



2019 ANNUAL DEVELOPMENT REPORT

CITYOFMOORHEAD.COM



WHERE THE **Strongly**
Belong MOORHEAD
MINNESOTA

2019 in Review

A new Strategic Plan kicked off in 2019 and this roadmap includes the following strategic initiatives: Identity, Governance & Teamwork, Infrastructure, Economy, Community Safety & Wellbeing, Communication and Partnerships. The Identity Initiative kicked-off with a community - building video and new brand narrative:

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 nearly \$11.7 million in new commercial and institutional building value in 2019, including 20 new commercial and institutional buildings. Downtown continues to be a major focus. A Downtown Master Planning process is underway and the City entered into an agreement with Roers Development to explore redevelopment of City-owned property in Downtown.



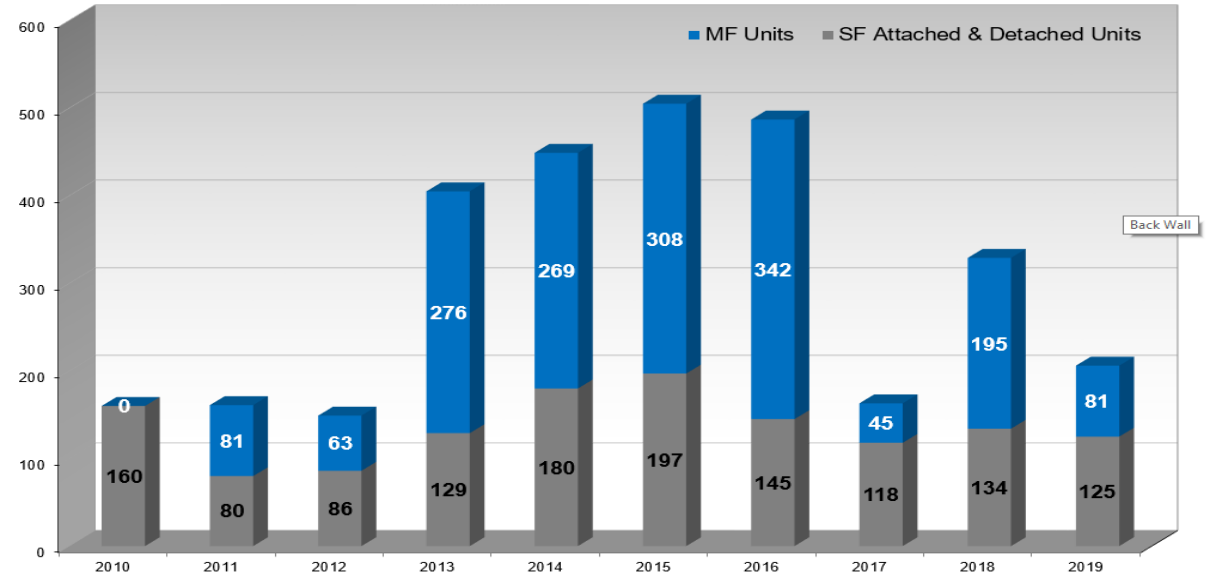
RESIDENTIAL

A look at housing development within the city of Moorhead

PERMITS & SALES



BUILDING PERMITS



HOUSING MARKET

	2017		2018		2019	
	Closed Sales*	Median Sales Price	Closed Sales*	Median Sales Price	Closed Sales*	Median Sales Price
Fargo	1,555	\$207,400	1,567	\$212,535	1,529	\$224,633
Moorhead	650	\$184,900	657	\$195,000	643	\$202,585
West Fargo	734	\$245,000	691	\$239,625	735	\$246,000
Dilworth	72	\$187,000	61	\$192,200	63	\$185,500
TOTAL	3,011		2,976		2,970	

*Source: FM Area Association of Realtors – Data for 2019 gathered 1/15/2020 Closed Sales Represents Single Family, Twinhomes, Townhomes and Condos

*Full Year 2019 Data (January 1 – December 31) Note: not all closed home sales may be represented as realtors may input sales data at a later date



2019 RESIDENTIAL CONTRACTORS



SINGLE FAMILY

- ADAMS DEVELOPMENT (20)
- CLASSIC CONSTRUCTION (1)
- DABBERT CUSTOM HOMES (4)
- DIAMOND ROCK DEVELOPMENT (1)
- DREAM HOMES (1)
- EID-CO BUILDINGS (2)
- EMPIRE CUSTOM HOMES (6)
- HERITAGE HOMES (1)
- HOHENSTEIN HOMES (9)
- ISR HOMES (17)
- J V HOUGH (14)
- JMW CONSTRUCTION (5)
- JORDAHL CUSTOM HOMES (13)
- NEW CREATIONS CONSTRUCTION (1)
- SB CONSTRUCTION (1)
- SELF (1)
- SILVER LINE CUSTOM HOMES (10)
- SULLIVAN CONSTRUCTION (5)
- THOMSEN HOMES (9)
- TRADESMEN PROPERTIES OF FM (2)
- WINDOWS PLUS (2)



MULTI-FAMILY

- GEHRTZ CONSTRUCTION (73 UNITS)
- DIAMONDROCK DEVELOPMENT (8 UNITS)



INCENTIVES



Photo Credit: Lowry Engineering Facebook post

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 2019, 209 homeowners received the tax incentive. The program is available through December 31, 2020 unless extended.

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. This program has been renewed through 2020 and four applications were processed in 2019.

Affordable mortgages and down payment assistance: Programs available for income-eligible buyers in partnership with Minnesota Housing. 60 loans were provided in Clay County in 2019 representing over \$9.4 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 2019, Moorhead processed 15 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.

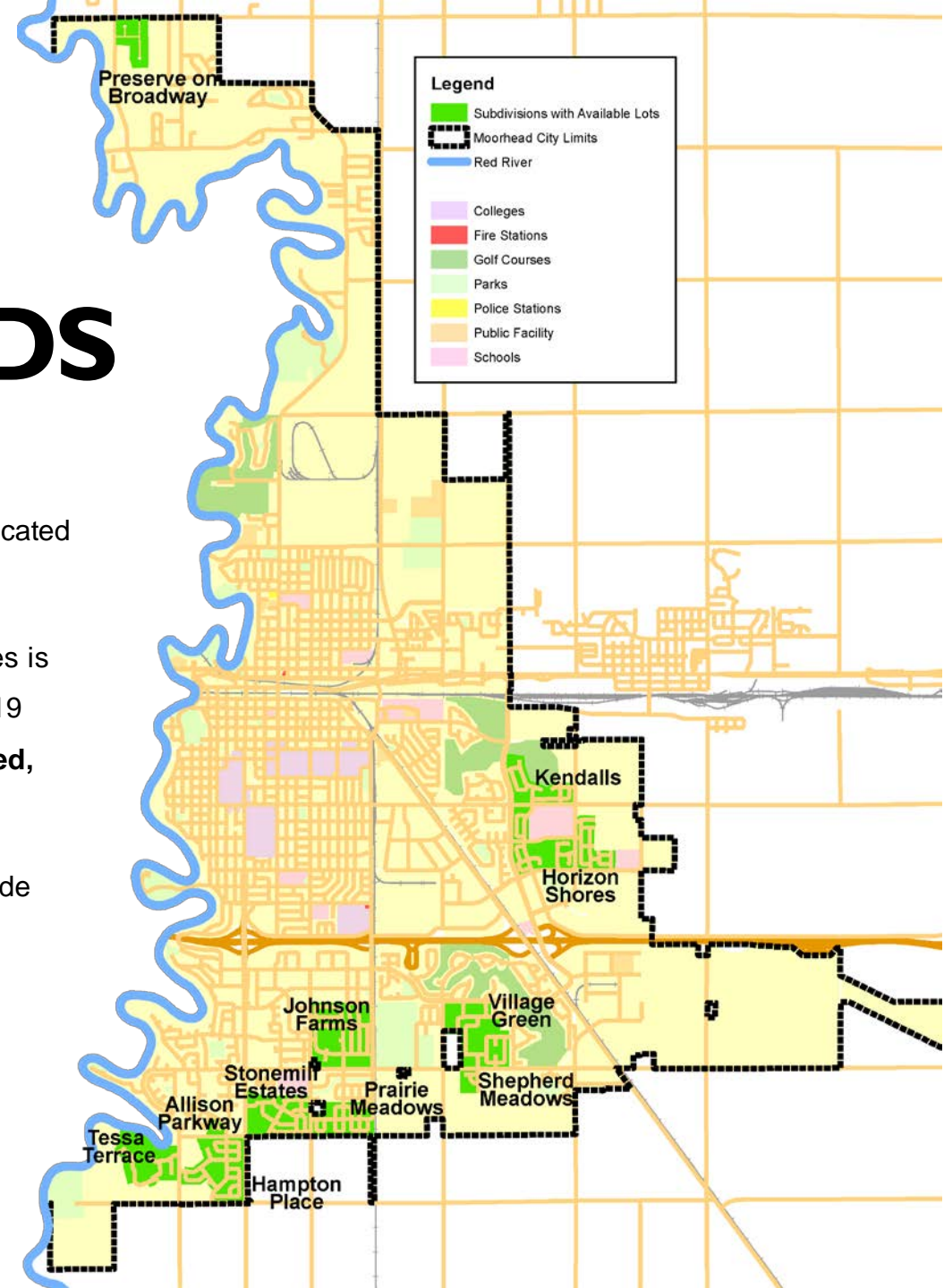
2019 multi-family projects scheduled to receive incentives include:

- South Shore Landing, Property Tax Exemption – 2725 40th Ave S
- Eventide Senior Living, Property Tax Exemption – 1501-1517 8th St S
- Diamond Rock Townhomes, Property Tax Exemption – 3012 30th Ave S
- The Grove Apartments, Tax Increment Financing – 1701 1st Ave N
- BeeHive Homes, Housing with Services – 1001 Caddy Ave
- Farmstead Care, Housing with Services – 3300 28th St S

2019 NEIGHBORHOODS

AVAILABLE LOTS IN MOORHEAD

- It is anticipated that there will be approximately **340 fully-serviced buildable lots** located in various subdivisions in Moorhead entering the 2020 construction season.
- The 10-year average construction rate for single family attached and detached homes is approximately 135 building permits per year. Based on this 10-year average and 2019 inventory, Moorhead currently has an **approximate 2.5 year supply of fully-serviced, buildable lots**.
- The City is beginning a Comprehensive Planning process in 2020 which will help guide growth and development for the next decade.



DOWNTOWN NEIGHBORHOOD



Photo Credit: <http://www.citypages.com/music/har-mar-opens-superbar/505374941>

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 two years, 162 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.

Two projects were approved for RZ incentives in 2019:

- 1 – 4th St S (Bolig Square)
- 1234 1st Ave N (Matt's Automotive)

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. launched a Downtown Master Plan process in 2019 with Stantec Consulting. The final Plan is anticipated for summer 2020.



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.

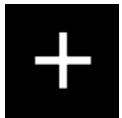
Construction that increases the assessed building value by \$150,000 to \$999,999 and meets minimum job goals may qualify for a 3 year property tax exemption. Projects adding over \$1M in new building value may qualify for a 5 year property tax exemption.



INCENTIVES



2019 PROJECTS



COMMERCIAL & INDUSTRIAL

- The Village Family Service Center at 815 37th Ave S
- Gaviion Fertilizer at 2012 28th Ave S
- Luxsun 12th Avenue Shop Condos at 2511 12th Ave S
- Thrive Behavioral Network at 1704 Belsy Blvd
- Dickelman Insurance at 1615 Main Ave SE
- Four Seasons Car Wash at 3410 28th Ave S
- AutoZone at 3000 Hwy 10 E
- KLC Holding - Shop Condos at 2721 20th Ave S



DOWNTOWN

- Sol Ave Kitchen at 1424 1st Ave N
- 814 Retail Center at 814 Center Ave
- The Grove Apartments at 1701 1st Ave N
- Block E at 801 Main Avenue
- K&M Business Condos at 1301 1st Ave N
- Simon Warehouse Apartments at 1010 Center Ave
- River Haven Event Center at 701 1st Ave N



INSTITUTIONAL

A look at institutional development within the city of Moorhead



2019 PROJECTS



EDUCATION

- Park Christian School renovations and Commons Addition
- Moorhead Public Schools Operations Center moving district offices, food services and facility services
- Moorhead Public Schools' \$110 million referendum for a new high school and career academy was approved by voters in 2019.



LOCAL GOVERNMENT

- Cullen Hockey Center opened with a new 3rd sheet of ice (public/private funding)
- 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.



STRATEGIC PRIORITIES

Infrastructure | Environmental Sustainability

Minnesota Brownfields ReScape Award Finalist – In 2019, Moorhead's The Grove Apartments project was designated as a finalist for the Minnesota ReScape Awards in environmental impact for exemplary results in revitalizing formally contaminated land.

Mark Buchholz, Buchholz Construction, was the developer for the three-phase, 135 unit apartment complex.

Economy | Border City Disparities

2019 Legislative Outcomes

Moorhead's Border City Enterprise Zone Program granted sustainable appropriation by MN Legislature.

- This legislative initiative translates to \$525,000 in annual state support for Moorhead's new and current businesses.

Infrastructure | Environmental Sustainability

Minnesota GreenStep City - Moorhead has reached Step 3 recognition with 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

12th Avenue South from the River to Main Avenue SE was analyzed to evaluate current and future needs that may be integrated into a proposed 2020 improvement project.

Highways 10 & 75 corridors 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 an 11th Street rail grade separation.

2020 Plans

- **Downtown Master Plan** is scheduled to be complete summer 2020.
- **Cost of Living and Economic Climate Assessment** a thorough review in the differences is housing, income, taxes, utilities, cost of living, special assessments and quality of life comparisons between the metro cities in our region.
- **Comprehensive Plan** update process will kick-off.
- **17th Street N** corridor study will begin in partnership with FM Metro COG.

FORECAST FOR 2020

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

Construction of a new **Southside Water Tower** (including art) and a community process to develop art on the **I-94 Water Tower** to be installed in 2021.

Legislative Priorities of the 2020 Session:

- Economic Development Tools
- Building Code provisions
- Capital Bonding
 - Clay County Waste Management Campus / Transfer Station
 - Downtown Moorhead 11th Street Grade Separation/Rail Underpass
 - Flood Hazard Reduction Grant Program
 - Community and Aquatics Center
- Legislative Authority to Seek Sales Tax (voter approval would be required.)

An agreement was signed with Roers Development to explore redevelopment of City-owned property in Downtown.



FUTURE COMMUNITY AMENITIES

The Moorhead Community Fund, established in 2018, allows the community the opportunity to accept private support for a variety of community, park, and art projects. In 2019, the City Council developed a prioritized list of projects including:

- South Moorhead Dog Park
- Inclusive Playground
- Community & Aquatics Center
- River Corridor Trail
- Natural Playground



Photo Credit: Dakota Playground and Landscape Structures concept for Moorhead