2.0 REGIONAL CONTEXT: DEMOGRAPHICS AND TRENDS

2.1 The Central Minnesota Region

This freight plan examines goods movement issues in a 12 county region of Central Minnesota, primarily defined as Mn/DOT Transportation District 3 (Mn/DOT D3), see **Exhibit 1**. The study area has the largest population base outside the Minneapolis/St. Paul metro area. The southern boundary of Mn/DOT D3 is located adjacent to the Twin Cities metropolitan area and is rapidly becoming part of the greater urbanized area with a strong commuter demand. That demand is currently served by highways, buses and park-and-ride lots. The central portion of the district wraps around the St. Cloud metropolitan area, which is one of Minnesota's fastest growing communities. To the north, there are hundreds of lakes and resorts surrounded by pine and birch forests.[1]

Exhibit 1: Central Minnesota Study Area

Insert a Map of District 3 / Study Area

[1] Information taken from the Mn/DOT District 3 website: http://www.dot.state.mn.us/d3/

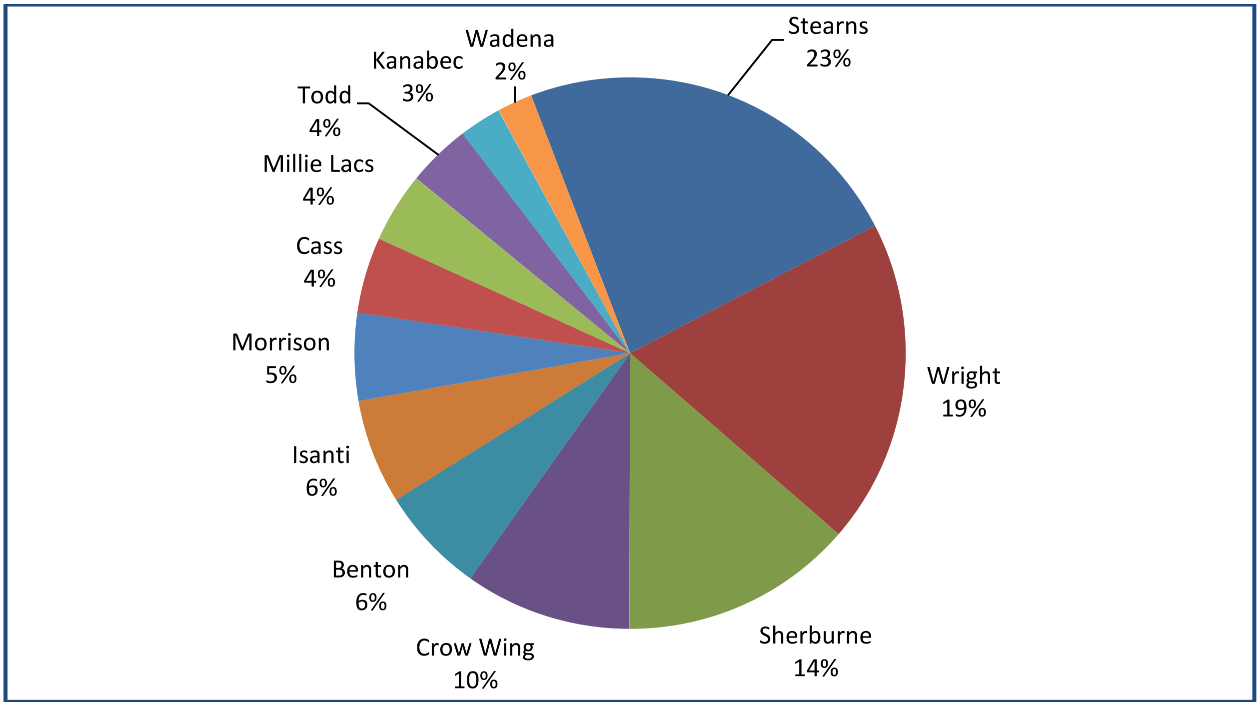
2.2 Central Minnesota Demographic and Economic Trends

One of the first steps to understanding the importance of freight to Central Minnesota's regional economy is to understand population and employment growth and the associated impact on economic activities. The national economy in the U.S. has been in transition for several decades; migrating from a manufacturing-based economy to a service-based economy. As a result, Central Minnesota industries in the future are likely to experience growth rates that differ from historical patterns of the past. Therefore, it is important to determine the industries that will remain an integral part of Central Minnesota's economy going forward. This section summarizes and interprets available demographic and economic data for that purpose and provides a high-level description of the study area's economy.

2.2.1 Population

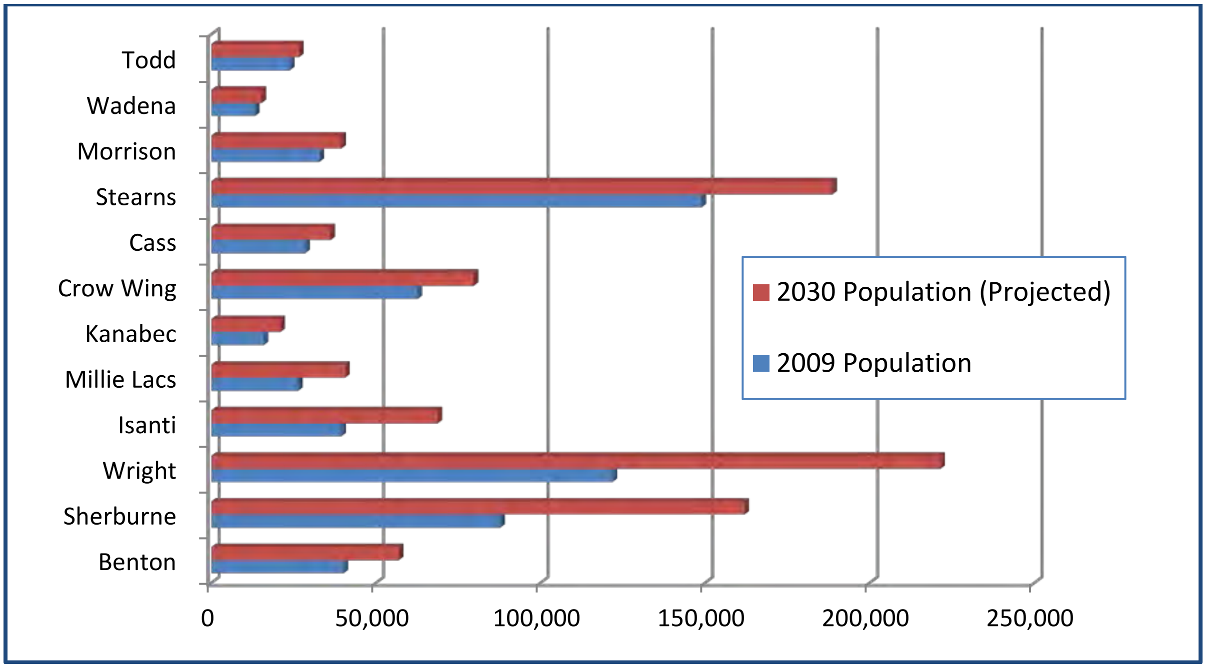
Between 2000 and 2009, the population of the Central Minnesota Study Area increased 14.65 percent raising the total population of the region to 641,889. **Exhibit 2** shows the distribution of population between the 12 counties in the study area. Three counties, Sherburne, Stearns and Wright, account for 55 percent of the population of the region. Between 2000 and 2009, Wright and Sherburne Counties were the second and third fastest growth counties in Minnesota respectively; only Scott County grew faster.

Exhibit 2: Population Distribution in the Central Minnesota Region by County



By 2030, population in the 12-county region is expected to increase 27 percent; approaching 1 million people **(Exhibit 3)**.

Exhibit 3: Central Minnesota Population, 2009 and Projected 2030



Two of the three largest counties by population in the study area are expected to experience significant increases in population over the next 20 years. Sherburne and Wright part of the often referenced larger Twin Cities Region in the Twin Cities to St. Cloud Corridor are expected to account for approximately 40 percent of the population in the study area. The table in **Exhibit 4** shows all counties in Central Minnesota project to grow by more than 50 percent.

Exhibit 4: Central Minnesota Counties Projected to Grow More than 50 Percent

County	2030 Projected Population	Percentage Change
Sherburne	161,900	84.4%
Wright	221,490	81.7%
Isanti	68,780	74.4%
Mille Lacs	40,610	53.9%

Population growth is a significant driver of freight movements, especially truck traffic. *In the study area, the commercial vehicle traffic volumes are expected to increase significantly, and on some routes, truck traffic could increase in excess of 65 percent.*

2.2.2 District 3 Heavy Commercial Vehicle Growth 2009-2034

Exhibit 5 summarizes projected heavy commercial (HC) traffic between the years 2009 and 2034. Interstate 94, passing through Stearns and Wright Counties, is project to have the highest average HC growth in the region at 2.6 percent per year, followed by trunk highway (TH) 10 through Benton, Morrison, Sherburne, Todd, and Wadena Counties and TH-12 through Wright County, both with projected HC growth at 2.2 percent. Other key routes in the region are all projected to experience average HC growth between 2009 and 2034 of less than 2 percent per year: TH-24 (1.8 percent) TH-169 (1.7 percent), TH-25 (1.6 percent) and TH-23 (1.1 percent).

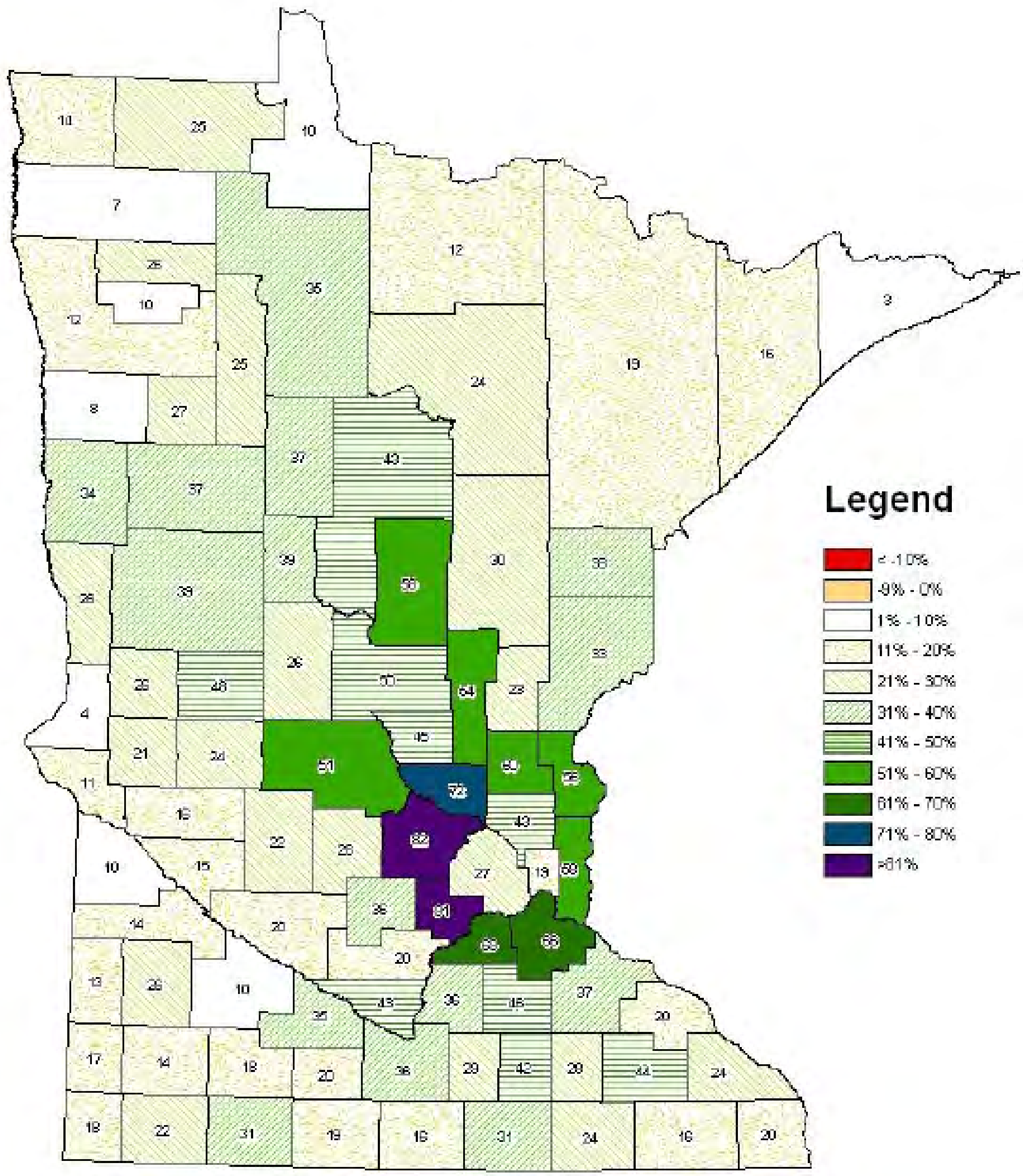
Exhibit 5: Average Heavy Commercial Traffic Growth on Key Routes in Central MN

Route	County	Average HC Growth
I-94	Stearns	2.6%
	Wright	
TH 10	Benton	2.2%
	Morrison	
	Sherburne	
	Todd	
	Wadena	
TH 12	Wright	2.2%
TH 169	Aitkin	1.7%
	Crow Wing	
	Mille Lacs	
	Sherburne	
TH 23	Kanabec	1.1%
	Benton	
	Mille Lacs	
	Stearns	
TH 24	Sherburne	1.8%
	Wright	
	Stearns	
TH 25	Benton	1.6%
	Crow Wing	
	Morrison	
	Sherburne	
	Wright	

2.2.3 VMT Growth

As shown **in Exhibit 6,** some of highest percent growth in statewide vehicle miles traveled (VMT) has occurred in the Central Minnesota Study Area. The county with the highest total VMT growth from 1992 to 2009 is Sherburne at 81 percent. Isanti, Crow Wing, Mille Lacs, Stearns and Wright Counties each experienced VMT growth in excess of 50 percent; Cass, Morrison and Benton each grew VMT between 41 and 50 percent.

Exhibit 6: Total Percent VMT Growth on all Roads in Minnesota, 1992-2009

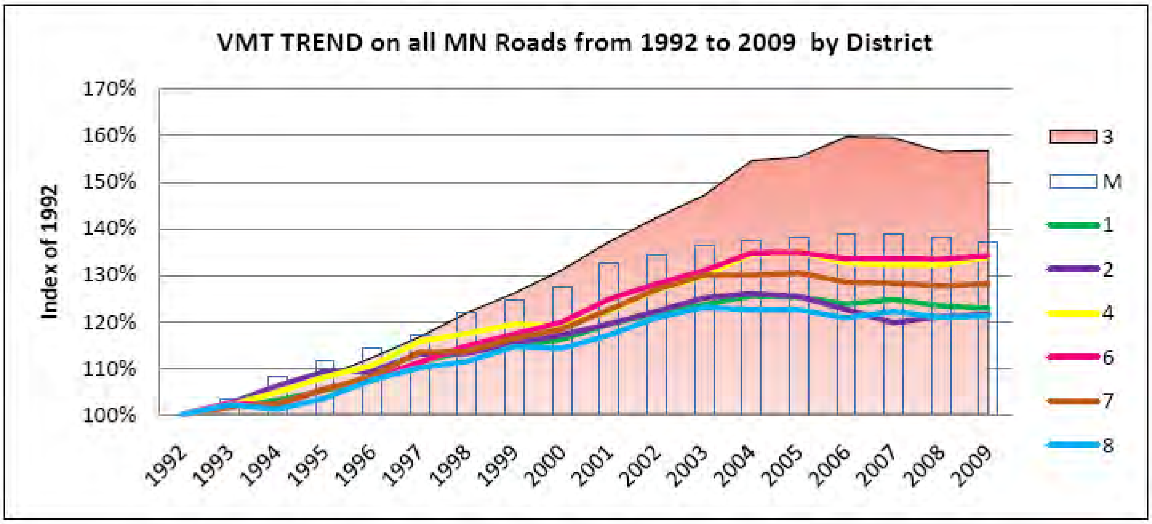


Source: Mn/DOT, Office of Transportation Data and Analysis

2.2.4 Vehicle Miles Traveled on all Minnesota Roads

The graphic in **Exhibit 7** shows that District 3 has led all Mn/DOT Districts in the state in terms of VMT growth. Prior to 1999, the Metro District grew faster than District 3, but VMT in the Metro Region peaked in 2007 and has been declining gradually since.

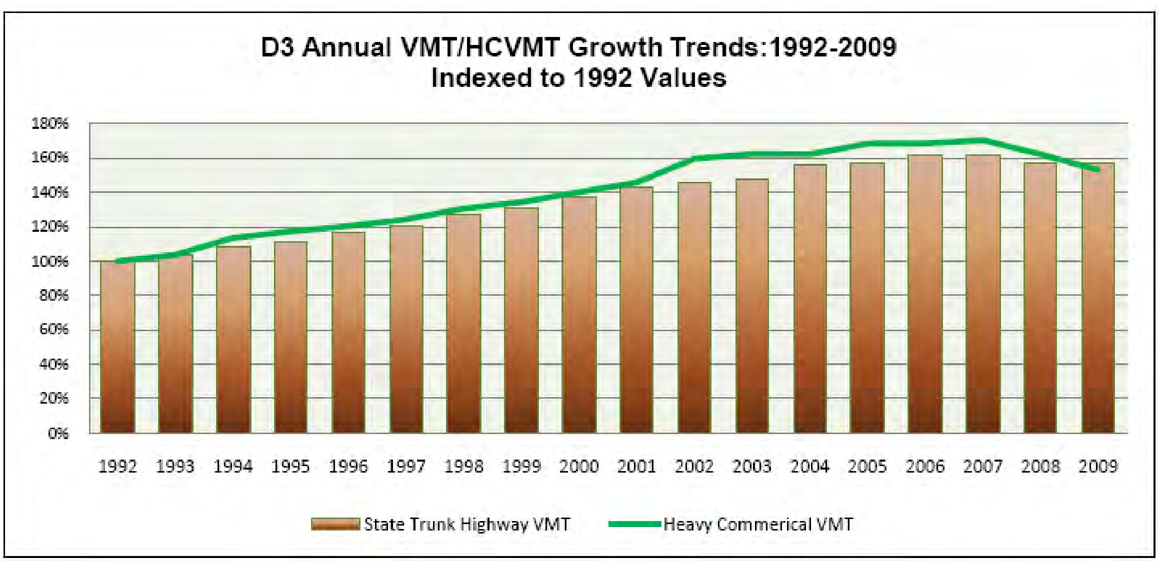
Exhibit 7: Historical VMT Growth by Mn/DOT District, 1992-2009



2.2.5 Vehicle Miles Traveled and Heavy Commercial Vehicle Miles Traveled Growth

The graph in **Exhibit 8** shows VMT and HCVMT trends in District 3 on the state trunk highways from 1992 to 2009. The solid line represents the heavy commercial VMT and the bar indicates VMT on the state trunk highway system.

Exhibit 8: VMT/HCVMT Growth Trends, 1992-2009

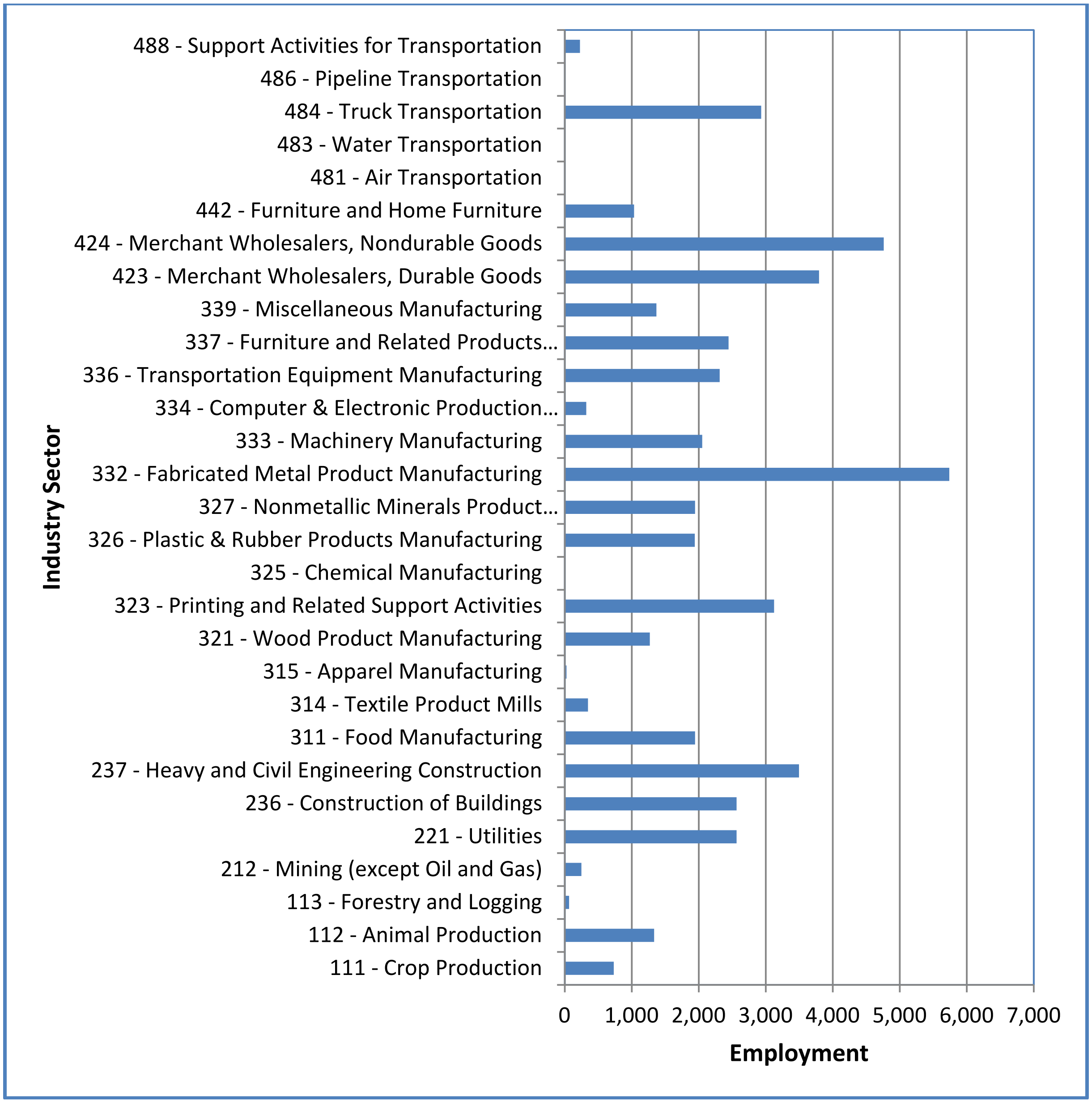


2.3 Freight and Economics

2.3.1 Employment and Economic Growth

The Central Minnesota Study Area is comprised of three Economic Development Regions (EDR): 5, 7E and 7W, as define for the Minnesota Department of Employment and Economic Development. The bar chart in **Exhibit 9** displays total employment for all three EDRs comprising the Central Minnesota Region for selected industries. Within the manufacturing and transportation related industries, *Fabricated Metal Product Manufacturing* is the leading employer in the region, followed by *Nondurable Goods Wholesaling*.

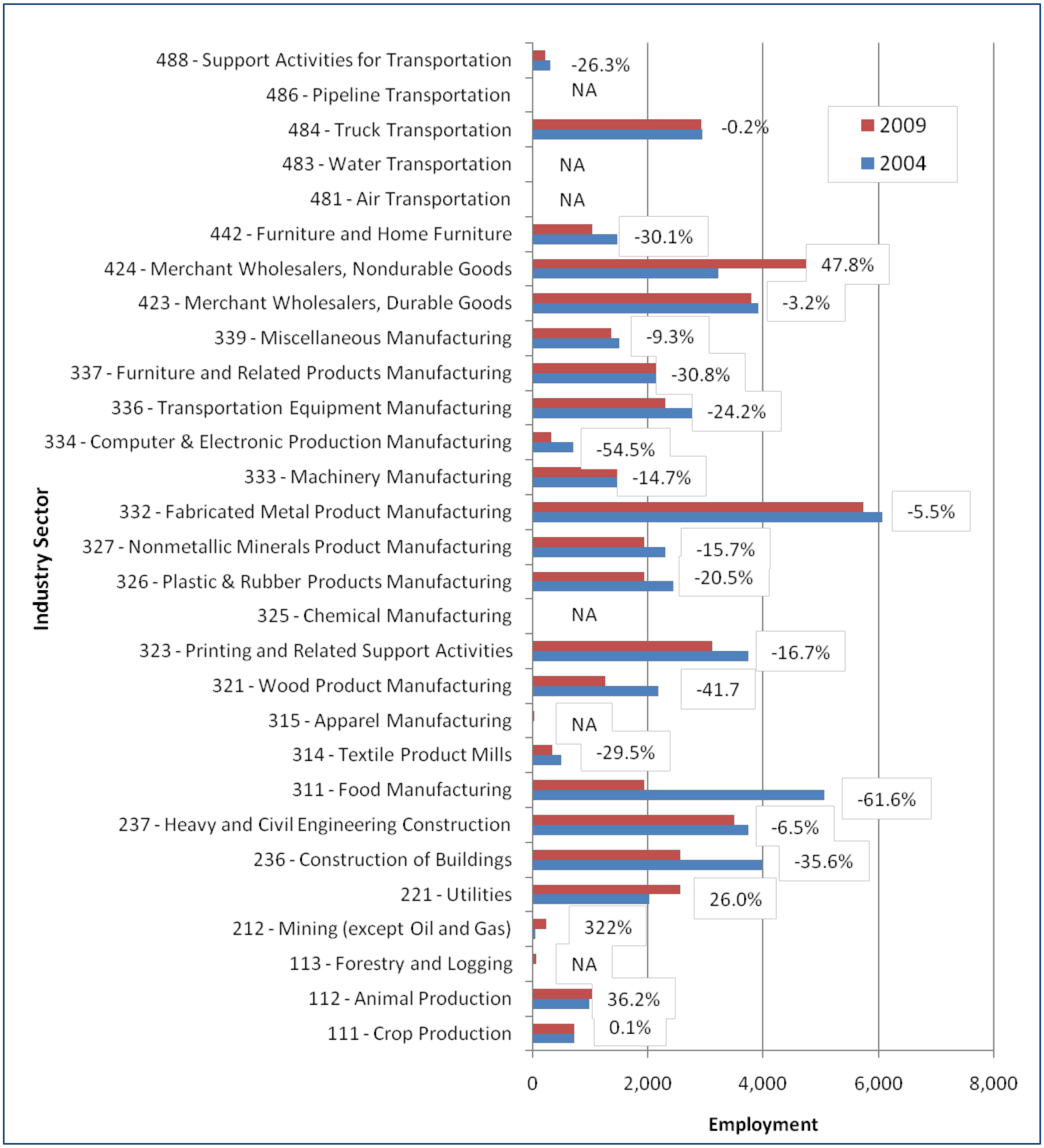
Exhibit 9: Total Employment by Select Industry Sector – District 3[2]



[2] Industry employment excludes most service and all government sectors.

The bar chart in **Exhibit 10** shows employment by select industry sector for the years 2004 and 2009, as well as the percentage change in employment for each sector. The Great Recession beginning in December of 2007 is evident in the Central Region's employment figures. Among the selected industry sectors, total employment declined by 14.1 percent (-14.1%). The greatest decline among the sectors displayed was in *Food Manufacturing* (-61.6%), followed by *Computer and Electronic Product Manufacturing* (-54.5%).

Exhibit 10: Employment in the Central Region (with Percent Change)[3], 2004 and 2009



[3] Industry employment excludes most service and all government sectors.