



2014 Annual Report

Planning Department

Housing Characteristics

The year 2014 showed a decrease in single family residential housing, and increase in the number of multiple family units from the previous year. Permits were issued for 322 single family units and 108 twin home units for a total of 430 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 include two single-family units that were permitted in the City's Extraterritorial area (ET). Additionally, permits were issued for 21 townhome units and 128 townhouse style apartments for a total of 149 medium density residential units, as well as 10 permits for apartment complexes totaling 399 units resulting in a combined total of 548 multiple family units. A total of 976 new dwelling units were constructed within the City and ET Area during 2014.

When reviewing the table, it is evident that the average annual 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 City has experienced significant growth over the last 20 years as a result of the flood protection from the Sheyenne Diversion. Exceptionally good market conditions within the City and surrounding region, along with other community amenities including schools, parks, and residential neighborhoods have helped to contribute to the major increase in residential housing permits and construction in 2014. It is anticipated that favorable growth conditions will continue into the future.

The years 2003-2005 were historical peak growth years for the City of West Fargo with a total of 2,744 units constructed during that period. Interestingly enough, the years 2012-2014 have been exceptional construction years as well with a total of 2,626 units constructed during that period. 2014 was the fourth highest year on record for single family units, the second highest year on record for multiple family units, and the third highest on record for total units constructed. The mix in multiple family units constructed in 2014, which included traditional apartments, small townhome structures, and small to medium sized buildings with townhouse style apartments and condos, furthers the goals and objectives expressed by the city in its Comprehensive Plan.

CITY OF WEST FARGO HOUSING CONSTRUCTION, 1976 – 2014¹

YEAR	SINGLE FAMILY UNITS ²	MULTIPLE FAMILY UNITS	TOTAL
1976	129	40	169
1977	87	180	267
1978	114	208	322
1979	53	70	123
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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
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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
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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	158 ⁴	66	224
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2010	166	78	244
2011	163 ⁴	142	305
2012	409	430	839
2013	437 ⁴	372	809
2014	428⁴	548	976

¹ Permits from City and Extraterritorial areas.

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

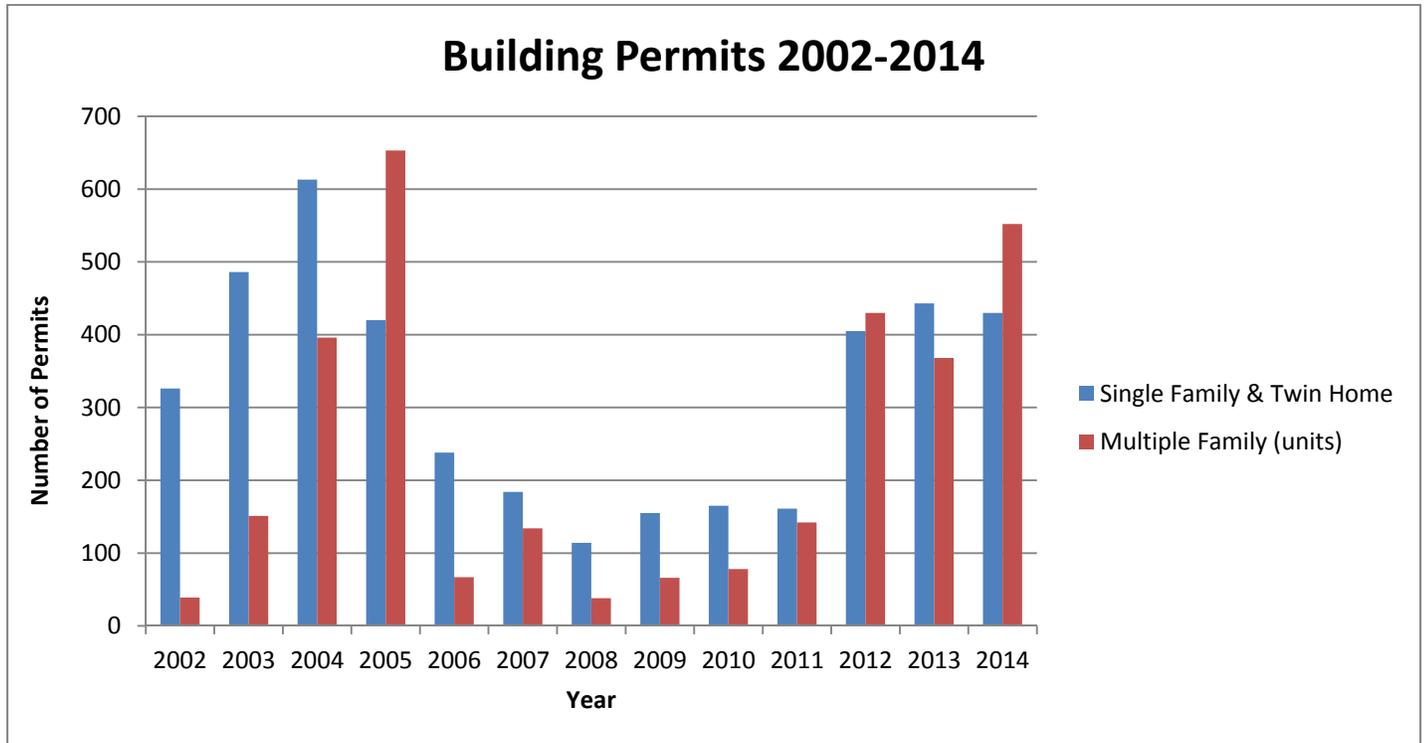
³ Does not reflect two structures built by West Fargo High School or structure damaged by fire and reconstructed.

⁴ Does 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 construction projects peaked in 2005 with 653 units constructed. The growth this decade demonstrates that we continue to be in an accelerated growth period.

Permit Type/Year*	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single Family & Twin homes	326	486	613	420	238	184	114	155	165	161	405	433	426
Multiple Family (units)	39	151	396	653	67	134	38	66	78	142	430	372	548
Total	365	637	1009	1073	305	318	152	221	243	303	835	805	974

* Does not include Extraterritorial Areas



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 re-platting, a specific zoning is usually requested for the property which provides for the intended land use. The Planning Department reviewed several subdivisions in 2014 which platted or re-platted about 265 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 178.4 acres of land was platted for single family and twin home use, 2.25 acres for multiple family use, about 23.12 acres for commercial and retail use, and 61.00 acres for heavy commercial or industrial use. 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 sizable increase in platting activity since the year 2000.

Platted Land Use/Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single Family & Twin homes	268.0	136.8	150.4	70.1	51.6	18.0	89.1	61.9	99.8	178.1	147.7	413.01	178.4
Multiple Family	63.1	49.8	131.9	0.0	0.0	8.4	5.3	27.0	17.9	17.7	8.14	36.24	2.25
Commercial/Retail	0.0	0.0	33.0	25.4	36.5	0.0	78.8	5.4	33.0	44.2	71.5	36.12	23.12
Heavy Comm./Industrial	66.4	5.0	111.1	225.0	516.5	91.7	89.8	2.9	4.4	46.2	4.31	99.71	61.00
Total	397.5	191.6	426.9	320.5	604.5	118.1	263.0	97.2	155.1	286.2	231.65	585.05	264.77

Subdivisions which have single family or twin home lots available and/or have land available to be platted in the future include the following:

- | | | |
|----------------------------|------------------------------|-----------------------------|
| The Wilds | North Pond at the Preserve | Maple Ridge at the Preserve |
| South Pond at the Preserve | Eaglewood | West View |
| Brooks Harbor | River’s Bend at the Preserve | Shadow Creek |
| Shadow Wood | Charleswood R. Estates | Goldenwood |

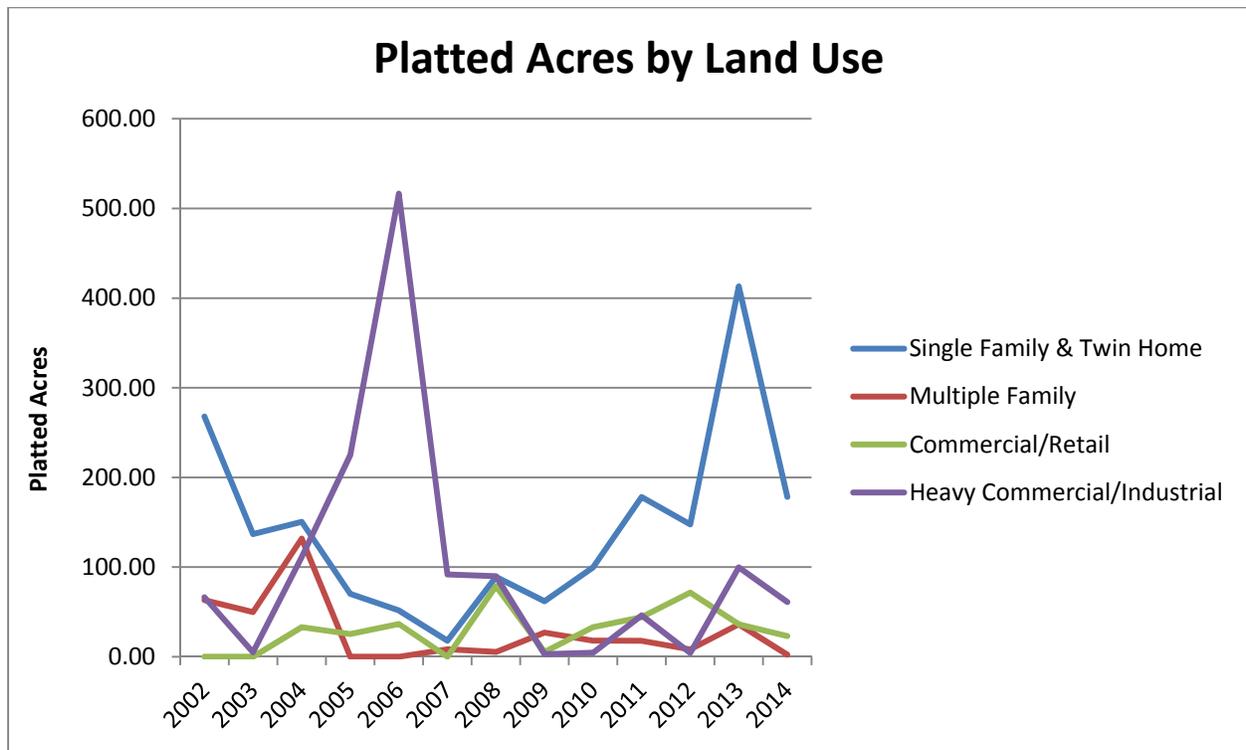
In early 2014 there was an estimated 1,220 serviced vacant single family and twin home lots available for sale and development. Five single family residential subdivisions were approved during 2014, which provided 336 newly serviced single family lots. There were 426 lots built on during the year, so at the end of 2014 there were an estimated 1,130 serviced lots available. As a general observation, we would note that if the current rate of single family residential development continues, the City would have about a 2 ½ year supply of serviced lots. Approximately 15% of the city lots are smaller lots for more affordable single family housing.

There are about 540 acres of unplatted land in the City which has been designated for low density residential use according to the City’s comprehensive plan. At the 2014 rate of platting, the residential land could be platted within three years and could accommodate as few as 2,160 units at 4 units per acre or as many as 7,560 units at 14

units per acre. It is likely that the development will include smaller twin home and affordable single family lots, as well as larger single family lots, so the unit count will be somewhere in between those figures.

Subdivisions which have multiple family lots available and/or have land available to be platted in the future include Brooks Harbor, Eaglewood, and The Wilds. Currently the City has little land designated for high density residential and approximately 70 acres of undeveloped land which is designated for medium density residential and could accommodate up to a maximum of 1,120 units of townhouses, condominiums and smaller apartment buildings up to 12-unit structures. If development occurs according to past trends, there will be somewhat fewer units than that.

Currently there are 2,676 single family lots and 2,499 multiple family units developed south of I-94. With the 1,384 undeveloped platted single family lots, the single family to multi-family ratio south of I-94 is 61.9% single family and 38.1% multi-family overall which is within the range expressed in the goals and objectives of the Comprehensive Plan. The single family to multiple family ratio is being monitored on a section by section basis.



Population Growth

The U.S. Census Bureau decennial census took place in April 2010 and total population figures were released in March 2011 showing the population for the City of West Fargo at 25,830. Each year the planning department completes 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 destroyed, demolished, or moved out of the community. Please refer to the 2014 Population Estimate table. The estimate is used to compare the annual growth with other agencies’ projected population figures. More importantly the estimate provides information to help us better prepare for immediate and future City policy decisions needed as a result of the growth activity level within the City.

The planning department estimates that West Fargo has approximately 8,231 single family attached and detached homes currently within the City limits and 5,314 apartment units after demolished units. Information from the

county tax director's office shows 366 mobile homes in mobile home courts. The U.S. Census showed that there were 10,760 total dwelling units in the City in 2010. According to the Census figures, there was a higher number of renter occupied units and a lower number of owner occupied units than what the Planning Department was estimating at that time which likely is attributed to single and twin home rentals. The population estimate takes into consideration that at any time there are a number of vacant units. We used the same vacancy rate of 1.1% for single family dwellings which was present when the 2010 Census was completed. For multiple family units, we used a vacancy rate of 5.8% which was determined by Appraisal Services Inc. as the annual average for 2014. The Multiple family vacancy rate in 2014 was 2% higher than the previous year which is likely because of the number of apartment units constructed in 2013 and 2014. The population estimate also takes into consideration that the number of persons per household has remained the same as the 2000 Census.

2014 POPULATION ESTIMATE

Type of Dwelling Unit	2010 Dwelling Units (April Census)	Units Permitted					2014 Total Estimates (Dec. 31 st)
		2010	2011	2012	2013	2014	
Single Family	6,650	165	161	405	433	426	8,240 (9)
Multiple Family	3,761	78	142	430	372	548	5,331 (17)
Other ¹	349 ²	N/A	N/A	N/A	N/A	N/A	366 ²
Demolished Units	—	—	(1)	(3)	(2)	(20) ⁴	(26)
Total (Permitted)	10,760	243	303	835	805	974	13,911
Vacant Units	412 ³	—	—	—	—	—	400 ⁵
Persons Per Household	Owner- 2.75 Renter- 1.98	—	—	—	—	—	Owner- 2.75 Renter- 1.98
Total Persons	25,830	—	—	—	—	—	33,360 ⁶

1 Mobile homes in courts

2 Mobile homes in courts per Cass County Tax Director Office Records for year

3 Vacancy rate of 3.8% overall; 1.1% for Homeowner units; 6.4% for rental units

4 Three Single Family Homes; 17 multiple family units in 7 structures

5 Vacancy rate of 1.1% for Single Family and 5.8% for rental units.

6 Population estimate once units are fully constructed

Using the population estimate methodology provided above, the estimated population for the City of West Fargo as of December 31, 2014 is 33,360. This total population assumes that construction has been completed on all units permitted during the year. The population is estimated to have increased by approximately 7,530 residents and 29.2% since the 2010 Census. It is estimated that there are about 11,940 residents south of I-94.

When comparing the 2010-2014 growth increase of 29.2% with historical growth characteristics as shown in the table below, one can see that over the past 4 years the City has grown at a very similar rate to the previous decade (2000-2010) and much faster rate than the previous two decades before that (1980-2000).

City of west Fargo Historical Population Figures		
YEAR	POPULATION	PERCENT CHANGE
1940	707	---
1950	1,632	131%
1960	3,328	104%
1970	5,161	55%
1980	10,099	96%
1990	12,287	22%
2000	14,940	22%
2010	25,830	73%
2014	33,360	29.2%

*City Estimate based on permit activity through 12/31/2014

Building Permit Valuation

The total building valuation for permitted structures in 2014 was about \$242 million. This was a record year for total building permit valuation. Of the total building permit valuation, \$149.4 million was for residential construction, \$57.7 million for commercial construction, and \$35.3 million for other types of permits (refer to Building Permit valuation Table). Residential valuation increased by nearly \$16.7 million from 2013, commercial valuation increased by over \$23.2 million, and the other category increased over \$20 million. Building permit valuation from 2000-2010 was substantially higher than previous decades, which is reflective of the boom construction period. Between mid-1970 and the early 1990's 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% to \$27.9 million.

CITY OF WEST FARGO

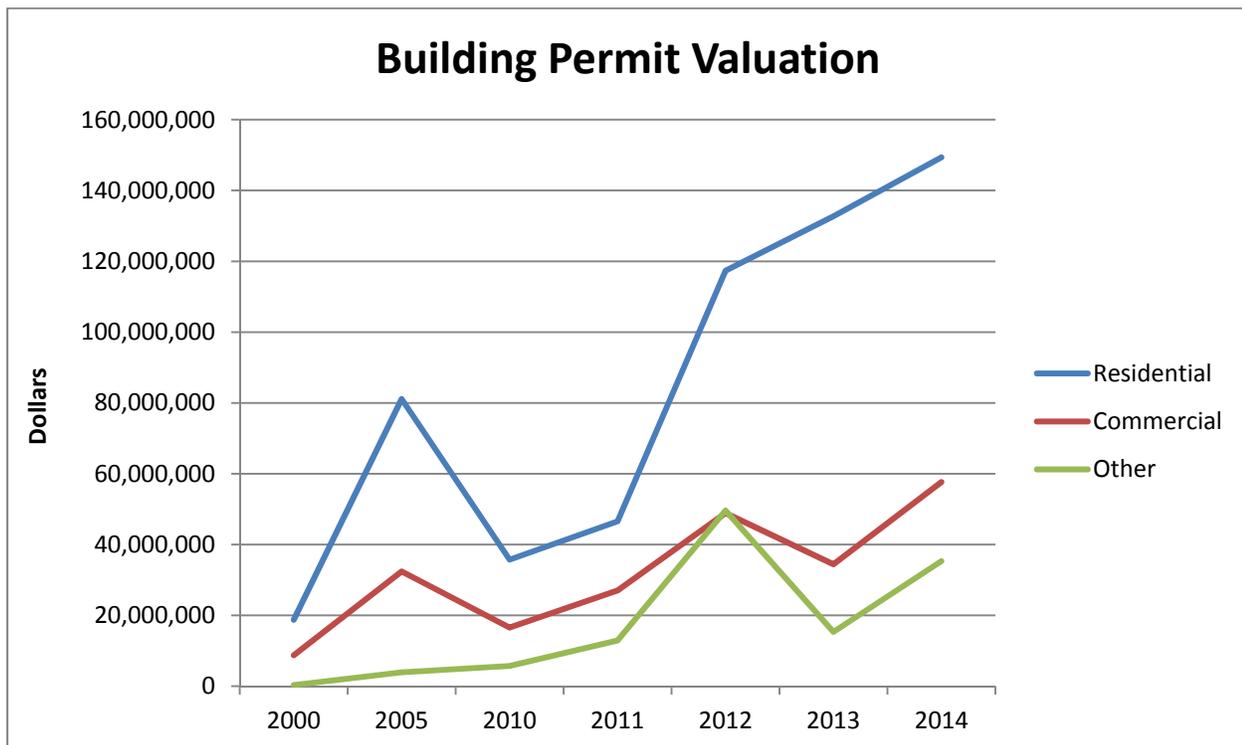
BUILDING PERMIT VALUATION BY CATEGORY, SELECT YEARS

YEAR	RESIDENTIAL ¹	COMMERCIAL ²	OTHER ³	TOTAL	% RES.	% COMM.
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%
2005	81,100,334	32,415,606	3,946,005	117,461,945	69%	28%
2010	35,734,745	16,560,025	5,727,417	58,023,687	62%	29%
2011	46,574,331	27,027,156	12,912,118	86,513,605	54%	31%
2012	117,325,076	48,896,381	49,616,320	215,837,777	54%	23%
2013	132,701,572	34,448,282	15,322,081	182,475,935	73%	19%
2014	149,384,771	57,658,376	35,332,573	242,375,720	62%	24%

¹ Single Family, twin home, and multiple family new building and building remodel permits.

² New and remodel commercial permits.

³ Public use, places of worship, accessory building, foundation permits, and demolition permits.



Since 2000 the City has seen an incredible increase in total building permit valuations. The last three years have been exceptionally strong years, far outpacing any other period. The outlook for the current decade continues to look very good.

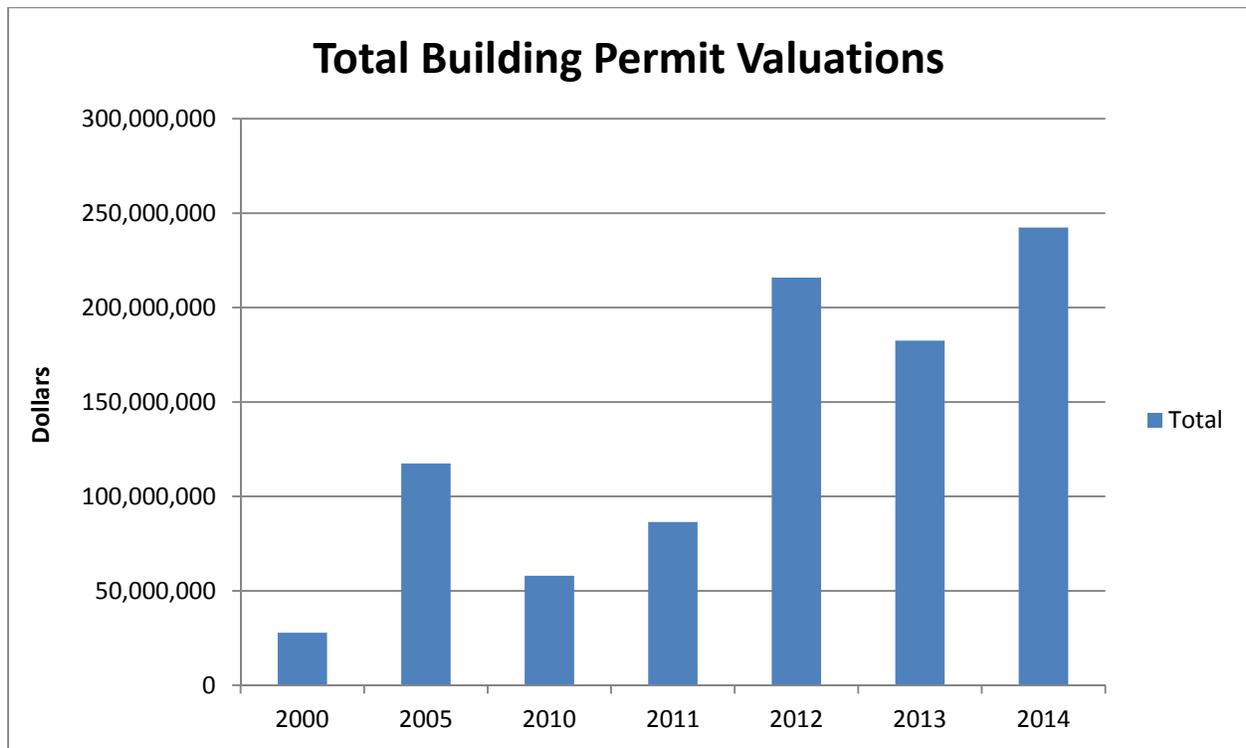
The year 2014 set a new record for both residential and commercial permit valuation. Commercial permit valuation increased by about \$57.7 million which was nearly \$8.7 million more than the previous record. Though commercial permit valuation has increased significantly since 1995, when comparing the residential permit valuation with the commercial permit valuation, it appears that the City continues to see a significantly higher residential building permit valuation annually.

In 2014 the City's overall commercial tax base relating to permit valuation was approximately 24% whereas the overall residential tax base relating to permit valuation was approximately 62%. The City has seen significant increases in commercial construction activity since 1990 from \$1.3 million in permit valuation to nearly \$58 million for 2014. This has been very helpful to the local economy and tax base; however, the rapid residential growth, which has increased from \$5.1 million in 1990 to \$149.4 million in 2014 has not allowed the community to gain the desired economic advancement in the ratio of commercial to residential tax base. The residential and commercial percentages shown in the table titled "Building Permit Valuation By Category, Select Years" is not viewed the same from a taxation basis, as multiple family is considered commercial. With this in mind, there was about 43.3% of the building permit valuation in 2014 that would be taxed at a commercial rate verses 24% of the valuation reflected as commercial in the table.

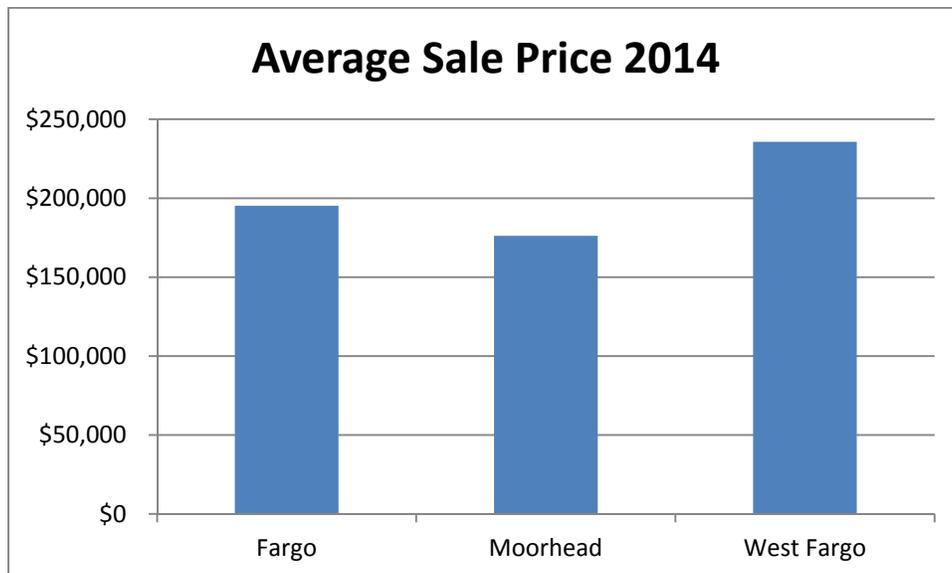
The West Fargo Assessing Department in their 2014 Equalization Report provided information showing that the 2014 City's True & Full Valuation prior to discretionary exemptions was 71% residential and 29% commercial. This compares to 70% residential and 30% commercial in 1992 when the City Commission established the Economic Development Advisory Committee as well as economic development incentive program to incent increased business development growth, particularly primary sector businesses. Based on this information, the residential to commercial comparison has remained about the same. The City has seen a tremendous amount of commercial and industrial business growth over the last 20 years. Without the level of commercial and industrial activity, certainly the percentage of tax base attributed to residential would be significantly greater.

The average permit valuation for single family detached and attached structures (twin homes) combined has increased from \$73,225 in 1992 to \$97,472 in 2000 and \$227,904 in 2014. In 2014 the average permit valuation for single family detached structures was \$260,229.

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 from 2000 to 2010 with select years thereafter.



According to the City of West Fargo's City Assessors office the average sale price of homes in the City increased from \$190,594 in 2011 to \$235,717 in 2014. On average, homes were listed for sale on the market 63 days in 2014 which is 10 more days than in 2013 showing a strong but potentially slowing real estate market. The City of West Fargo also leads the metro area with the highest average home sale prices, representing a lucrative housing market which may be due to numerous factors.

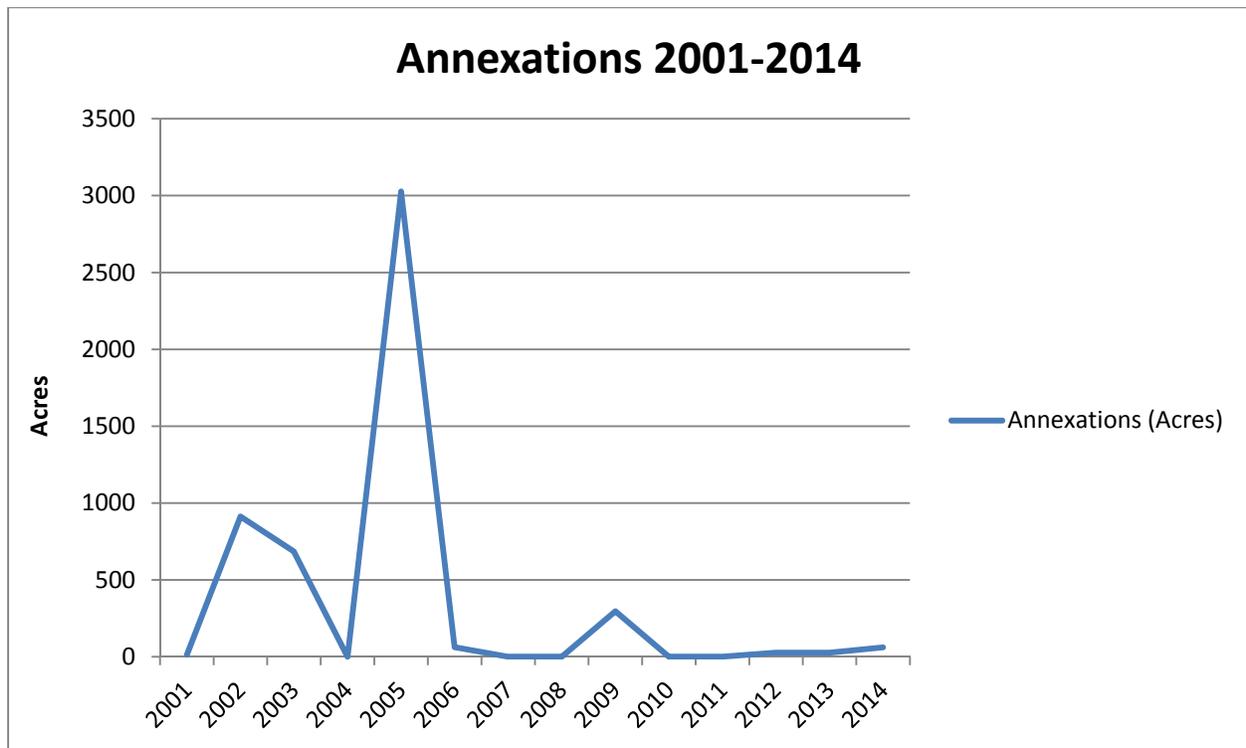


Annexations

The City Annexed 61 acres of land to the community in 2014. The table below shows how much land has been annexed to the City by decade from 1961-2010, thereafter by select years. The table shows that from 2001 through 2010 the City had extensive annexations resulting in slightly over 4,995 acres of land being introduced to the City, more than doubling the geographic area of the City.

City of West Fargo		
Annexation Acreages 1961-2012		
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
2001-2010	4995.41	499.5
2011	0	---
2012	26.71	26.71
2013	25.82	25.82
2014	61.00	61.00
TOTAL ACREAGE	9,395.94	---
CURRENT CITY AREA	9,755.51	---

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



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
<i>Annexations (Acres)</i>	912.2	684.6	0	3026.4	62.0	0	0	296.4	0	0	26.71	25.82	61.00	5095.13

Historically, the City experienced substantial annexations in the 1970’s and 1980’s 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 9,756 acres of area.

Work Program

In addition to Commission assigned responsibilities of the Planning Department, significant planning efforts are made each year as part of the Department’s work program. Many of these efforts relate directly to the City’s Comprehensive Plan, while others are more general efforts which are undertaken to fulfill needs or opportunities that arise.

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 continued 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 will do so again for the final phase in 2015 (Sheyenne River to Interstate 94).

During late 2011 and into 2012 the Planning Department, along with the Planning and Zoning Commission and the City commission worked to review the zoning and subdivision ordinances and considered 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. Recently residential districts established in the zoning ordinance in 2007 which emphasized new urbanism and neo-traditional development have had little market acceptance according to local developers. The R-1SM: Mixed One and Two family Dwelling District which provides for a mix of small and medium sized lots to encourage a mix in starter homes with medium priced homes, has received significant interest by developers to plat lots. It is estimated that there are over 200 R-1SM and twin home lots, the vast majority of which are R-1SM lots. Construction of homes on those types of lots slowed during 2011, but in 2012 construction increased on those types of lots and is expected to continue in 2013.

The City in cooperation with the FM Metropolitan Council of Governments (FM COG) undertook a planning study of the downtown area which outlines a reinvestment strategy for Sheyenne Street and Main Avenue property and businesses. The study was adopted in late 2011; therefore much effort took place in 2012 to create downtown overlay districts to address building and site development standards for the core downtown areas of Sheyenne Street and Main Avenue. In 2014 the Planning Department began working with a Downtown Design Review Committee to determine appropriate design guidelines for the downtown area. Efforts are being coordinated with the Downtown Business Association.

The City has seen tremendous growth since the 2000 Comprehensive Plan and 2008 Comprehensive Plan update. As a result of the growth and dynamic changes to the community, it would be appropriate for the City to develop a new comprehensive plan. The Planning Department will propose in the 2016 budget that the City contract services to develop a new comprehensive plan and is taking steps to secure some funding from the Fargo Moorhead Metropolitan Council of Governments to supplement that of the City.

Development Review Activity

The Planning Department saw 59 applications for development in 2014 as shown on the Development Review table below. Where possible the City combines review applications where multiple reviews occur which expedites development in a timely manner and saves cost in fees to the applicants. Some 80 development reviews were conducted with the 59 applications. In addition to the applications reviewed, the Planning Department reviewed 45 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 and 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 193 permits for portable and high impact signs in 2014 which accounted for 2,238 total display days for these signs. This was an increase of 21 permits and 245 display days from 2013 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 2014 the Planning Department responded to 17 violations which were related to Zoning and Subdivision Ordinance violations, which were up from 3 violations in 2013. The Police Department has in the past actively addressed nuisance violations and continues to do so.

CITY OF WEST FARGO DEVELOPMENT REVIEW BY TYPE AND 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 ₃	30	79	64	85
2008	12	10	12/1 ₃	12	47	35	73
2009	21	13	12/3 ₃	20	69	47	24
2010	16	10	8/4 ₃	23	61	45	46
2011	24	16	8/1 ₃	20	69	48	50
2012	22	23	12/12 ₃	35	104	69	87
2013	35	27	21/3 ₃	25	113	75	60
2014	20	17	18/3 ₃	20	80	59	78

1 Includes Zoning Ordinance Amendments, Simple Lot Splits, Variances, PUD's, Replat.

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

3 Provisional Use Permits for child care facilities started 7/31/2006.