



2009 ANNUAL REPORT PLANNING DEPARTMENT

Housing Characteristics

The year of 2009 showed a sizeable increase from 2008 in single family/twin home units, multiple family units and total permitted dwelling units constructed. Permits were issued for 116 single family units and 44 twin home units in the City for a total of 160 single family detached and attached units; however, two of the units were permitted for construction by the West Fargo High School and may be sold to non-city residents, so the units are not reflected in the table below. Permits were also issued for three single family homes in the City's Extraterritorial area. Additionally, permits were issued for 66 multiple family units in the City. A total of 221 new dwelling units were constructed within the City during 2009, which is an increase of over 45% from the units constructed a year earlier. The housing construction activity for 2009 is shown on the table below which also reflects the level of activity since 1970.

When reviewing the table, it is evident that the level of residential permit activity was significantly higher before 1979 and after 1992. In 1978 the City entered the national flood insurance program to avail flood insurance to residents of the community. At that time there was approximately $\frac{3}{4}$ of the developed community was within the identified flood plain. As the City frequently experienced flooding, it was important for residents to have insurance. The National Flood Insurance Program required that the community adopt and administrate a flood protection ordinance. As a result of the flood ordinance, higher development costs were incurred by the development community to raise and flood proof structures. Development costs associated with flood proofing, in addition to the high mortgage interest rates in the late 1970s and early 1980s, had an impact on the level of development activity. The City continued to support the efforts of Southeast Cass Water Resource District as the sponsoring agency to provide for a flood protection project for the area. The Sheyenne River Diversion Project received necessary congressional approvals for federal funding support and was constructed in the early 1990s. In 1993 the City was protected by the Sheyenne Diversion project, so the flood proofing standards were no longer required for development within the City. The level of development activity increased significantly again.

The years 2001-2005 were historical peak growth years for the City of West Fargo. It is interesting to note that when comparing the number of units constructed in 2009 to the average number of units constructed annually throughout the 1990s (previous decade), the City was well above the level in single family and twin homes (158 vs. 113.6), multiple family units (66 vs. 33.6), and total units (224 vs. 147.2). When looking at residential construction in this manner, one can surmise that 2009 was a reasonably good year.

CITY OF WEST FARGO HOUSING CONSTRUCTION, 1970 - 2009¹

YEAR	SINGLE FAMILY UNITS²	MULTIPLE FAMILY UNITS	TOTAL
1970	73	78	151
1971	63	42	105
1972	72	175	247
1973	79	26	105
1974	72	174	246
1975	71	112	183
1976	129	40	169
1977	87	180	267
1978	114	208	322
1979	53	70	123
1980	38	88	126
1981	2	0	2
1982	35	0	35
1983	39	52	91
1984	25	98	123
1985	32	74	106
1986	50	8	58
1987	35	5	40
1988	44	7	51
1989	42	44	86
1990	56	26	82
1991	60	48	108
1992	69	40	109
1993	135	48	183
1994	95	24	119
1995	115	44	159
1996	101	8	109
1997	128	46	174
1998	206	24	230
1999	171	28	199
2000	152	50	202
2001	240	90	330
2002	326	39	365
2003	501	151	652
2004	626	392	1,018
2005	421	653	1,074
2006	244	67	311
2007	184 ³	134	318
2008	117 ⁴	38	155
2009	158⁵	66	224

¹Permits from City and Extraterritorial areas.

²Includes Single Family detached and attached (twin homes) units.

³Does not reflect two structures built by West Fargo High School or structure damaged by fire and reconstructed.

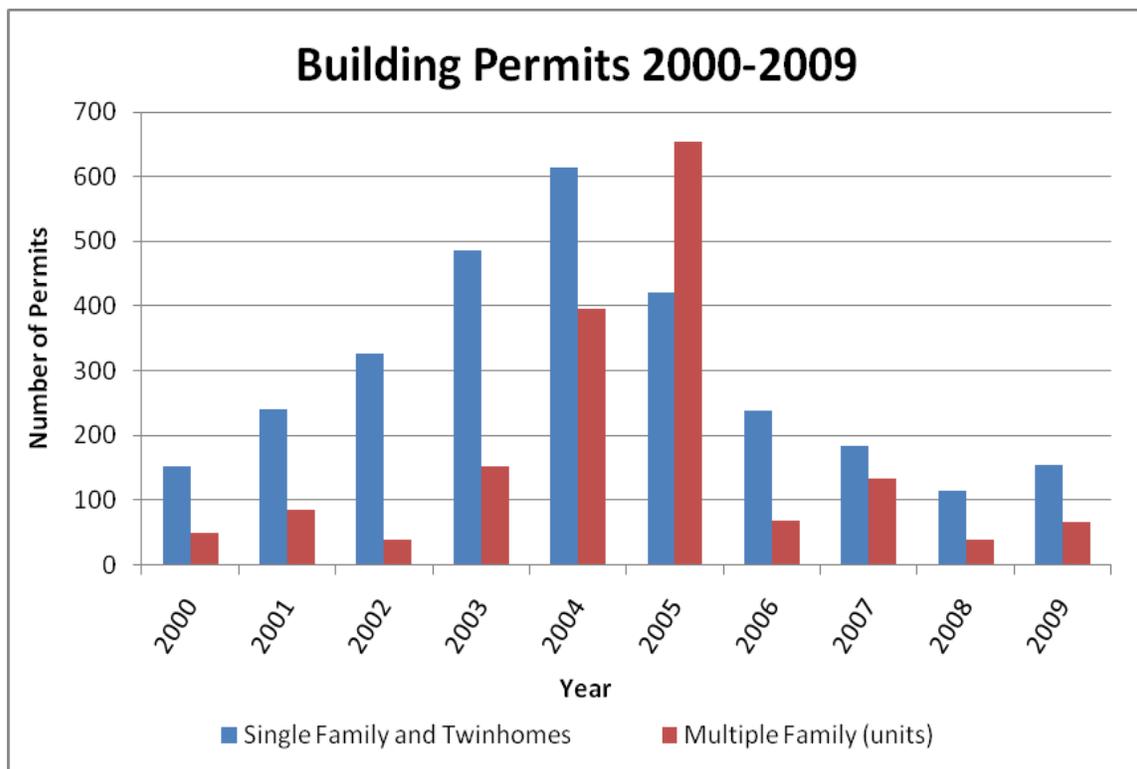
⁴Does not reflect two structures built by West Fargo High School.

⁵Does not reflect two structures built by West Fargo High School.

The number of single family and multiple family units developed within the City Limits since 2000 is reflected on the table below, as well as on the accompanying graph. Single family construction peaked in 2004 with 613 units being built, and multiple family peaked in 2005 with 653 units constructed. The growth in number of dwelling units since 2000 is quite remarkable.

Permit Type/Year*	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Single Family & Twinhomes</i>	152	240	326	486	613	420	238	184	114	155
<i>Multiple Family (units)</i>	50	84	39	151	396	653	67	134	38	66
Total	202	324	365	637	1009	1073	305	318	152	221

* Does not include Extraterritorial Area



Development Characteristics

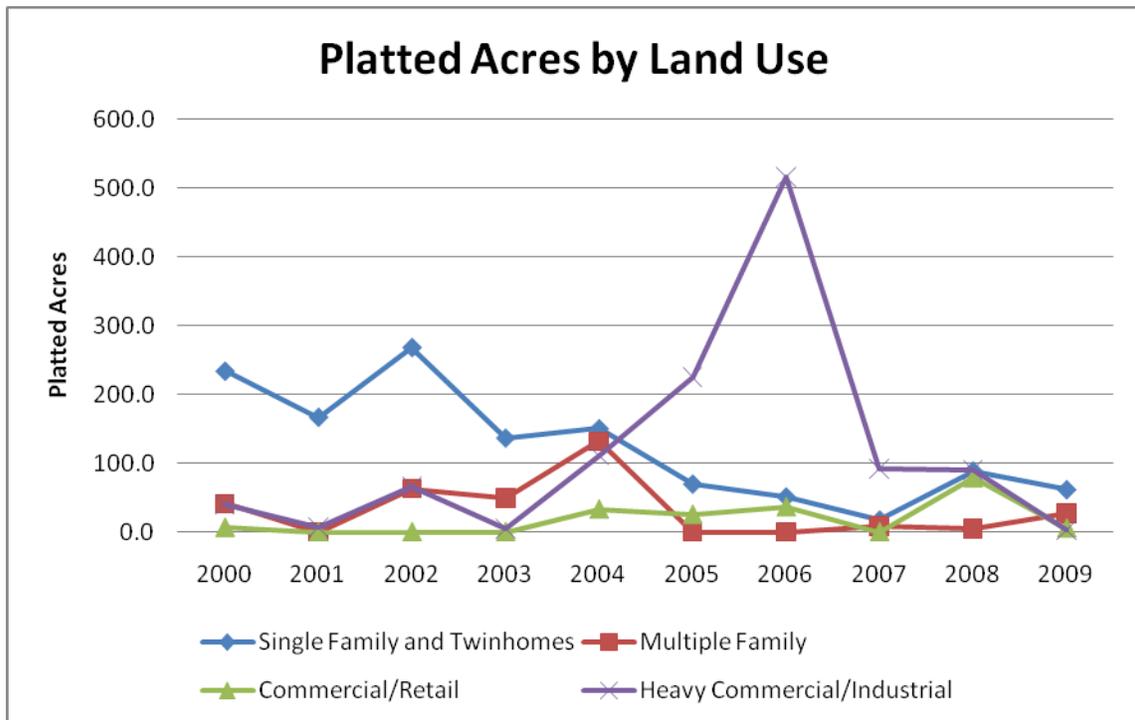
Development within the City can be measured in a number of ways. The City reviews a number of subdivisions each year which set forth a street layout and lot arrangement to accommodate certain land uses. At the time of subdivision platting or replatting, a specific zoning is usually requested for the property which provides for the intended land use. The Planning Department reviewed several subdivisions in 2009 which platted or replatted about 97 acres of land intended for new residential, commercial and industrial land uses. The table below and accompanying graph which is titled Platted Acres by Land Use shows that about 62 acres of land was platted for single family and twin home use, about 27 acres for multiple family use, 5.4 acres for commercial/retail use, and about three acres for heavy commercial or industrial use. Public land uses are not shown. Typically, subdivisions will contain lots which will be developed over several years, so the number of acres platted for a certain land use will vary significantly from year to year. The City has seen a sizeable increase in platting activity since the year 2000.

<i>Platted Land Use/Year</i>	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<i>Single Family and Twinhomes</i>	233.7	167.0	268.0	136.8	150.4	70.1	51.6	18.0	89.1	61.9
<i>Multiple Family</i>	41.1	0.0	63.1	49.8	131.9	0.0	0.0	8.4	5.3	27.0
<i>Commercial/Retail</i>	6.4	0.0	0.0	0.0	33.0	25.4	36.5	0.0	78.8	5.4
<i>Heavy Commercial/Industrial</i>	40.0	6.8	66.4	5.0	111.1	225.0	516.5	91.7	89.8	2.9
Total	321.2	173.7	397.5	191.6	426.4	320.5	604.5	118.1	263.0	97.2

Developments which have either single family detached or twin home lots available and continue to have active building activity include the following:

Burlington	Evergreen Estates at Charleswood	Villas at Charleswood
Carmel Place	Goldenwood	Westport Beach
Charleswood	Hayden Heights	West River
Dakota Territory	Reserve at Osgood	
Eagle Run	Shadow Wood	
Eaglewood	Sheyenne Crossings	

Eaglewood development initiated the platting process in late 2009, so the development will be serviced in the spring of 2010. There are about 340 vacant platted residential lots which are serviced and available in 14 development areas throughout the entire City with about 280 lots south of I-94. There are approximately 80 vacant platted twin home lots which are serviced and available primarily in Westport Beach and Goldenwood developments. Few developments have a sizeable number of lots available. As a general observation, we would note that if the rate of single family residential development in 2010 were to be similar to that of 2009, the City would have about a 2-3 year supply of lots. There are very few smaller single family lots available for entry level housing and a very limited supply of twin home lots.



Population Growth

Each year the Planning Department prepares a population estimate for the City which is based on the number of new housing units added during the year, and any units that have been demolished, destroyed, or moved out of the community. Please refer to the 2009 Population Estimate table. The estimate is used to compare the annual growth with other agency population projections that have been completed. More importantly the estimate provides information to help us better prepare for immediate and future City policy decisions needed as a result of the level of growth activity.

The Planning Department estimates that West Fargo has approximately 6,871 single family detached and attached homes currently within the City limits and 3,500 apartment units (after demolitions). The single family to multiple family ratio is about 66.3 percent single family and 33.7 percent multiple family. Information from the County Tax Director's Office shows 356 mobile homes in mobile home courts. It is estimated that there were 10,727 total dwelling units in the City in 2009. The population estimate takes into consideration that at any time there are a number of vacant units. We used the same vacancy rate for single family dwellings which was present when the 2000 Census was completed (3.3%). For multiple family units, we used average annual vacancy rate for 2009 estimated by Appraisal Services, Inc. (8.2%) which is somewhat higher than in 2008. The population estimate also takes into consideration that the number of persons per household has slightly increased since the 2000 Census. We utilized the estimated persons per household rate used in the 2009 Fargo Moorhead Metropolitan Council of Governments' (FM COG) Metro Profile. The FM COG had a demographic study completed in 2006, which estimated 2.61 persons per household in that year and a slight increase to 2.63 persons per household in 2009 which reflects a strong young

CITY OF WEST FARGO - 2009 POPULATION ESTIMATE

TYPE OF DWELLING UNIT	2000 DWELLING UNITS (April 2000)	UNITS PERMITTED										2009 TOTAL ESTIMATES (Dec. 31st)
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Single Family	3,756	152	237	317	486	613	632 ¹	238	184	114	155	6,884
Multiple Family	1,826	50	90	39	151	392	653	67	134	38	66	3,506
Other	386 ²	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	356 ³
Demolished Units	—	—	(2) ⁴	(7) ⁵	—	(4) ⁶	(2) ⁷	—	—	(3) ⁸	(1) ⁹	-19
TOTAL (Permitted)	5,968	202	327	356	637	1,005	1,073	305	318			10,727
Vacant Units	197 ¹⁰	—	—	—	—	—	—	—	—			527 ¹¹
Persons per household	2.59	—	—	2.48 ¹²	—	—	2.32 ¹³	2.61 ¹⁴	2.62 ¹⁵	2.62 ¹⁶	2.63 ¹⁷	2.63
TOTAL PERSONS	14,940	—	—	—	—	—	—	—	—	—	—	26,826¹⁸

¹Includes 212 existing units in annexed subdivisions & areas

⁶1 duplex; 2 removed manufactured homes

¹¹Vacancy rate of 3.3% for single family & 8.2% for multiple family

¹⁶2008 Metro Profile

²Mobile homes in courts

⁷1 single family home; 1 manufactured home

¹²Metro Surveillance & Monitoring Report, 5/02

¹⁷2009 Metro Profile

³Mobile homes in courts per Cass County Tax Director Office records for current year

⁸2 single family homes; 1 manufactured home

¹³Metro Surveillance & Monitoring Report, 8/05

¹⁸Population estimate once units are occupied

⁴Single family homes

⁹1 Single Family Home

¹⁴Metropolitan Surveillance & Monitoring Report, 12/06

⁵3 single family homes; 4 multiple family units

¹⁰Vacancy rate of 3.3%

¹⁵Metro Surveillance & Monitoring Report, 6/07

family influence in the community growth since 2000. Utilizing the population estimate methodology provided above, the estimated population for the City as of December 31, 2009 is 26,826. This assumes that construction has been completed on those units permitted during the year. The population is estimated to have increased by approximately 587 residents over last year which is a growth rate of about 2.2 percent during 2009.

Since 2000 the City has added nearly 12,000 residents for a growth rate of about 80 percent. As of December 31, 2009, the Assessor's office showed 1,371 completed single family and twin home units south of Interstate 94. There are also 1,038 completed multiple family units south of I-94. The development south of interstate equates to about 6,000 residents within that part of the city.

When comparing the 2000-2009 growth with historical growth characteristics as shown in the table below, one can readily see that over the past ten years the City has grown at a much faster rate than over each of the last two decades. Since 2000 it is estimated that the City has added more residents than within any decade in our history.

**CITY OF WEST FARGO
HISTORICAL POPULATION FIGURES**

YEAR	POPULATION	PERCENT CHANGE
1940	707	---
1950	1,032	46%
1960	3,328	222%
1970	5,161	55%
1980	10,099	96%
1990	12,287	22%
2000	14,940	22%
2009	26,826 (est.)	±80%

**8.0% average annual growth for 10-year period.*

Building Permit Valuation

The total building valuation for permitted structures in 2009 was \$57.8 million of which \$36 million was for residential construction and \$18.5 million for commercial construction (refer to Building Permit Valuation table). Other valuation for permitted structures amounted to \$3.3 million. Total permit valuation increased by \$8.9 million from 2008. Residential valuation increased by over \$9.6 million from 2008, and commercial valuation increased by \$1.4 million from 2008. The building permit valuation for this decade has been substantially higher than previous years, which is reflective of the boom construction period. Between the mid-1970 and early 1990's the total annual valuation of permits ranged between \$5.5 million and \$6.4 million. Building permit valuation increased from \$6.4 million to \$16.8 million between 1990 and 1995. Between 1995 and 2000 the total building permit valuation increased by 66 percent to \$27.9 million. Since 2000 the City has seen an incredible increase in total building permit valuation, peaking in 2005 at \$117.5 million. The total permit valuation for 2009, though significantly lower than the peak construction year of 2005, is still nearly three times the annual average total permit valuation of the decade of the 1990s (\$19.3 million).

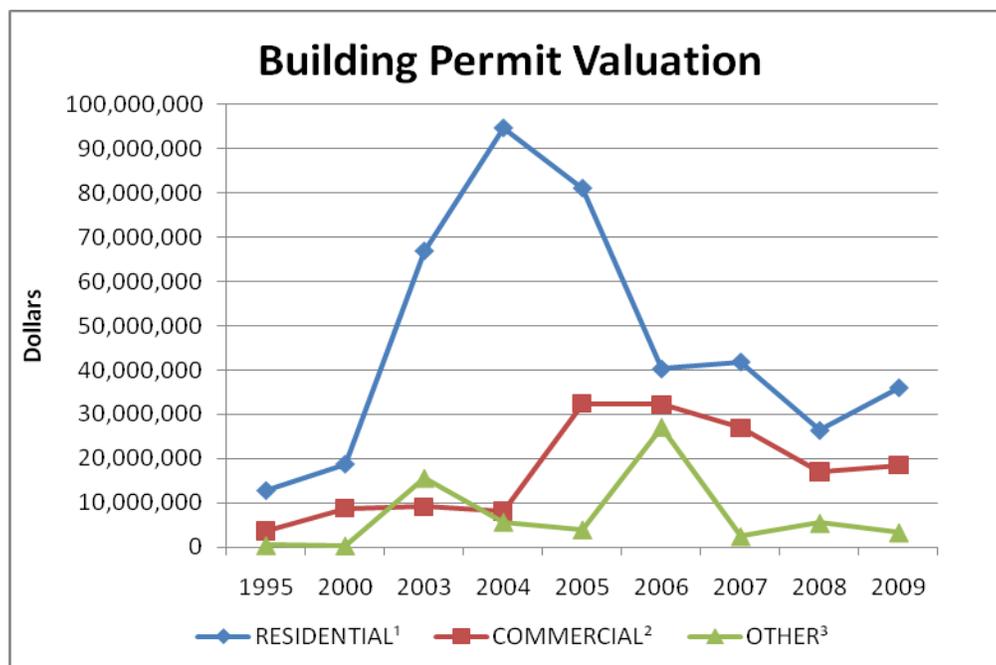
**CITY OF WEST FARGO
BUILDING PERMIT VALUATION BY CATEGORY, SELECT YEARS**

<u>YEAR</u>	<u>RESIDENTIAL¹</u>	<u>COMMERCIAL²</u>	<u>OTHER³</u>	<u>TOTAL</u>	<u>% RES.</u>	<u>% COM.</u>
1970	\$2,494,532	\$417,500	\$9,500	\$2,921,532	85%	14%
1975	4,430,705	1,869,776	5,500	\$6,305,981	70%	30%
1980	4,717,400	817,634	---	\$5,535,034	85%	15%
1985	4,395,150	1,316,218	---	\$5,711,368	77%	23%
1990	5,076,950	1,340,400	---	\$6,417,350	79%	21%
1995	12,812,828	3,586,650	450,000	\$16,849,478	76%	21%
2000	18,773,609	8,755,865	331,428	\$27,860,902	67%	31%
2001	31,762,173	11,124,552	801,435	\$43,688,160	73%	25%
2002	39,300,726	6,881,525	2,839,264	\$49,021,515	80%	14%
2003	66,924,359	9,110,968	15,578,200	\$91,613,527	73%	10%
2004	94,717,102	8,091,814	5,699,504	\$108,508,420	87%	7%
2005	81,100,334	32,415,606	3,946,005	\$117,461,945	69%	28%
2006	40,263,513	32,198,549	27,093,420	\$99,555,482	40%	32%
2007	41,848,668	26,937,080	2,414,300	\$71,200,048	59%	38%
2008	26,367,626	17,057,840	5,452,200	\$48,877,666	54%	35%
2009	36,016,615	18,484,287	3,312,240	\$57,813,142	62%	32%

¹Single family, twinhome, townhome, and multiple family new building and building remodel permits.

²New and remodel commercial permits.

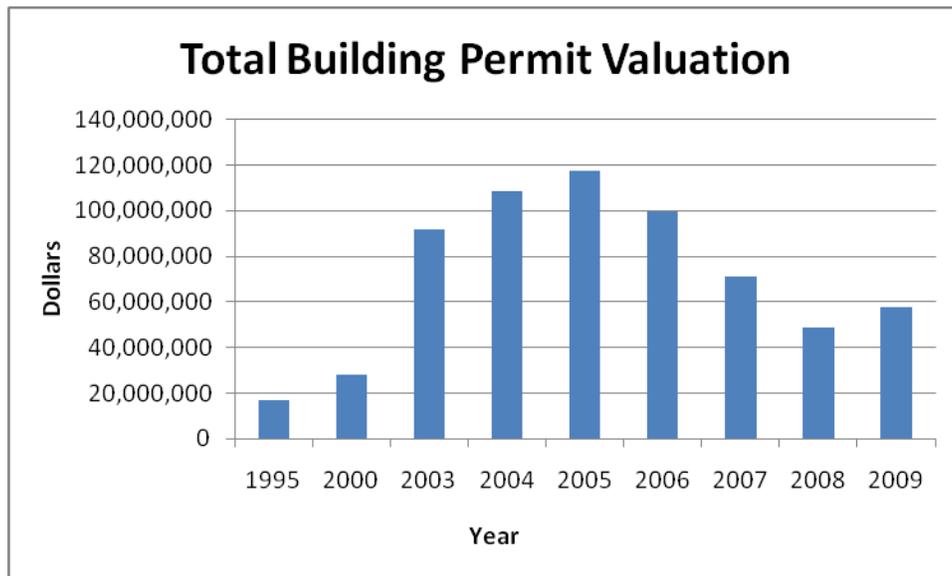
³Public uses, church, accessory building, foundation permits, and demolition permits.



Though commercial permit valuation has increased significantly since 1995, when comparing the residential permit valuation with the commercial permit valuation, it appears that the City has seen only modest progress in increasing the percentage of commercial permit valuation to develop a healthier local tax base.

In 2009 the commercial tax base was only 32% whereas the residential tax base was 62%. The City has seen significant increases in commercial construction activity since 1990 from \$1.3 million in permit valuation to over \$32 million for 2005 and 2006 and about \$18.5 million in 2009. This has been very helpful for the economy and local tax base; however, the rapid residential growth, which has reached as high as \$94.7 million in 2004 and \$81.1 million in 2005, has not allowed the community to gain the desired economic advancement in commercial tax base. The residential and commercial percentages shown in the Building Permit Valuation table is not viewed the same from a taxation basis as multiple family is considered commercial. With this in mind, there was about 47.7 percent of the building permit valuation in 2009 that would be taxed at a commercial rate versus 32 percent of the valuation reflected as commercial in the table. The average permit valuation for single family detached structures has increased from \$73,225 in 1992 to \$189,366 in 2009.

The graph above shows how the valuation of permits has increased between residential, commercial and other permit categories. The graph below displays the total in permit valuations by five-year increments through the year 2000 with selected years thereafter.



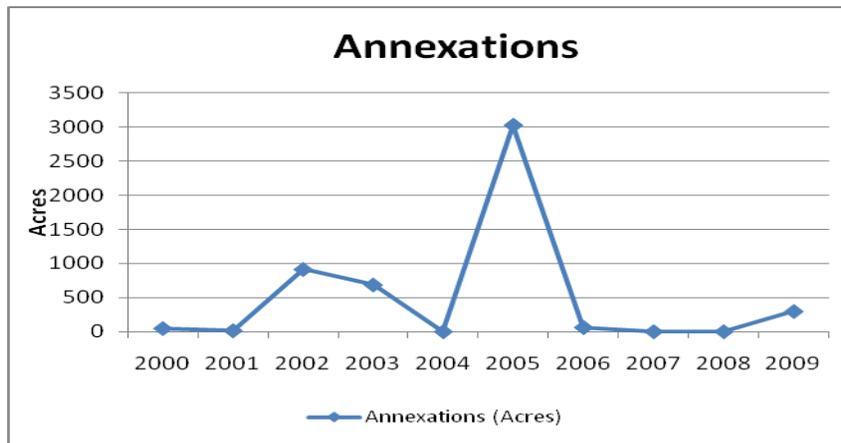
The F/M Area Association of Realtors monitors the average and median sale prices of pre-owned single family residential structures each year. For 2009 the average sale price of pre-owned single family structures in West Fargo was \$186,363 and the median sale price was \$185,500. Comparing these figures to other areas in the metropolitan area, the average sale price of pre-owned single family structures for the FM area was \$158,080, and the median sale price was \$147,872. The average sale price of pre-owned single family structures in north Fargo was \$140,012; south Fargo \$183,250; north Moorhead \$134,319; and south Moorhead \$156,287. The median sale price was \$128,300 for north Fargo, 161,500 for south Fargo, and \$156,148 for Moorhead.

Annexations

The City had one annexation to the community during 2009 for about 296 acres. Since 2001 the City has annexed 4,995 acres of land which has more than doubled the size of the City from the year 2000.

CITY OF WEST FARGO ANNEXATION ACREAGES 1961 – 2007		
PERIOD	ACREAGE	AVERAGE PER YEAR
1961-1970	358	35.8
1971-1980	2,060	260
1981-1990	1,552	155.2
1991-2000	256	25.6
2001	13.8	---
2002	912.2	---
2003	684.6	---
2004	0	---
2005	3,026.40	---
2006	62	---
2007	0	---
2008	0	---
2009	296.41	---
TOTAL ACREAGE	9,221.41	---
CURRENT CITY AREA	9,728.80	---

The graph below depicts the acres of land that has been annexed since 2000. Though there were no annexations in 2004, actions of the City Commission in that year resulted in additional annexation activity in 2005. Likewise, actions of the City Commission in 2008 resulted in annexation of property in 2009.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
<i>Annexations (Acres)</i>	46.6	13.8	912.2	684.6	0.0	3026.4	62.0	0.0	0.0	296.4	5042.0

Historically, the City experienced substantial annexations in the 1970s and 1980s which adequately accommodated the growth of the community through 2000. Annexations over the last few years will accommodate the growth of the City for a number of years into the future, so it is anticipated that the City will see fewer annexations over the next decade or two. Currently the City has approximately 9,729 acres of area.

Comprehensive Plan

The City approved an updated comprehensive plan in January 2008 which took into account the tremendous growth experienced since 2000. The comprehensive plan developed an implementation plan to help accomplish many of the goals and objectives of the policy plan. Some of the efforts of the City with regards to the implementation plan are discussed below.

In 2008 and 2009 the City had considerable effort working with the North Dakota Department of Transportation and property owners/business community on the Main Avenue Reconstruction Project. The first phase of the project was undertaken in 2009 which included the area from the Sheyenne River to 6th Street East. The City will continue working with the State and property owners/business community in preparation of the second phase of Main Avenue reconstruction in 2012 (6th Street East to 45th Street) and the final phase in 2015 (Sheyenne River to Interstate 94).

In 2010 the Planning Department will be working with the Planning and Zoning Commission and City Commission to review the zoning and subdivision ordinances and consider a number of amendments to update the ordinances. The City continues to recognize the importance in maintaining flexibility for infill/reinvestment developments and neo-traditional development patterns. Recent residential districts established in the zoning ordinance in 2007 which emphasize new urbanism and neo-traditional development have had little market acceptance according to local developers.

The City has budgeted for and initiated meetings to begin a planning study of the downtown area which will outline a reinvestment strategy for Main Avenue property and businesses. Various City departments are working with the Fargo Moorhead Metropolitan Council of Governments to conduct the study. It is anticipated that in addition to City staff and FMCOG staff time, there will be a contractual component for outside consulting services.

During 2010 the Planning Department will be working with the Planning and Zoning Commission, City Commission, Cass County, City of Horace, Reed Township, Raymond Township, Mapleton Township and Warren Township to coordinate planning and zoning efforts within the extraterritorial area. Legislative changes to State Statutes last year provide for joint jurisdictional areas and greater coordination efforts among local jurisdictions. This effort may play a part in the City's development of an infrastructure framework plan for the ET area.

Development Review Activity

The Planning Department saw 47 applications for development in 2009 as shown on the Development Review table. Where possible the City combines review applications where multiple reviews occur which expedites development in a timely manner and saves costs in fees. Some 69 development reviews were conducted with the 47 applications. In addition to the applications reviewed, the Planning Department reviewed 24 building permit applications for numerous permanent signs and public/quasi-public, multiple family and commercial building structures.

The Planning Department is also responsible for reviewing licenses and permits for portable signs. The current system was put in place in March-April of 2004. Though we encountered a few issues early on, the implementation of the Ordinance has gone fairly well. Very few complaints have been received from businesses or sign companies on the current system. The City issued 115 permits for portable and high impact signs in 2009 which accounted for 1,280 total display days for these signs. This was a decrease of 22 permits and 182 display days from 2008 figures.

The Planning Department is responsible for zoning and subdivision enforcement. Much of the enforcement in this area has been complaint driven as the staff has not had much time to make routine field inspections. When complaints are received, we generally do a site visit and also check the surrounding area for similar violations. The follow up on complaints is very time consuming as we try to work with the individual first for compliance rather than officially citing them in violation immediately. During 2009 the Planning Department responded to about 48 violations related to zoning and subdivision ordinances. Additional complaints were reviewed which were not found to be zoning and subdivision violations, and a number of complaint referrals were made.

**CITY OF WEST FARGO
DEVELOPMENT REVIEW BY TYPE BY YEAR**

Year	Subdivision	Rezoning	Conditional /Provisional Use	Other ¹	Total ²	# of Applications	Permit Reviews
1985	5	3	---	1	9	9	---
1986	6	6	2	16	30	21	---
1987	4	1	1	13	19	17	---
1988	3	1	1	3	8	7	---
1989	5	3	5	5	18	16	---
1990	9	5	2	10	26	20	---
1991	8	9	5	16	38	31	---
1992	14	10	5	22	51	44	---
1993	11	6	4	16	37	30	41
1994	18	10	15	17	60	46	41
1995	12	12	12	17	53	42	56
1996	12	7	14	20	53	44	62
1997	17	12	21	11	61	47	61
1998	19	11	25	22	77	63	63
1999	19	10	24	27	80	64	80
2000	18	17	26	23	84	65	71
2001	13	6	21	19	60	49	66
2002	25	18	24	31	100	68	76
2003	25	17	25	31	102	71	94
2004	22	14	25	39	100	75	87
2005	26	13	23	33	95	76	89
2006	25	17	17/8 ³	31	98	74	100
2007	17	8	20/4	30	79	64	85
2008	12	10	12/1	12	47	35	73
2009	21	13	12/3	20	69	47	24

Notes: ¹Includes Zoning Ordinance Amendments, Simple Lot Splits, Variances, PUDs.

²Where possible, multiple development reviews are combined into one application.

³Provisional Use Permits for child care facilities started 7/31/06.