

2018 ANNUAL DEVELOPMENT REPORT

CITYOFMOORHEAD.COM



OVERVIEW

Over \$10 million in new commercial and institutional building value was added in Moorhead in 2018, including 16 new commercial and institutional buildings. Downtown is a major focus. The City set a goal in 2018 to add 500 housing units downtown within 5 years and so far more than 160 units have been permitted within the near downtown area. Major projects include

- 913 Main Ave. – Construction of a new apartment building
- 801 Main Ave. – Construction of a new 4-story mixed use building, headquarters for Eventide with main level retail and 12 apartments on the upper floors
- 1010 Center Ave. - Renovation and adaptive reuse of Simon Warehouse to 65 apartment units
- 1701 1st Ave. N. - Final phase of The Grove Apartments, a redevelopment of a former aggregate manufacturing site that included Tax Increment Financing (TIF) and a state-funded environmental clean up of \$1.8 million.

Moorhead's downtown was designated by the US Treasury as an "Opportunity Zone" in 2018 which fosters long-term investment into redevelopment of our downtown. The City is eagerly awaiting the federal program guidelines to best market this financing tool to potential investment groups.

Multiple assisted living projects are nearing completion, including an expansion of Farmstead Care (assisted living/memory care and apartment), expansion of Arbor Park Assisting Living Center and Bee Hive Homes, a new assisting living/memory care facility.

Major remodels in 2018 include projects at Target and McDonalds along Highway 10.





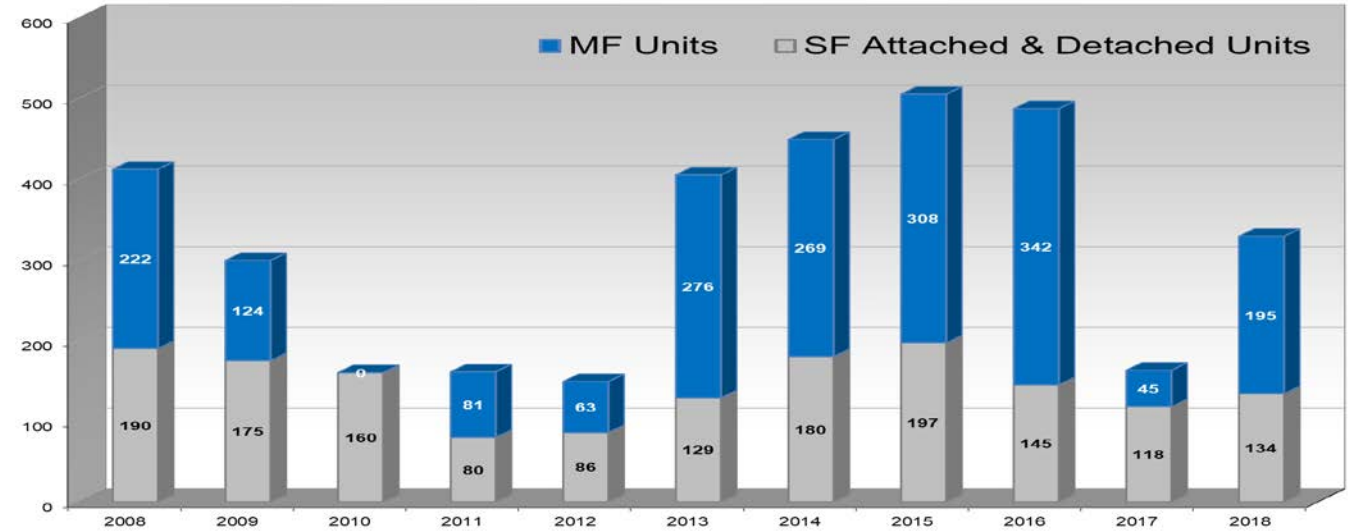
RESIDENTIAL

A look at housing development
within the City of Moorhead

PERMITS & SALES



BUILDING PERMITS



HOUSING MARKET

	2016		2017		2018	
	Closed Sales*	Median Sales Price	Closed Sales*	Median Sales Price	Closed Sales*	Median Sales Price
Fargo	1,586	\$205,000	1,555	\$207,400	1,567	\$212,535
Moorhead	694	\$186,000	650	\$184,900	657	\$195,000
West Fargo	698	\$238,175	734	\$245,000	691	\$239,625
Dilworth	69	\$180,950	72	\$187,000	61	\$192,200
TOTAL	3,047		3,011		2,976	

*Source: FMAAR – Data for 2018 gathered 2/5/2019 Closed Sales Represents Single Family, Twinhomes, Townhomes and Condos

*Full Year 2018 Data (January 1 – December 31) Note: not all closed home sales may be represented as realtors may input sales data at a later date

2018 RESIDENTIAL CONTRACTORS



SINGLE FAMILY

- ADAMS DEVELOPMENT (6)
- BMW HOMES INC (4)
- DABBERT CUSTOM HOMES (3)
- DANIEL PARROW (22)
- DENNIS CARLSON CONSTRUCTION (3)
- DMC CORP OF MOORHEAD (1)
- DOUG MJOLSNESS CONSTRUCTION (3)
- EID-CO BUILDINGS (1)
- EMPIRE CUSTOM HOMES (2)
- HERITAGE HOMES (2)
- HOHENSTEIN HOMES LLC (7)
- J V HOUGH INC (14)
- JMW CONSTRUCTION (3)
- JORDAHL CUSTOM HOMES (33)
- LUXURY BUILDERS INC (3)
- NEW CREATIONS CONSTRUCTION INC (1)
- SELF (6)
- SILVER LINE CUSTOM HOMES (7)
- SULLIVAN CONSTRUCTION INC ND (3)
- THOMSEN HOMES LLC (5)
- TODD NELSON CONSTRUCTION (1)
- WINDOWS PLUS (4)



MULTI-FAMILY

- BUCHHOLZ CONSTRUCTION (39 UNITS)
- DIAMONDROCK DEVELOPMENT (8 UNITS)
- ENCLAVE DEVELOPMENT (8 UNITS)
- GEHRTZ CONSTRUCTION (12 UNITS)
- MBA DEVELOPMENT (65 UNITS)
- MIDWEST CONSTRUCTION (33 UNITS)
- NORTHRIDGE CONSTRUCTION (28 UNITS)
- HOHENSTEIN HOMES LLC (2 UNITS)



INCENTIVES



Photo Credit: Google Streetviews

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.

First & New Program: This citywide program is also available for first-time buyers buying newly constructed homes. Program renewed through 2020. Five applications were processed in 2018.

Affordable mortgages and down payment assistance: Programs available for income-eligible buyers in partnership with Minnesota Housing. 38 loans were provided in Clay County in 2018.

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 2018, Moorhead processed 23 applications.

MULTI-FAMILY

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

Housing with Services including 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.

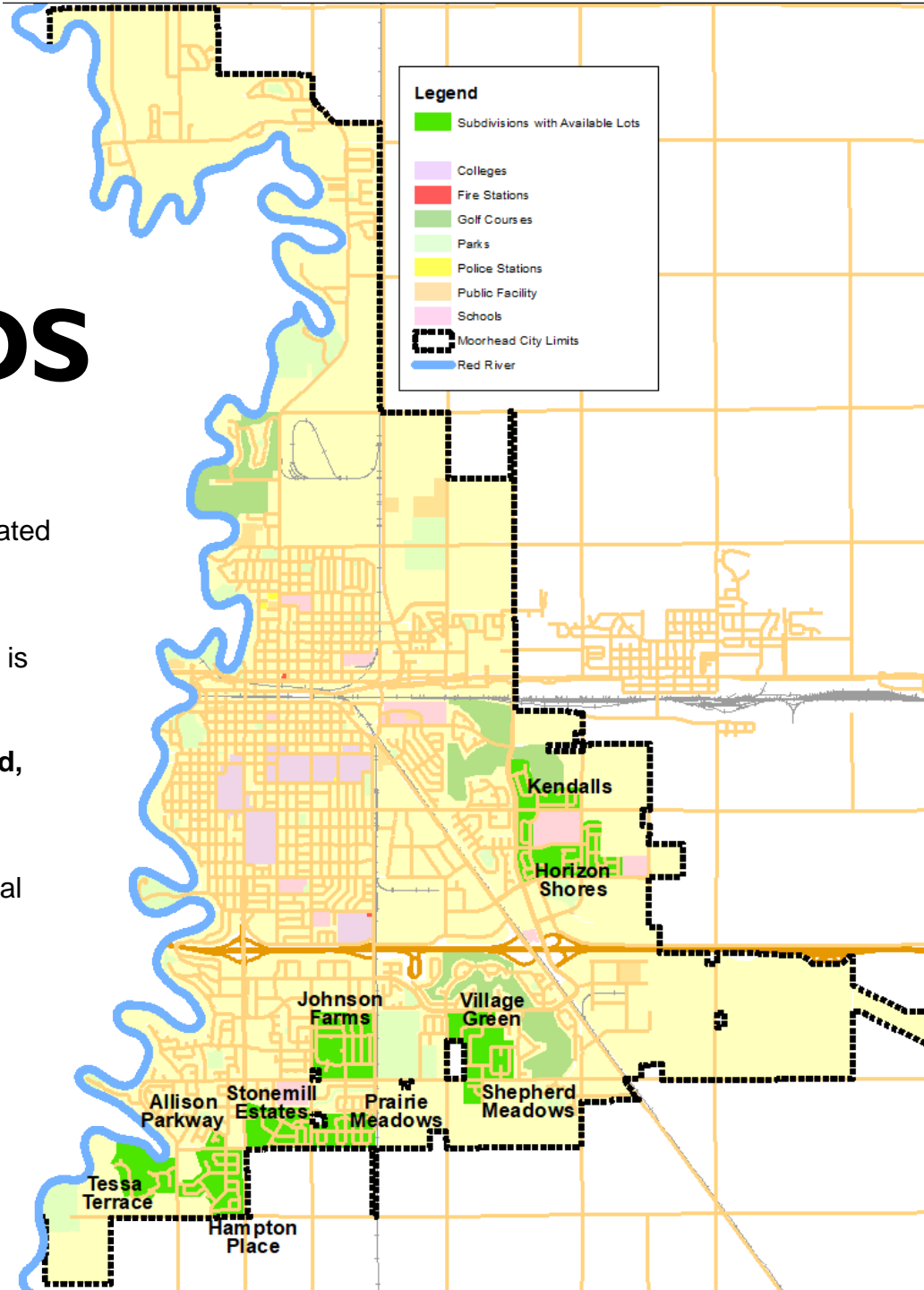
Multi-family projects completed in 2018 scheduled to receive incentives include:

- Black Diamond Townhomes at 3012 30th St S (4 units)
- Arbor Park Living Center at 520 28th St N (27 units with services)
- 9Thirteen Apartments at 913 Main Ave (45 units)
- Farmstead Care at 3200 28th St S (17 units with services)
- Farmstead Apartments at 3300 28th St S (33 units)

2018 NEIGHBORHOODS

AVAILABLE LOTS IN MOORHEAD

- It is anticipated that there will be approximately **460 fully-serviced buildable lots** located in various subdivisions in Moorhead entering the 2019 construction season.
- The 10-year average construction rate for single family attached and detached homes is approximately 140 building permits per year. Based on this 10-year average and 2019 inventory, Moorhead currently has **approximately a 3.5 year supply of fully-serviced, buildable lots**.
- Growth Area Plans were adopted by the City Council in December 2016. Environmental documents were completed in 2018 and utility planning for growth areas continues.



DOWNTOWN NEIGHBORHOOD

DMI

Downtown Moorhead Inc., a private non-profit organization, gained momentum in 2018 by embarking on a community-based effort to revitalize downtown Moorhead. DMI intends to shape Downtown Moorhead into a great place to live, work, shop, play and learn.

500 IN 5 GOAL

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. In year one, 162 new housing units were added in downtown Moorhead in 2018.

RENAISSANCE ZONE

Established in 2018, the Moorhead Renaissance Zone (MRZ) is intended to encourage economic development and investment opportunities within the defined MRZ boundary by offering five, ten, or fifteen year property tax exemptions for qualified projects that meet the minimum investment threshold and goals/objectives.

DOWNTOWN PLAN

Downtown Moorhead Inc. launched a Request for Qualifications for interested consulting firms to conduct a study of downtown Moorhead in 2019.



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 meet 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

PROJECTS STARTING INCENTIVES IN 2019



DOWNTOWN

- **Junkyard Brewing Expansion** at 1424 1st Ave N developed by David & Kathy Hunstad
- **Block E** at 801 Main Avenue developed by EPIC and constructed by Gehrtz Construction
- **Moorhead Insurance Office Building** at 1512 Main Ave developed by T&S Investments LLC
- **Dollar Clinic** at 1002 1st Ave N developed by TTL Holdings LLC



COMMERCIAL & INDUSTRIAL

- **Kvamme Real Estate Office Building** at 3401 8th St S developed by Dann Bjornstad
- **Franke Tax Office Building** at 1605 30th Ave S developed by DBP Holdings LLC
- **Muscattell Pre-Owned** at 2951 11th St S developed by KWJ Properties LLC
- **Rigels Warehouse** at 3340 42nd St S developed by RCM LLP
- **Commercial Condos** at 1615 Main Ave SE developed by MLJD Properties LLC



CULLEN HOCKEY CENTER

INSTITUTIONAL

A look at institutional development
within the City of Moorhead

2018 PROJECTS



EDUCATION

- Moorhead Public Schools completed the Performing Arts Center in 2018 on the Horizon Middle School campus.
- Dorothy Dodds Elementary and Horizon West grades 5-6 middle school additions occurred in 2017-18
- Park Christian School broke ground on their new elementary wing addition that includes STEM classrooms in 2018



LOCAL GOVERNMENT

- Cullen Hockey Center renovation & expansion
- Moorhead Public Schools Transportation Center
- Clay County (in partnership with the City of Moorhead) opened the joint Law Enforcement Center
- Construction is underway on the Clay County correctional facility with a capacity for 208 inmates and features a behavior health unit



STRATEGIC PRIORITIES

Shovel Ready – 197 acres in the MCCARA Industrial Park received the State of Minnesota’s “Shovel Ready” certification. Shovel-ready sites provide a competitive edge in attracting business startups, expansions, or relocations because the most time-consuming technical and regulatory aspects of development are already complete. The MCCARA Industrial Park is located south of I-94 at the 34th Street Exit, making it a premiere location within the FM Metro.

2018 Legislative Outcomes

- 20/21st Street Grade Separation project received an additional \$6 million in bond appropriations. Council awarded bids and the \$72.9 million dollar project is under construction.
- North Moorhead Flood Mitigation Project received a \$4 million dollar portion of the \$20 million available statewide for flood mitigation projects. Although not a legislative action, the DNR approved a permit for the FM Diversion which is consistent with Moorhead’s flood protection plan.

Minnesota GreenStep City - Moorhead recently attained the GreenStep 2 designation for all of its sustainability efforts.



PLANS & STUDIES

Center Avenue will undergo a mill and overlay, as well as streetscape improvements in 2019 which follows an extensive study of traffic and development potential. The road project will include a conversion to a 3-lane configuration with a drive lane in each direction and a continuous turn lane from the river to 8th Street and on-street parking added where feasible.

12th Avenue South from the river to Main Avenue SE is being studied to evaluate current and future needs that may be integrated into a proposed 2020 improvement project.

Highways 10 & 75 are being studied between the river and 34th Street (Highway 10) and between Main Avenue and 20th Avenue South (Highway 75) to evaluate traffic demands, multi-modal options and a possible 11th Street underpass.

ADA Transition Plan identifies and prioritizes various City facilities that are out of compliance with the Public Right of Way Accessibility Guidelines and outlines a plan to remedy issues.

Downtown Master Plan is anticipated in 2019.

FORECAST FOR 2019

Identity was identified as a strategic initiative. The City is working to develop a community brand strategy that encompasses Moorhead's identity.

Downtown Master Plan The City of Moorhead is partnering with Downtown Moorhead Inc. to create a Downtown Master Plan.

Legislative Priorities of the 2019 Session:

- Support Clay County Transfer Station and Resource Recovery Project
- Support DNR request for flood mitigation funding
- Support MNDOT funding for 11th Street Grade Separation/Rail Underpass
- Preserve and protect Border City Enterprise Zone Program and Disparity Reduction Credit Program
- Monitor opportunities to enhance Border City Program
- Clarify Border City development language to allow greater flexibility
- Continue efforts to secure local discretion and flexibility for border cities and building code regulations

Business Retention & Expansion Program In effort to support existing Moorhead businesses, Moorhead Economic Development Authority is exploring partnerships to create a plan for Moorhead.

Facility Studies/Needs Assessments

- Library
- Community Center
- 3rd Fire Station Location
- City Hall



FUTURE COMMUNITY AMENITIES

In 2018, the Moorhead Community Fund was established to allow the community the opportunity to accept private support for a variety of community, park, and art projects which include:

- Community & Aquatics Center
- South Moorhead Dog Park
- Inclusive Playground
- City Center Plaza
- Bluestem Bike and Pedestrian Bridge
- Park Amenities
 1. Matson Field Improvements
 2. Southside Regional Park - Field Lighting
 3. Neighborhood Recreation Centers



Photo Credit: Madison's Place Playground – Woodbury, MN