



2018 Annual Report Planning Department

Housing Characteristics

The year 2018 showed a significant increase in single family residential housing and multiple family units from 2017. Permits were issued for 364 single family units and 12 twin home units for a total of 376 single-family detached and attached units. However, two of the units were permitted for construction by the West Fargo High School and may be moved outside the city, so the units are not reflected in the tables below. Permits include one single family unit that was permitted in the City's extraterritorial area (ETA). Additionally, permits were issued for 20 townhouse style apartment units and 139 traditional apartment units. A total of 535 new dwelling units were constructed within the City and ET Area during 2018.

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 provide for flood insurance to residents of the community. At that time 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 after about 40 years of effort and a previously approved project which did not receive federal funding support. In 1993 the Sheyenne Diversion project was officially completed, 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 plus years as a result of the flood protection from the Sheyenne Diversion. Exceptionally good economic and housing market conditions within the City and surrounding region, along with other community amenities including schools, parks, and residential neighborhoods have also contributed to the major increase in residential housing permits and construction over the past number of years. 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 were exceptional construction years as well with a total of 2,624 units constructed during that period. 2018 was the ninth (9th) highest year on record for single family units. 2018 was also the ninth (9th) highest year for multiple family units and the ninth (9th) highest on record for total units constructed. The multiple family units constructed in 2018 included twenty (20) small townhouse style apartment building units, sixty (60) affordable tax credit and seventy-nine (79) units in mixed use buildings adding to the mix in multiple family types of housing in the city. This housing mix has been well-received and supported by the goals and objectives expressed in the comprehensive plan. Between 2012 and 2015, the city had a number of high density apartment buildings being completed which has resulted in higher vacancy rates. The vacancy rates have been decreasing over the last several years and are at the lowest level now since 2014.

CITY OF WEST FARGO HOUSING CONSTRUCTION, 1976 – 2018¹

YEAR	SINGLE FAMILY UNITS²	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	428 ⁴	548	976
2015	392 ⁵	216	608
2016	402 ⁵	72	474
2017	276 ⁵	64	340
2018	374⁶	159	533

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.

⁵ Does not reflect one structure built by West Fargo High School

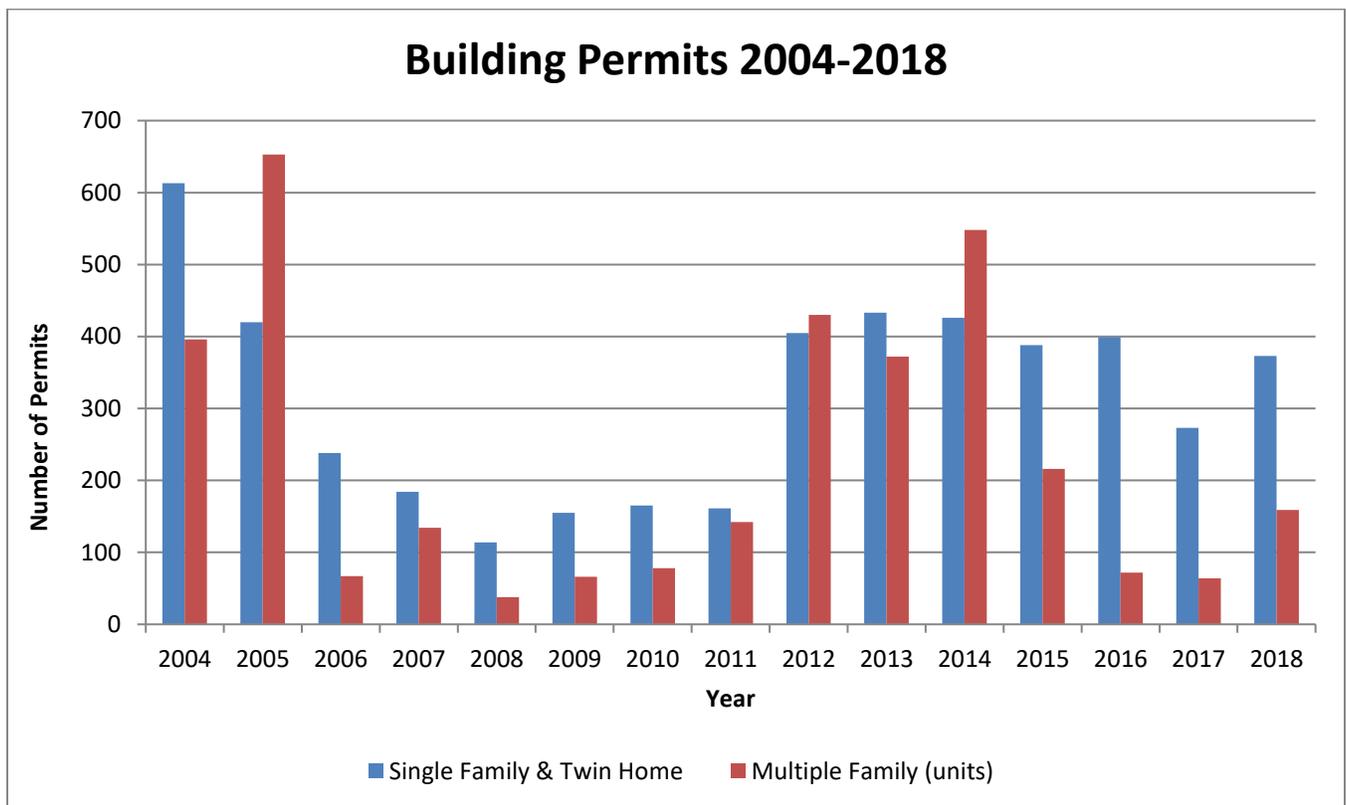
⁶ Does not reflect two structures built by West Fargo High School

The number of single family and multiple family units developed within the City Limits since 2005 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 a significant growth period.

WEST FARGO RESIDENTIAL UNITS WITHIN CITY LIMITS

Permit Type/Year*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family & Twin homes	420	238	184	114	155	165	161	405	433	426	388	399	273	373
Multiple Family (units)	653	67	134	38	66	78	142	430	372	548	216	72	64	159
Total	1073	305	318	152	221	243	303	835	805	974	604	471	337	532

* 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 2018 which platted or re-platted 30.1 acres of land intended for new residential, commercial, industrial and public land uses. The table below which is titled “Platted Acres by Land Use” shows that 18.6 acres of land was platted for single family and twin home use, 7.7 acres for multiple family use, and 3.8 acres for commercial and retail use. Residential subdivisions are providing for one single family dwelling replacement and 38 new dwelling units, as well as 60 units of multiple family replacement and 24 new units in phase 1 and 2 of the development. Additional replacement units and new units will take place in phase 3 of the redevelopment, which will take place in the near future. 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 ACRES BY LAND USE

Platted Land Use/Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Single Family & Twin homes	51.6	18.0	89.1	61.9	99.8	178.1	147.7	413.01	178.4	96.4	90.2	158.1	18.6
Multiple Family	0.0	8.4	5.3	27.0	17.9	17.7	8.14	36.24	2.25	9.8	14.7	6.0	7.7
Commercial/Retail	36.5	0.0	78.8	5.4	33.0	44.2	71.5	36.12	23.12	72.2	57.9	26.1	3.8
Heavy Comm./Industrial	516.5	91.7	89.8	2.9	4.4	46.2	4.31	99.71	61.00	10.7	94.6	6.0	0
Total	604.5	118.1	263.0	97.2	155.1	286.2	231.65	585.05	264.77	189.1	257.4	196.2	30.1

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 Eaglewood Highland Meadows Goldenwood
- Rivers Bend Highland Meadows West View Brooks Harbor Shadow Creek

In early 2018 there was an estimated 1,262 serviced vacant single family and twin home lots available for sale and development, primarily in residential subdivisions south of I-94 and in Goldenwood. One single family residential subdivision was approved during 2018, which provided 38 newly serviced single family lots. There were 376 lots built on during the year, so at the end of 2018 there were an estimated 924 serviced lots available city-wide. As a general observation, we would note that if the annual average rate of single family residential development over the last five years continues, the City would have about a 2 ½ year supply of serviced lots. Approximately 30%, or 300 of the city lots are smaller lots for more affordable single family and twin home housing.

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 2018 Population Estimate table. The estimate is used to compare the annual growth with other agencies' projected population figures. More important 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 9,652 single family attached and detached homes currently within the City limits and 5,825 apartment units after demolished units. Together with information from the county tax director's office showing 373 mobile homes in mobile home courts, the total number of housing units is currently 15,850. The U.S. Census showed that there were 10,760 total dwelling units in the City in 2010, so there has been an increase of 5,090 dwelling units. 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 8.1% which was determined by Appraisal Services Inc. as the annual average for 2018. The population estimate also takes into consideration that the number of persons per household has remained the same as the 2010 Census.

Using the population estimate methodology provided above, the estimated population for the City of West Fargo as of December 31, 2018 is 37,874. 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 12,044 residents and 47% since the 2010 Census. It is estimated that there are about 4,109 single family homes and 2,915 multiple family units south of I-94, which equates to about 16,560 residents.

The growth rate of 47% from 2010-2018 is an average annual rate of about 5.2%. This annual rate of growth is somewhat slower than from 2000-2010, which was about 7.3% per year (See table below). When comparing the annual growth rates since 2000 with those of the previous two decades, it was considerably greater, as the decades of 1980-1990 and 1990-2000 showed annual growth rates at 2.2% for West Fargo.

2018 POPULATION ESTIMATE

Type of Dwelling Unit	2010 Dwelling Units (April Census)	Residential Units									2018 Total Estimates (December 31 st)
		2010	2011	2012	2013	2014	2015	2016	2017	2018	
Single Family	6,650	165	161	405	433	426	388	399	273	373	9,673
Multiple Family	3,761	78	142	430	372	548	216	72	64	159	5,842
Total (Permitted)	10,411	243	303	835	805	974	604	471	337	532	15,515
Other ¹	349	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	373
Demolished Units	---	---	(1)	(3)	(2)	(20) ³	(2)	(2)	(4)	(4)	(38) ⁴
Total Units	10,760	---	---	---	---	---	---	---	---	---	15,850
Vacant Units	412 ²	---	---	---	---	---	---	---	---	---	579 ⁵
Persons Per Household	Owner – 2.75 Renter – 1.98	---	---	---	---	---	---	---	---	---	Owner – 2.75 Renter – 1.98
Total Persons	25,830	---	---	---	---	---	---	---	---	---	37,874 ⁶

¹Mobile homes in courts per Cass County Tax Director Office Records for year

²Vacancy rate of 3.8% overall; 1.1% for Homeowner units; 6.4% for rental units

³Three Single Family Homes; 17 multiple family units in 7 structures

⁴Since 2010 SF = 21& MF = 17

⁵Vacancy rate of 1.1% for Single Family (106 dwellings) and 8.1% for rental units (Average Annual Vacancy- 473 dwelling units).

⁶Population estimate once units are fully constructed

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%
2018	37,874	47%

*City Estimate based on permit activity through 12/31/2018

Building Permit Valuation

The total building valuation for permitted structures in 2018 was about \$175.1 million, which was an increase of \$45.6 million for total building permit valuation. Of the total building permit valuation, \$116.4 million was for

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%
2015	122,469,462	69,909,242	22,839,573	215,218,277	57%	32%
2016	106,556,837	62,374,000	42,867,229	211,798,066	50%	29%
2017	72,583,865	35,791,872	21,037,633	129,413,370	56%	28%
2018	116,360,695	51,779,126	6,916,482	175,056,303	66%	30%

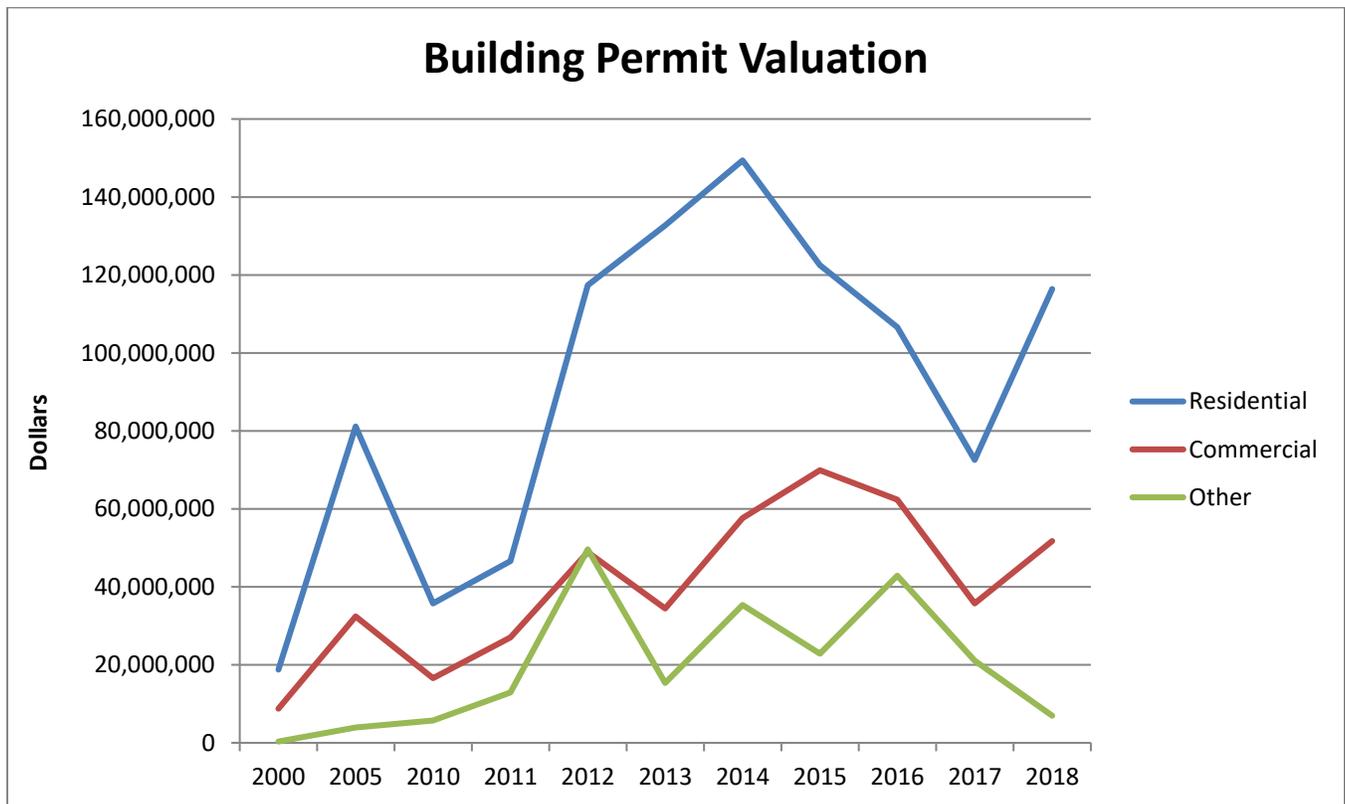
¹ Single Family, twin home, and multiple family new building and building remodel permits.

² New and remodel commercial permits.

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

residential construction, \$51.8 million for commercial construction, and \$6.9 million for other types of permits (refer to Building Permit valuation Table). Residential valuation increased by about \$43.8 million from 2017, commercial valuation increased by about \$16 million, and the other category decreased by \$14.1 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.



Since 2000 the City has seen an incredible increase in total building permit valuations. 2012-2016 were exceptionally strong years, far outpacing any other period. The building permit valuation in 2018 was a fairly strong from a historical perspective. The outlook for the current decade continues to look very good. It should be noted that the land supply for growth and development is limited within the City's flood-protected area. Once the Fargo Diversion project is constructed, additional land area will be protected, which will provide for future growth needs.

In 2018 the City's overall commercial tax base relating to permit valuation was approximately 30% whereas the overall residential tax base relating to permit valuation was approximately 66%. The City has seen significant increases in commercial construction activity since 1990. Though the commercial permit valuation was less than the peak in 2015, \$51.8 million is significant and has been very helpful to the local economy and diversification of the tax base.

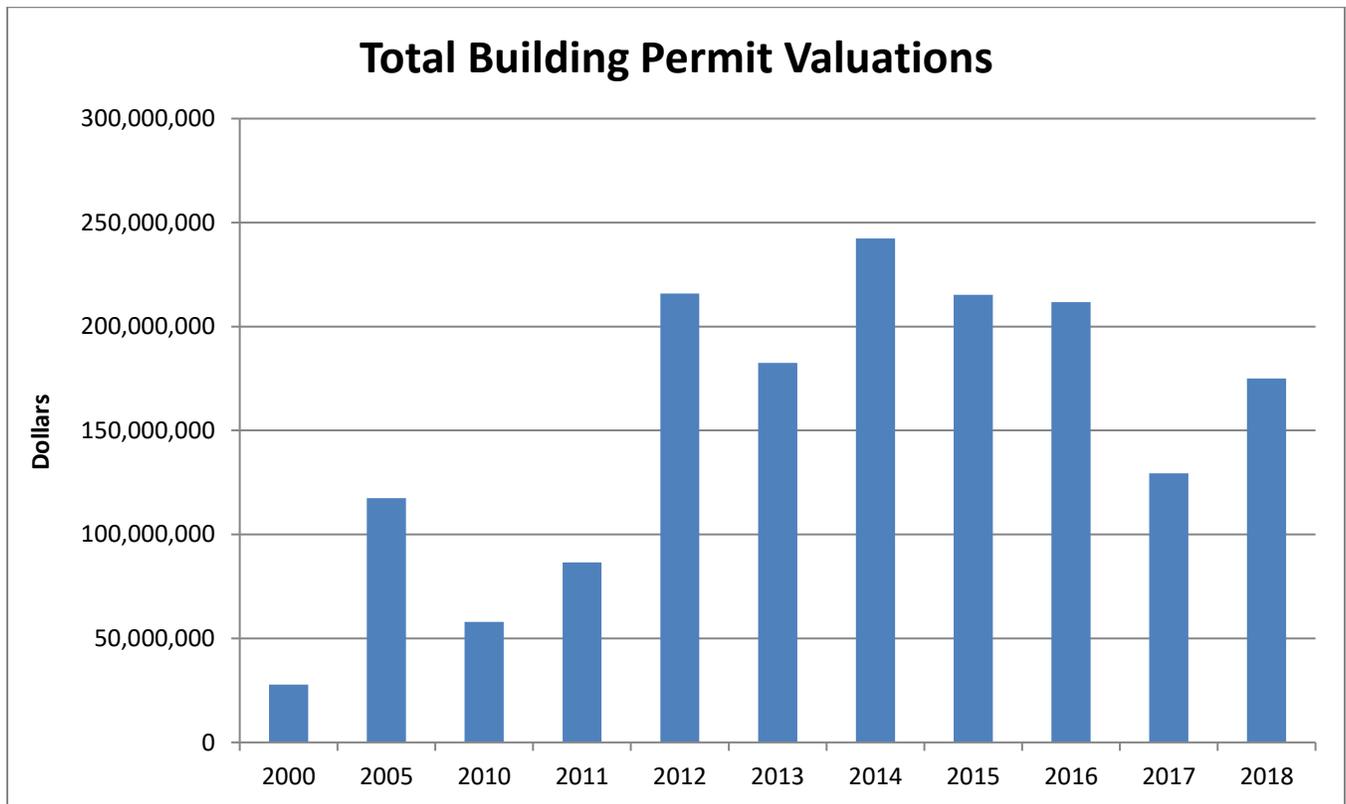
The City has experienced rapid residential growth over the years, which has increased from \$5.1 million in 1990 to \$149.4 million in 2014. The residential permit valuation at \$116.4 million in 2018 is very strong. This residential growth has not allowed the community to gain the desired economic advancement in the ratio of commercial to residential tax base. In the early 1990s, the City began a tax incentive program to grow the primary business sector

so that there would be a stronger commercial tax base for the community. 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 45.3% of the building permit valuation in 2018 that would be taxed at a commercial rate verses 30% of the valuation reflected as commercial in the table.

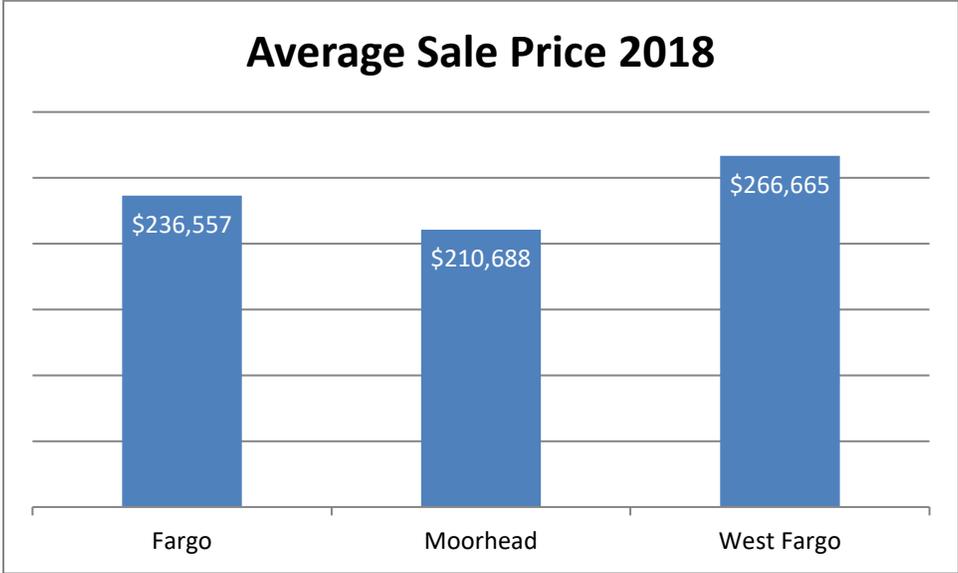
The West Fargo Assessing Department provided information showing that the 2018 City’s total valuation after exemptions are applied was 70.3% residential and 29.7% commercial. This compares to 70% residential and 30% commercial in 1992 when the City Commission established the Economic Development Advisory Committee and economic development incentive programs 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, because of the phenomenal residential growth.

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 \$226,901 in 2018. The average permit valuation has increased by \$2,086 over the past year. In 2018 the average permit valuation for single family detached structures was \$232,516 which was a decrease of \$555 from 2017. It appears there is a stronger market for more affordable homes, as nearly 38% of the homes built were in the more affordable subdivisions.

The above graph shows increased permit valuations between residential, commercial, and other categories. The graph below displays total permit valuations by five-year increments from 2000 to 2015 with select years thereafter.



According to the City of West Fargo’s City Assessor’s office the median sale price of homes in the City was \$162,200 in 2010, and over the past year decreased from \$245,000 in 2017 to \$239,434 in 2018. On average, homes were listed for sale on the market 79 days in 2018. The average sale price for a home in West Fargo in 2018 was \$266,665.



Annexations

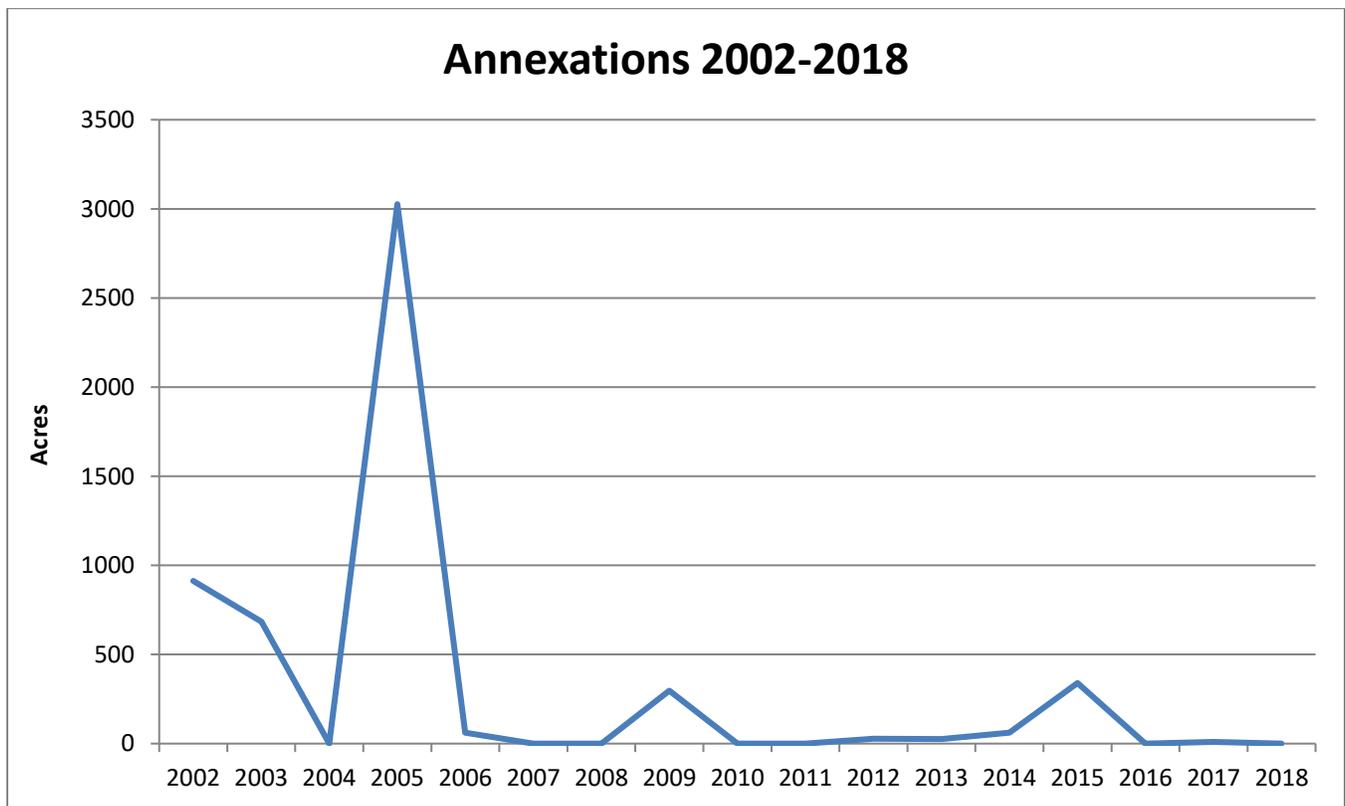
The City had no annexed acres of land to the community in 2018. The table below shows how much land has been annexed to the City by decade from 1961-2010 and thereafter by select years. The table shows that from 2001

City of West Fargo Annexation Acreages 1961-2018		
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	---
2013	25.82	---
2014	61.00	---
2015	340.28	---
2016	0	---
2017	10.2	---
2018	0	---

TOTAL ACREAGE	9,685.42	---
CURRENT CITY AREA	10,192.81	---

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 during that period.

The graph titled Annexations 2002-2018 depicts the acres that have been annexed since 2002. Historically, the City experienced substantial annexations in the 1970's and 1980's, which adequately accommodated the growth of the community through 2000. Annexations between 2003 and 2005 accommodated the tremendous growth for the ensuing decade. It is anticipated that the City will see fewer annexations over the next decade, not because additional land is not needed, but rather most of the land that would be in the growth area is not flood protected until the Fargo Diversion project is completed. Currently the City has approximately 10,193 acres of area within its corporate limits.



Work Program

In addition to Commission assigned responsibilities of the Planning and Community Development 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 has adopted the new Comprehensive Plan West Fargo 2.0, so now it will need to begin the process of developing zoning and subdivision regulations (land development code) that is consistent with the guiding principles and vision of the Plan. The current zoning and subdivision ordinances were adopted in the 1980s, and the zoning ordinance was amended numerous times corresponding to the changing needs of the community, as well

as to conform to the 2000 Comprehensive Plan, 2005 Land Use Plan Amendment, and 2008 Comprehensive Plan. The City has budgeted for consultant services and staff support in 2018 and 2019 to help develop a new development code, as well as other activities.

The City has become more strategic in revitalizing and redeveloping older areas of the community. The core area of the community has infrastructure that has outlived its intended life, so there are more frequent incidents of water main breaks and sewer line collapses. Additionally, the storm water facilities are inadequate in this area. Aging buildings provide added opportunities to redevelop properties to accommodate more intense uses and mixed-use developments. The City has developed partnerships with developers to redevelop several commercial properties with multiple story mixed-use buildings which provides more efficient use of the land, a greater tax base for the community, and more dwelling units in the downtown which in turn supports more retail and services for the community.

A Core Infrastructure Study was initiated in 2018 and will be completed in 2019 which should provide more information about the condition of the infrastructure, the estimated costs for replacement, and potential phasing plans for replacement. The City can then begin to develop a plan for replacement and financing of the infrastructure. Consideration will be given to low and moderate income families and seniors on fixed incomes.

The City is in the process of establishing a housing revitalization program to assist in upgrading or rehabilitating homes with structural, heating, and cooling deficiencies. The City is coordinating with banks to provide lower interest revitalization loans, as well as considering loans and grants for low and moderate income families and seniors. State and Federal funding sources are also being pursued.

Development Review Activity

The Planning Department reviewed 49 applications for development in 2018 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 64 development reviews were conducted with the 49 applications. In addition to the applications reviewed, the Planning Department reviewed 81 building permit applications for public/quasi-public, multiple family, commercial and industrial building structures and permanent signs.

Prior to the City hiring a Code Compliance Officer a couple years ago, the Planning Department was responsible for all aspects of zoning and subdivision enforcement. Enforcement was primarily complaint driven, and follow up on complaints was very time consuming. The community is being better served by having one office addressing code compliance rather than several offices addressing issues depending of the type of violation. The Planning Department continues to play an active role on the City's Code Compliance Committee, particularly as it relates to zoning and subdivision issues and works very closely with the City's Code Compliance Office. The Planning Department coordinates regularly with that department, assisting in determining violations, methods to achieve compliance, and when necessary working with the City Prosecutor and Code Compliance Office to address violations.

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
2015	21	11	13/2 ³	29	76	58	108
2016	13	18	17/2 ³	40	90	63	116
2017	24	18	11/0 ³	15	68	46	70
2018	24	12	11/3	14	64	49	81

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

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

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