



2020 ANNUAL DEVELOPMENT REPORT

CITYOFMOORHEAD.COM



2020 in Review

2020 – what a memorable year! Amidst many disruptions to normal ways of life and business due to the global pandemic (COVID-19), one thing has become more apparent in reflection – Moorhead is where the strong belong.

We believe this is where the strong belong.

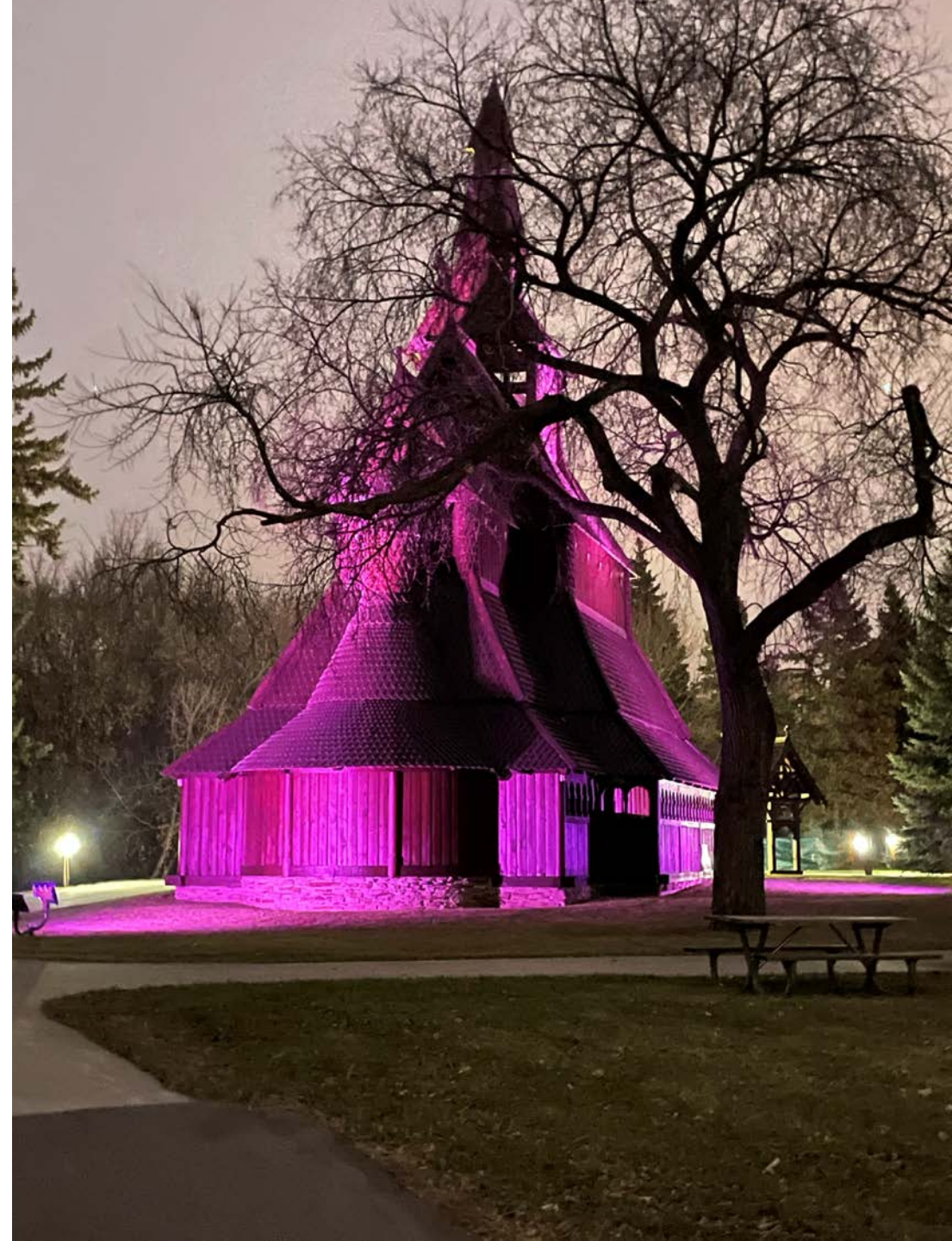
Moorhead is a rising metro.

We are growing a vibrant business, academic and art community.

We have a culture of achievement, rooted in the spirit of curiosity.

Here, we choose to be more.

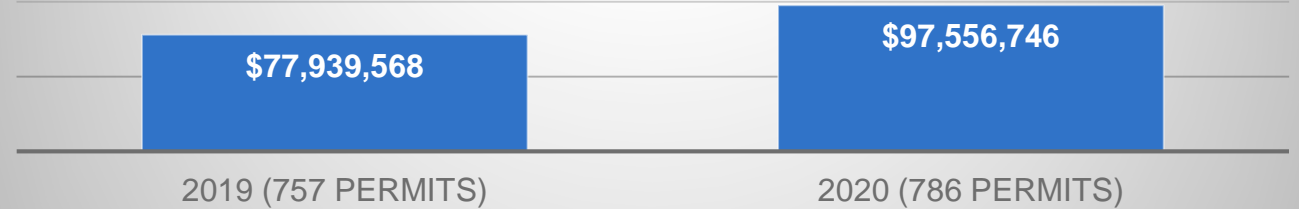
Moorhead added over \$24.5 million in new commercial and institutional building value in 2020, more than doubling the investment from 2019 and resulting in 13 new commercial and institutional buildings. Downtown continues to be a major focus: Moorhead's Downtown Master Plan was approved and 2021 will kick-off implementation efforts.



PERMITS & INVESTMENT



Annual Building Investment



Residential Permit Values



Commercial Permit Values

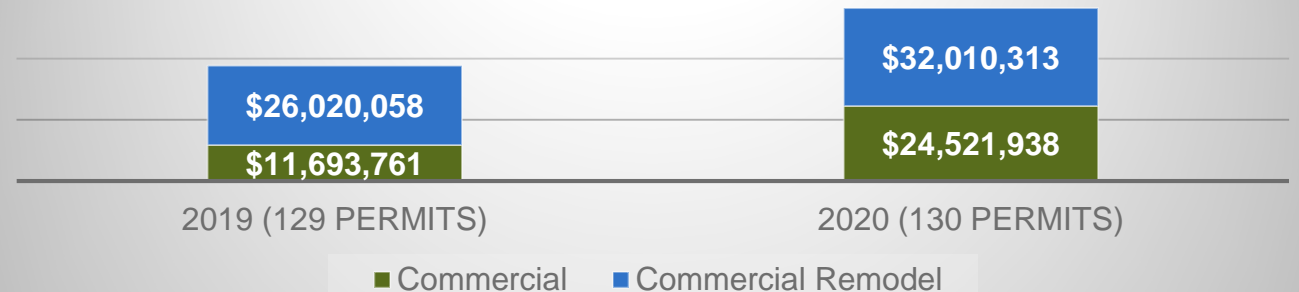




Photo Credit: Vern Whitten Photography

RESIDENTIAL

A look at housing development
within the city of Moorhead

SINGLE FAMILY

- ADAMS DEVELOPMENT (6)
- BARRIER HOMES INC (1)
- BCH BUILDERS LLC (1)
- BENJAMIN ANDERSON CUSTOM HOMES (1)
- BMW HOMES INC (3)
- BUILDING CONCEPTS (1)
- CLASSIC CONSTRUCTION (1)
- DABBERT CUSTOM HOMES (8)
- EMPIRE CUSTOM HOMES LLC (1)
- FOOTIT HOMES INC (1)
- HERITAGE HOMES (6)
- HOHENSTEIN HOMES (1)
- INFINITE SCOPE CONSTRUCTION INC (1)
- ISR HOMES (22)
- J V HOUGH (16)
- JMW CONSTRUCTION (5)
- JORDAHL CUSTOM HOMES (27)
- LAKE AGASSIZ HABITAT FOR HUMANITY (2)
- SB CONSTRUCTION (1)
- SELF (2)
- SILVER LINE CUSTOM HOMES (11)
- SPIRE CONSTRUCTION (1)
- SULLIVAN CONSTRUCTION INC ND (1)
- THOMSEN HOMES LLC (8)
- TYTER DESIGN & REMODELING (1)

MULTI-FAMILY

- DIAMONDROCK DEVELOPMENT (8 UNITS)
- GEHRTZ CONSTRUCTION SERVICES (33 UNITS)
- MBA DEVELOPMENT CO (28 UNITS)
- DALE BUCHHOLZ CONSTRUCTION (33 UNITS)

2020 RESIDENTIAL CONTRACTORS



INCENTIVES

SINGLE FAMILY

Make Moorhead Home property tax rebates: All newly constructed homes qualify for a two year property tax rebate upon completion (without an application process). In 2020, 193 homeowners received the tax incentive. The program is available through December 31, 2022.

First & New Home Program: This citywide incentive is a loan that defers \$5,000 at 0% interest towards special assessments for first-time homebuyers buying newly constructed homes. No applications for this program were processed in 2020.

Affordable mortgages and down-payment assistance: Programs available for income-eligible buyers in partnership with Minnesota Housing. 73 loans were provided in Clay County in 2020, representing over \$12.4 million in assistance.

Gate City Bank's Neighborhood Impact Program: This program is designed to keep mature neighborhoods strong and help local homeowners reinvest in their homes with low-interest loans. In 2020, Moorhead processed 13 applications.

MULTI-FAMILY

Multi-family residential development projects with four units or more may be eligible for a property tax exemption for new construction, expansion or rehabilitation of existing facilities, excluding land and existing improvements.

Housing with Health-Related Services: Additional property tax exemption years and employee credits may be available for multi-family projects that meet criteria for a health-related and supportive services facilities licensed by the state of Minnesota.

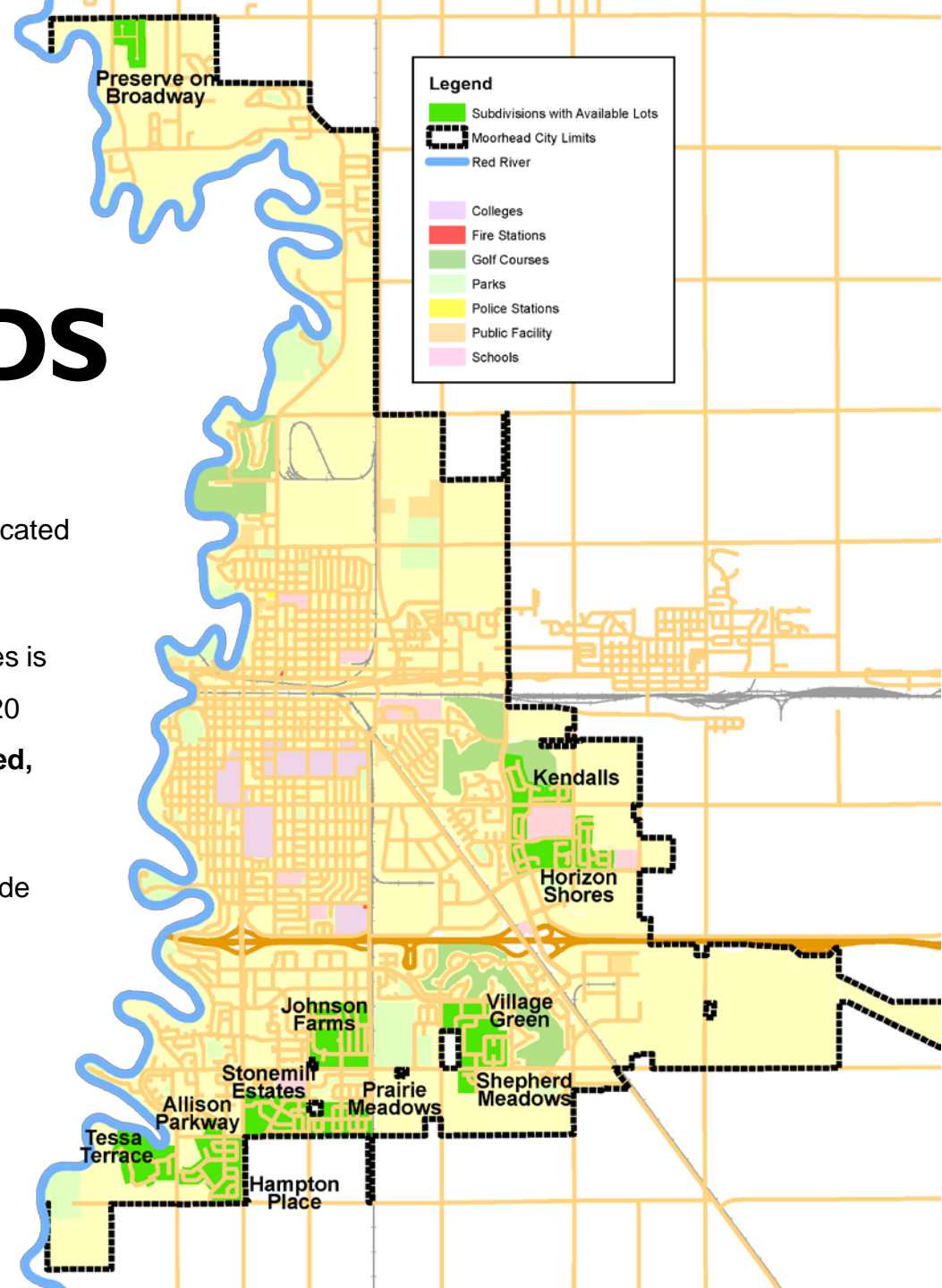
2020 multi-family projects scheduled to receive incentives include:

- Eventide Senior Living, Property Tax Exemption – 1501-1517 8th St S
- Simon Warehouse, Renaissance Zone Incentive – 1010 Center Ave

2020 NEIGHBORHOODS

AVAILABLE LOTS IN MOORHEAD

- It is anticipated that there will be approximately **218 fully-serviced buildable lots** located in various subdivisions in Moorhead entering the 2021 construction season.
- The 10-year average construction rate for single family attached and detached homes is approximately 132 building permits per year. Based on this 10-year average and 2020 inventory, Moorhead currently has an **approximate 1.6 year supply of fully-serviced, buildable lots**.
- The City is beginning a Comprehensive Planning process in 2021 which will help guide growth and development for the next decade.



DOWNTOWN NEIGHBORHOOD



500 IN 5 GOAL

In 2018, Moorhead's City Council established a goal to support development of **500 new and/or renovated housing units within the next 5 years** in downtown Moorhead. After three years, **256** new housing units have been constructed or are under construction in downtown.

RENAISSANCE ZONE

Moorhead Renaissance Zone (RZ) is intended to encourage economic development and investment opportunities within the defined Moorhead RZ boundary by offering property tax exemptions for qualified projects that meet the minimum investment threshold and goals/objectives.

Three projects were approved for RZ incentives in 2020:

- 1530 1st Ave N – Vanne' – 33 units
- 1205-1213 Main Ave – 12th & Main – 33 units
- 113 10th St S – Block 37 Flats – 28 units

STOREFRONT REHAB PROGRAM

Properties within Moorhead's Renaissance Zone are also eligible for the Storefront Rehab Program to encourage business owners to revitalize older commercial properties with a forgivable loan to improve the storefront façade. Storefront Rehab Program projects competed in 2020 include:

- 1408 1st Ave N – Junkyard Brewing & Sol Ave Kitchen
- 420 Main Ave – YHR Partners Architects

OPPORTUNITY ZONE

Moorhead's Downtown area has been designated as a qualified Opportunity Zone (created by the 2017 Tax Cuts and Jobs Act) and is ripe for investment using this robust development incentive.

DOWNTOWN PLAN

Downtown Moorhead Inc. and the City of Moorhead in cooperation with Stantec Consulting finalized the Downtown Master Plan in 2020.



Photo Credit: Nature of the North - <https://www.facebook.com/natureofthenorth.co/photos>

COMMERCIAL & INDUSTRIAL

A look at commercial and industrial development within the city of Moorhead

COMMERCIAL & INDUSTRIAL

The Commercial-Industrial Property Tax Exemption Program encourages economic development and investment opportunities for new or expanding businesses located in areas outside of the Moorhead Renaissance Zone.

Construction that increases the assessed building value by \$150,000 to \$999,999 and meets minimum job goals may qualify for a 3 year property tax exemption. Projects adding over \$1M in new building value may qualify for a 5 year property tax exemption.



INCENTIVES



Photo Credit: Swing Barrel Brewing - <https://www.facebook.com/SwingBarrelBrew/photos/a.835549103505905/1181489835578495/?type=3&theater>

2020 PROJECTS



COMMERCIAL & INDUSTRIAL

- Solutions Behavioral Healthcare Professionals
- at 1547 30th Ave S
- Muscatell Collison Center at 2951 11th St S
- Krabbenhoft Real Estate Team at 3101 8th St S
- Private hangar at Moorhead Airport
- D-S Beverages at 201 17th St N
- Custom Carwash Express at 3102 Hwy 10 E

DOWNTOWN

- Vanne' Mixed Use at 1530 1st Ave N
- 12th & Main at 1205 Main Ave
- Block 37 Flats at 113 10th St S
- RiverHaven Event Center at 700 1st Ave N
- Armory Event Center at 904 Center Ave



INSTITUTIONAL

A look at institutional development
within the city of Moorhead

2020 PROJECTS



LOCAL GOVERNMENT

- Construction continues on the Clay County correctional facility with a capacity for 208 inmates and features a behavioral health unit along with a juvenile facility for nearly 100 youth.
- Clay County renovated space at the Moorhead Center Mall to accommodate the Department of Motor Vehicle to better serve customers during the COVID-19 pandemic and into the future.
- Clay County, using CARES Act funding, will be renovating and relocating several departments to 3510 12th Ave S including: auditor, treasurer, planning and zoning, GIS (land records department), assessor, and recorder.

EDUCATION

- Moorhead Public Schools' \$110 million new high school project kicked-off in 2020.
- Moorhead Public Schools Career Academy (renovations of the former Sam's Club site)



STRATEGIC PRIORITIES

Moorhead CARES Small Business Relief Grants

The 2020 pandemic and related shutdowns impacts resulted in distribution of 207 business support grants totaling \$1,839,000 distributed to:

- 17 Non-profits totaling \$117,000
- 42 Sole Proprietors totaling \$189,000
- 96 Small Business/General totaling \$960,000
- 52 Women, Minority, Veteran Owned businesses totaling \$520,000

Clay County provided grants to Moorhead businesses and health care facilities:

- 15 Congregate Care Facilities totaling \$295,000
- 16 Businesses with 20-50 employees totaling \$160,000

Economy | Border City Disparities

2020 Legislative Outcomes

- Downtown Underpass funding of \$62 million
- Clay County Recovery and Recycling Campus funding of \$7.5 million
- Affordable housing projects including new construction for Silver Linings Apartments and renovations at Fieldcrest Apartments of approximately \$15 million
- Moorhead Readiness Center (Armory) funding of \$5.345 million
- DNR Flood Hazard Mitigation – Moorhead will receive \$2.8 million

Infrastructure | Environmental Sustainability

Minnesota GreenStep City - Moorhead has a Step 3 status in Minnesota's GreenStep Cities program that helps cities achieve their sustainability and quality-of-life goals.

Created in 2019, the Moorhead Community Resilience Task Force is a collaboration of educational, local government, private & nonprofit organizations that will work together to develop and implement a community resiliency plan to respond, withstand, and recover from adverse situations.

PLANS & STUDIES

Downtown Master Plan was finalized outlining a comprehensive vision for Moorhead's downtown development.

17th Street N Corridor Study is underway in partnership with FM Metro COG.

2021 Plans

- Moorhead Comprehensive Plan: Onward Moorhead! Kicked-off in 2020 and will continue through 2021 envisioning the community's future for the next 10 years by outlining goals and action steps to make the vision a reality.
- Downtown Underpass Visual Quality Design Manual – Now that the underpass has received bonding funds, design elements will be explored.





FORECAST FOR 2021

Comprehensive Plan The City of Moorhead will be working with the public to update its Comprehensive Plan.

Legislative Priorities of the 2021 Session:

- Preservation and protection of existing Border City Programs
- Secure Local Discretion and Flexibility of Building Code provisions
- Legislative Authority to Seek Local Sales Tax for Library/Community Center Campus (voter approval required)
- Flood mitigation projects necessary for the FM Diversion Project

COMMUNITY AMENITIES

New Dog Park in River Oaks

In 2020, a new, south side dog park in River Oaks was constructed for big and little dogs to run and play off leash! To complete the project, dog agility equipment and other amenities will be added.

River Corridor Trail Expansion

The Blue Goose Trail segment connecting Gooseberry Mound Park and Bluestem Center for the Arts/ Trollwood Performing Arts School was installed in 2020.

Moorhead was also awarded a grant in 2020 from the Greater Minnesota Regional Parks and Trails Commission (Legacy) to install the Midtown Trail segment between Woodlawn Park and Gooseberry Mound Park anticipated to be installed in 2021/22.

Community Fund

The Moorhead Community Fund provides a way for the City to accept private, community support (donations) for a variety of community, park, and art projects.

Future projects for community funding focus include:

- Inclusive Playground
- Natural Playground
- Library / Community Center Campus
- River Corridor Trail expansion



Photo Credit: Nancy Edmonds Hanson