

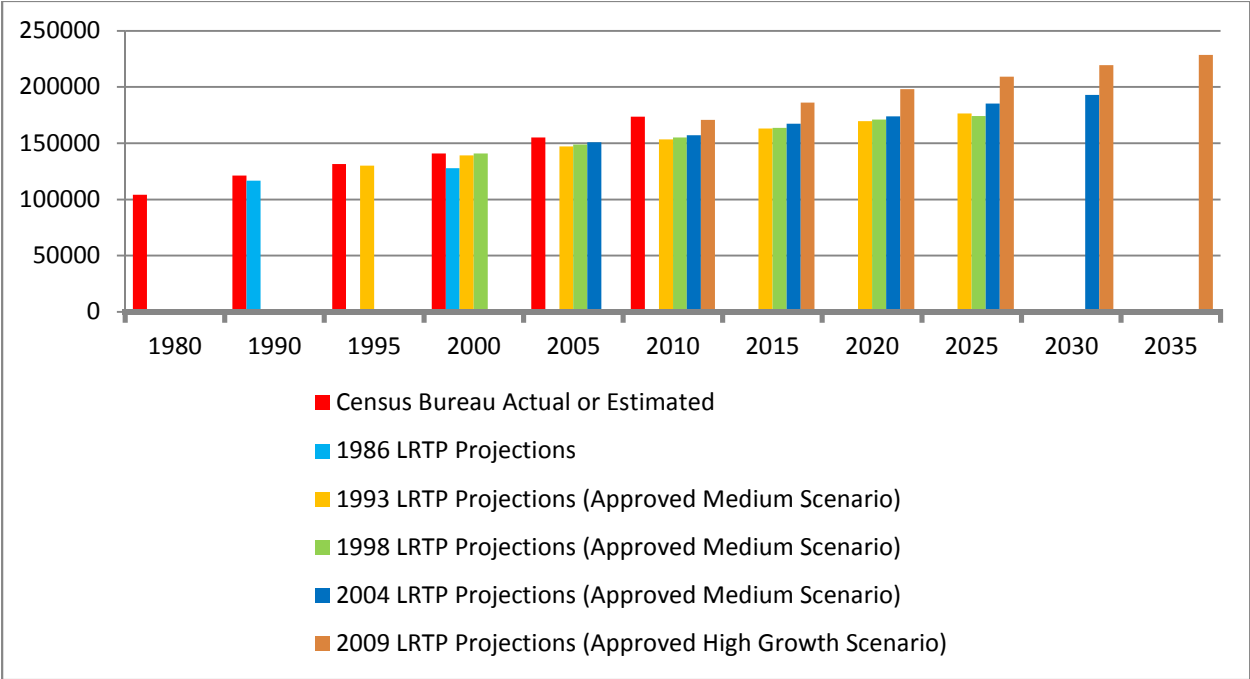
EXECUTIVE SUMMARY

Background

The Fargo Moorhead Metropolitan Council of Governments (Metro COG) has a standard procedure for updating its Long Range Transportation Plan (LRTP) every five years in accordance with federal requirements. Updating demographic base year and forecast data (population, households, and jobs) is a critical part of this process. The 2012 Demographic Forecast Study evaluates and updates the 2006 Metropolitan Demographic Forecast Study in anticipation of the Long Range Transportation Plan which will be adopted by December 2014.

Metro COG has been using this same process since the 1980’s. Figure 1 compares the actual Census Bureau statistics with the projections used by the Long Range Transportation Plans from 1986 to the most current one completed in 2009. Additional information showing the details of the population projections used in each LRTP was compiled by Metro COG for this study, and may be found in the final report.

Figure 1. Comparison of Past FM Population Forecasts and Census Bureau Counts (1980-2035)

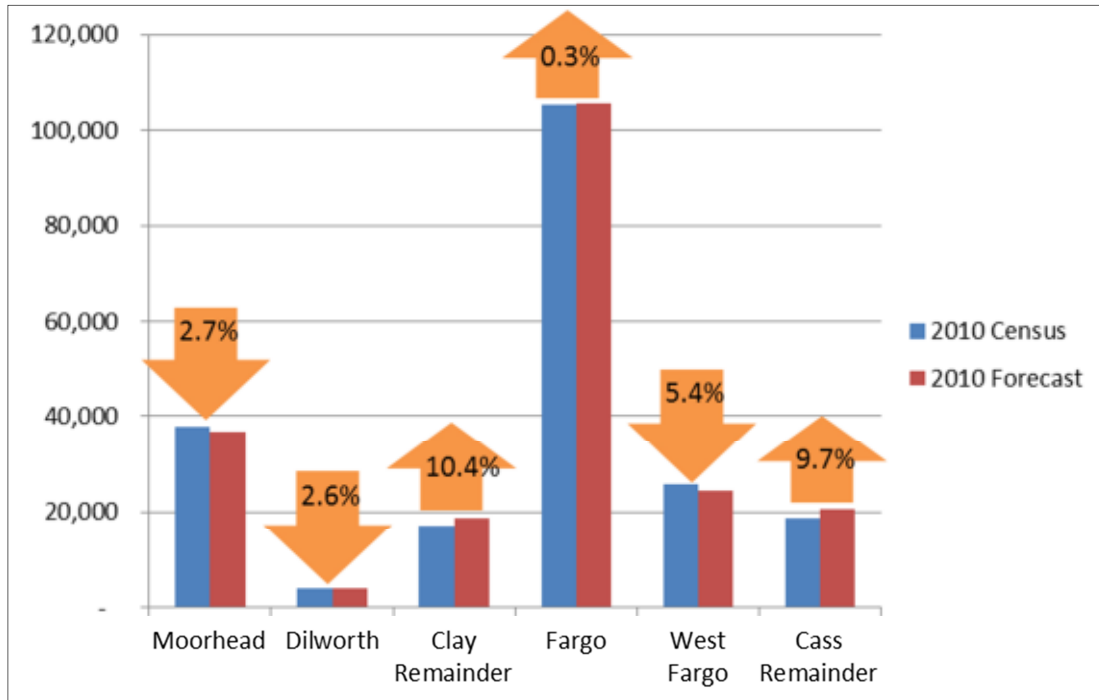


Methodology

All population change occurs because of three factors: births, deaths, and migration. The primary results of this study were developed using the Cohort Component method. This method is sensitive to individual geographic area demographic characteristics, and allows each area to be forecast independently.

This method was used by the 2006 Metropolitan Demographic Forecast Study and when reviewed by the Steering Committee and consulting team for the current study, was found to be very accurate. Figure 2 illustrates the percentage difference between the 2006 population forecast and the 2010 Census counts for Fargo, Moorhead, West Fargo, Dilworth, and the remaining areas of Cass and Clay Counties.

Figure 2. Percent Difference between Forecast and 2010 Census Counts of Population by Geography



Overall, for the entire study area which includes all of Cass and Clay Counties, the population forecast from the 2006 Study was 0.7% higher than the actual 2010 Census population count of 208,777. As shown in Figure 2, the 2006 Study attributed too much population growth to the areas outside the four central cities.

The household forecasts from the 2006 Study, including some household characteristics, were also compared to the 2010 Census results. Overall, for the entire study area the household forecast was 2.8% lower than the actual 2010 Census count of 86,178 households. Similar to the 2006 Study population forecasts, not enough household growth was attributed to the four central cities and too much growth was assigned to areas outside of them.

The 2010 Census did not use the “long form” which previously provided high quality sample data of numerous other demographic variables such as those relating to jobs. Therefore, no direct comparison of 2006 Study forecast to 2010 Census results was possible. However, the following observations provide insight into job growth within the Fargo-Moorhead area.

After reviewing the comparisons between 2006 Study forecasts and the 2010 Census results and evaluating the trade-offs of using alternative forecast methods, the Study Steering Committee and Transportation Technical Committee recommended, and the Policy Board approved using the cohort component method for the primary forecasts of this study. Based on analyses of these comparisons

and of the assumptions used in the 2006 Study forecasts, a new set of assumptions for this study were also recommended by the Study Steering Committee and Transportation Technical Committee, and approved by the Policy Board.

The key assumptions of the 2012 Study Forecasts have to do with fertility and mortality rates, increasing numbers of people aged 19-30 staying and coming to the metro area, and the way development will be influenced by flood-prone areas and the construction of the Diversion project. In general, these assumptions say:

- The fertility rates are expected to rise slightly, and the mortality rates are expected to decline slightly.
- The net migration patterns for college graduates, high school graduates, and young people that do not choose to go to college will be such that more come to and stay in the metro area.
- The construction of the proposed Diversion project will take place and the project will be completed by 2021.
- Until the construction of the proposed Diversion project is completed, most of the development of the metro area will occur in areas that are located outside the 100 year floodplain.

Forecasts

The two key factors which will drive the future population trends of Cass and Clay Counties are the increasing mortality rate as the baby boomer generation grows older, and the net migration rate. The anticipated eventual result of these trends is a natural decrease as deaths became greater than births. This means that the Fargo-Moorhead area will be increasingly dependent on net in-migration for future population growth. The anticipated natural decrease is not expected to be made up by increased net in-migration. This is the primary reason that future growth trends do not show a straight line.

The consultant team prepared two different forecasts of population, households, and jobs based on alternative scenarios and assumptions. After review and consideration, the Transportation Technical Committee recommended, and the Policy Board approved use of the higher of the two forecasts (called Scenario A) for use in the updated traffic demand model and Metro COG's transportation planning program, and subsequently in the update of the next Long Range Transportation Plan.

Figure 3 summarizes the Scenario A population growth patterns for each geographic area for each five year period of the forecast. The overall population increase for the Fargo Moorhead Statistical Area (MSA) is forecasted to grow by 42.8% between 2010 and 2040. This is an increase from 208,777 to 298,070.

GEOGRAPHICAL TERMS

MSA means Metropolitan Statistical Area and includes all of Cass County, ND and Clay County, MN

MPA means Metropolitan Planning Area and includes Fargo, Moorhead, West Fargo, Dilworth, Horace, and all the area within eight townships on each side of the Red River, including a number of other small cities. (Metro COG Planning Area or Study Area)

Urban Total means the five cities of Fargo, Moorhead, West Fargo, Dilworth, and Horace.

Balance of Cass means the area in Cass County that is outside of the MPA.

Balance of Clay means the area in Clay County that is outside of the MPA.

Figure 3. Scenario A Population Forecasts by Geography (2010-2040)

| A | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|
| MSA | 208,777 | 225,830 | 243,300 | 258,900 | 273,580 | 286,990 | 298,070 |
| MPA | 187,587 | 203,060 | 219,550 | 234,470 | 248,680 | 261,970 | 272,800 |
| Urban Total | 173,468 | 190,160 | 206,770 | 221,370 | 235,620 | 249,040 | 259,950 |
| Cass County | 149,778 | 162,450 | 175,760 | 187,390 | 198,300 | 208,390 | 216,700 |
| Clay County | 58,999 | 63,380 | 67,540 | 71,510 | 75,280 | 78,600 | 81,370 |
| Fargo | 105,549 | 113,540 | 122,050 | 130,370 | 139,030 | 147,260 | 154,170 |
| West Fargo | 25,830 | 30,010 | 35,020 | 38,290 | 41,020 | 43,450 | 45,190 |
| Horace | 2,430 | 2,590 | 2,690 | 2,850 | 2,880 | 2,920 | 2,940 |
| Balance of Cass | 15,969 | 16,310 | 16,000 | 15,880 | 15,370 | 14,760 | 14,400 |
| Moorhead | 38,065 | 42,250 | 45,050 | 47,820 | 50,440 | 52,950 | 54,990 |
| Dilworth | 4,024 | 4,360 | 4,650 | 4,890 | 5,130 | 5,380 | 5,600 |
| Balance of Clay | 16,910 | 16,770 | 17,840 | 18,800 | 19,710 | 20,270 | 20,780 |

Scenario A provides an overall household increase for the Fargo Moorhead area (MSA) from the 2010 Census number of 86,178 to 122,060 in 2040. This is a 41.6% change between 2010 and 2040. Figure 4 summarizes the Scenario A household growth patterns for each geographic area for each five year period of the forecast.

Figure 4. Scenario A Household Forecasts by Geography (2010-2040)

| A | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|------------------------|--------|--------|--------|---------|---------|---------|---------|
| MSA | 86,178 | 91,960 | 98,060 | 103,900 | 111,010 | 116,990 | 122,060 |
| MPA | 77,893 | 83,370 | 89,380 | 94,980 | 101,840 | 107,650 | 112,570 |
| Urban Total | 73,038 | 78,950 | 84,880 | 90,390 | 97,140 | 102,880 | 107,790 |
| Cass County | 63,899 | 68,120 | 72,940 | 77,210 | 82,690 | 87,330 | 91,210 |
| Clay County | 22,279 | 23,840 | 25,120 | 26,690 | 28,320 | 29,660 | 30,850 |
| Fargo | 46,791 | 49,590 | 52,920 | 55,330 | 58,600 | 61,510 | 64,580 |
| West Fargo | 10,348 | 11,810 | 13,230 | 15,020 | 17,150 | 18,890 | 19,730 |
| Horace | 810 | 850 | 880 | 930 | 950 | 970 | 980 |
| Balance of Cass | 5,950 | 5,870 | 5,910 | 5,930 | 5,990 | 5,960 | 5,920 |
| Moorhead | 14,304 | 15,840 | 16,910 | 18,130 | 19,440 | 20,430 | 21,350 |
| Dilworth | 1,595 | 1,710 | 1,820 | 1,910 | 1,950 | 2,050 | 2,130 |
| Balance of Clay | 6,380 | 6,290 | 6,390 | 6,650 | 6,930 | 7,180 | 7,370 |

The full report of this Study provides detailed forecasts for population and households in five year increments. The actual rate of growth varies by geographic area due to a variety of factors including: the indigenous population characteristics and household characteristics, anticipated future household composition and household characteristics, and other community specific factors.

Figure 5 summarizes the Scenario A jobs growth patterns for each geographic area for each five year period of the forecast. Overall jobs for the Fargo Moorhead Statistical Area (MSA) are forecast to grow by 36.2% between 2010 and 2040. This is an increase from 134,127 to 182,684.

Figure 5. Scenario A Jobs Forecasts by Geography (2010-2040)

| A | 2010 | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|------------------------|---------|---------|---------|---------|---------|---------|---------|
| MPA | 118,266 | 124,068 | 131,935 | 138,904 | 146,336 | 154,246 | 162,429 |
| Urban Total | 116,007 | 121,720 | 129,511 | 136,384 | 143,800 | 151,727 | 159,944 |
| Cass County | 101,504 | 105,274 | 111,769 | 117,544 | 124,115 | 131,641 | 139,102 |
| Clay County | 16,762 | 18,794 | 20,166 | 21,360 | 22,220 | 22,604 | 23,327 |
| Fargo | 91,071 | 93,548 | 97,975 | 102,629 | 108,245 | 115,085 | 121,700 |
| West Fargo | 9,010 | 10,251 | 12,294 | 13,323 | 14,268 | 14,951 | 15,811 |
| Balance of Cass | 1,423 | 1,475 | 1,501 | 1,591 | 1,603 | 1,606 | 1,591 |
| Moorhead | 14,724 | 16,599 | 17,848 | 18,980 | 19,790 | 20,147 | 20,863 |
| Dilworth | 1,202 | 1,322 | 1,395 | 1,452 | 1,497 | 1,544 | 1,571 |
| Balance of Clay | 836 | 873 | 923 | 928 | 933 | 914 | 894 |

Scenario A assumes that the overall economic climate in the United States remains relatively poor compared to the overall economic situation of the metro area. This means that the employment outlook in the metro area remains stable and sees continued growth. It also means that employment outlook in much of the United States does not seem promising, so that members of the workforce are less likely to move elsewhere to seek employment, and people from other areas are more likely to seek employment in this area.

Generally, local businesses are stable or growing. Local colleges and universities contribute to this stability and growth by providing an appropriate base of workers which also feeds the generally positive employment outlook. (It should be noted, however, that some industries still need to fill some high skilled positions with workers from outside the region.) While the oil and gas boom in western North Dakota greatly contributes to the overall economic health of North Dakota, it is not seen as a factor that will have a large impact on job trends in the metro area.