan Amendments • Met Council and local governments can agree to local forecast revisions as expectations and plans evolve



Validation and improvement



Input that will be most useful to us

comments on the reasonableness of metrowide patterns

comments on the reasonableness of local results

validation or substitution of our data inputs and assumptions, including:

- inventories of major proposed developments
- inventories of proposed removals of buildings and housing stock
- local land use plan maps for 2050
- local land policies not otherwise apparent in land use plan data

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