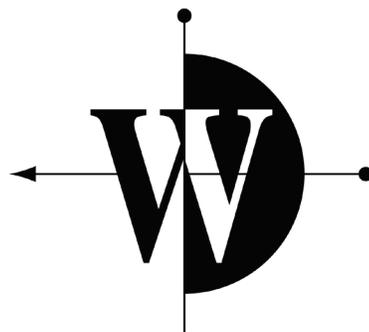




THE CITY OF WEST DES MOINES

DEVELOPMENT RETROSPECTIVE

FISCAL YEAR 2017-2018



The Development Retrospective is a collection of data about the City of West Des Moines.
All data is based on **Fiscal Year July 1, 2017 to June 30, 2018** unless otherwise noted*.

The Fiscal Year 2017-2018 Development Retrospective was created by:

City of West Des Moines

Community & Economic Development Department

4200 Mills Civic Parkway, Suite 1A

West Des Moines, Iowa 50265

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www.GoWestDesMoines.com

*FY - fiscal year

*CY - calendar year

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Summary



Tom Hadden, City Manager
City of West Des Moines

West Des Moines takes great pride in our community, and this **Development Retrospective** provides an overview of the progress and economic activity occurring in our City. A recap of Fiscal Year 2017-2018 shows that West Des Moines experienced growth in population, property valuation, and taxable sales, as well as an overall decrease in unemployment.

In 2016, the City worked with futurist Rebecca Ryan to identify trends and strategies to make West Des Moines future-ready -**WDM 2036**. Priorities included the creation of our Leadership Advisory Board and Quality of Life Council, a continued emphasis on financial stability, new recreational amenities, sustainability efforts, advancements in technology, and workforce attraction initiatives. Every one of these priorities

has supportive action items included in our strategic plan, and I am pleased to report that we're making significant progress with our efforts.

As one of approximately 100 cities with the top bond rating (AAA) from Standard and Poor's and Moody's, West Des Moines has a strong track record as a development-ready community. New construction projects continue to accelerate, creating a consistent increase in valuation.

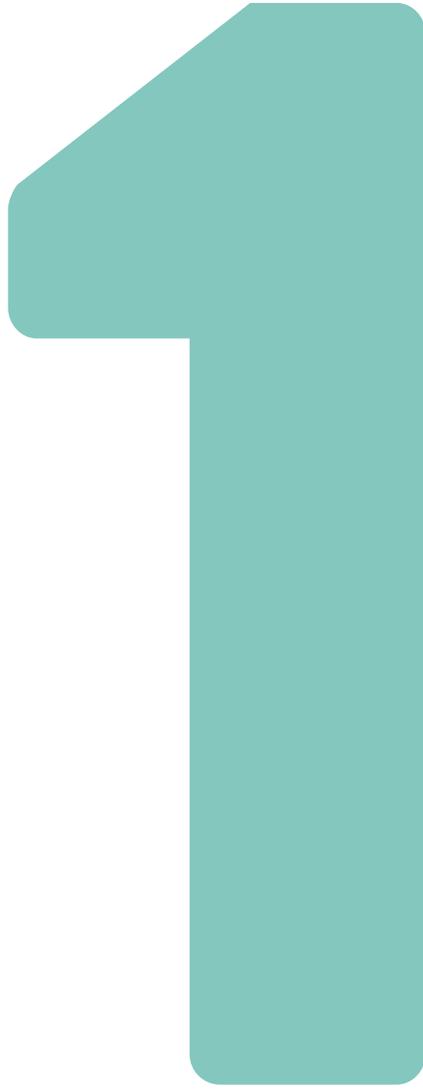
As the home of three Microsoft data centers, the City has leveraged their \$3.5 billion investment by building the infrastructure that will prepare the city for further development and economic growth.

Our 2018 Citizen Survey shows that a remarkable 94 percent of residents are satisfied with the quality of life in West Des Moines and 90 percent are satisfied with the quality of services provided by the City. I am confident that's why *MONEY* Magazine recently ranked West Des Moines as the Best Place to Live in Iowa and the 37th Best Place to Live in America.

I want to thank our residents, volunteers, business leaders, elected officials, and City employees for their hard work and commitment to West Des Moines. It is a privilege to share this city's success with you.

Recognitions
Major Projects
Citizens of the Year

YEAR IN REVIEW



#1

2018 Best Places for
Millennials in Des Moines
Area (Niche.com)

#1

2018 Most Diverse Suburb
In Iowa (Niche.com)

#2

2018 Best Suburb to Live
in Iowa (Niche.com)

#5

2018 Best Places to Live
in Iowa (Niche.com)

#6

2018 Best Places to Buy
a House in Des Moines
Area (Niche.com)

#7

Des Moines Metro is #7 for
corporate facility investment
projects in WN Central
Region (*Site Selection's*
Conway Projects Database)

#8

In Iowa's safest cities
ranking (Safehome.com)

#10

2018 Best Places to Raise
a Family in Iowa
(Niche.com)

#11

Des Moines Metro is 11 among
383 metropolitan Statistical
Areas by Economic Strength in
2018 (POLICOM Corp.)

OTHER RECOGNITIONS:

- *MONEY* Magazine recognized West Des Moines as a **2018 Best Place to Live in Iowa**
- 2017 Gallup polls rank Des Moines/West Des Moines metro area in the **Top 60 Communities for Well-Being**
- Valley High School received a **Silver Award** from *U.S. News & World Report* for ranking nationally as a **Top Performing High School** in 2018

PROJECTS IN WEST DES MOINES DURING THE 2017-2018 FISCAL YEAR:

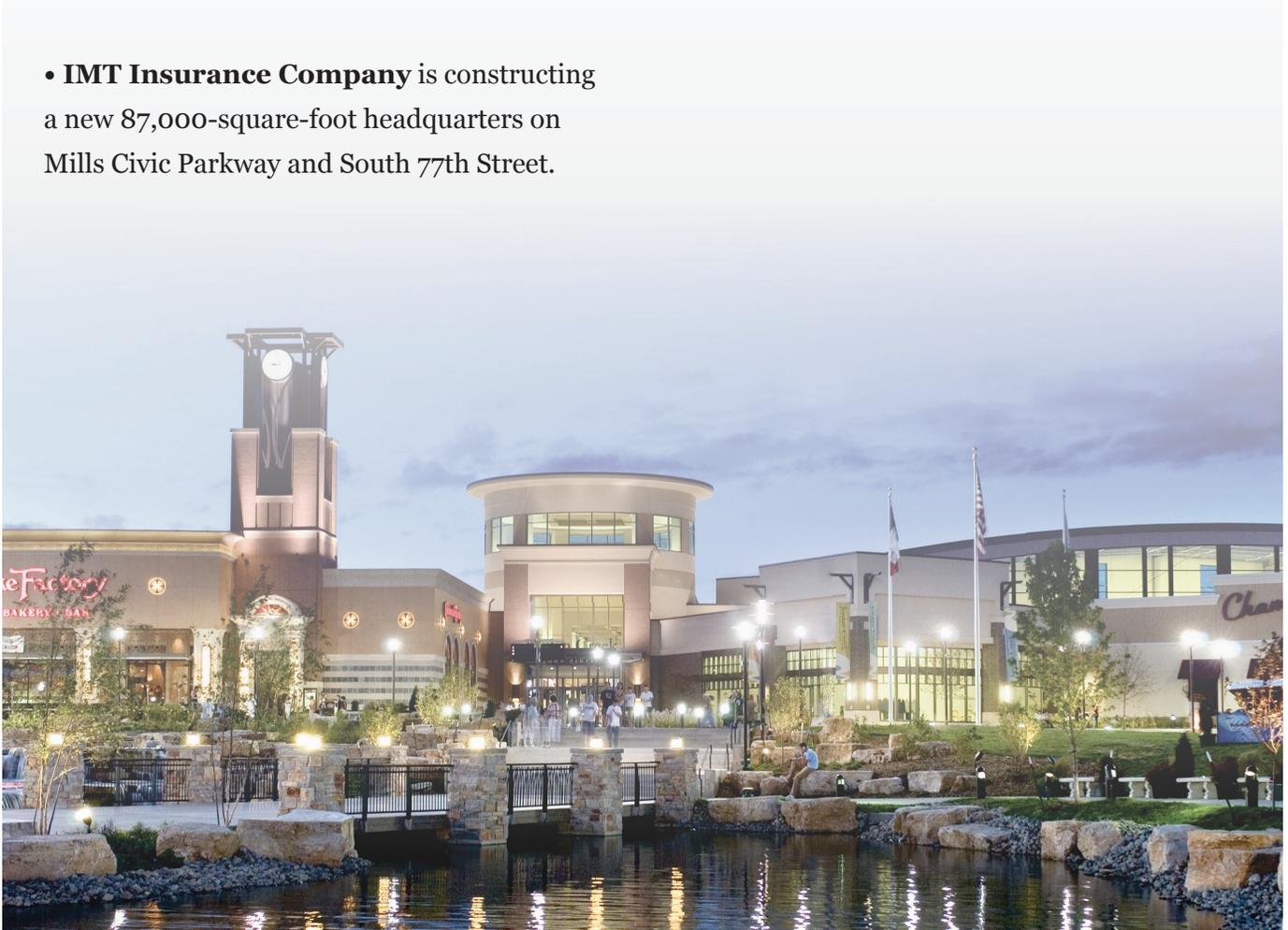
- **The Foundry**, once a railroad car repair barn, has been repurposed to feature a distillery, beer hall, and commissary kitchen for local food truck operators at S. 11th Street and Railroad Avenue. The building is approximately 26,000 square feet and represents nearly \$5 million in capital investment.

- **Microsoft** is planning to construct phase four of its Mountain data center project, which will be approximately 169,000 square feet. It is located at Grand Avenue and S. 88th Street.

- **IMT Insurance Company** is constructing a new 87,000-square-foot headquarters on Mills Civic Parkway and South 77th Street.

- Westfield Office Building, a 180,000-square-foot office building located at Jordan Creek Parkway and Ashworth Road, will be home to **R&R Realty Group** headquarters.

- The City of West Des Moines introduced two redevelopment funding programs for **Historic Valley Junction**. Ten redevelopment projects have been awarded funding under the programs. The cumulative capital investment of all projects represents more than \$1.7 million.



Valley High School Principal **Tim Miller** and senior student **JJ Kapur** have earned *Citizen of the Year* awards from the West Des Moines Chamber of Commerce and the City of West Des Moines. Miller has earned the 2018 *Citizen of the Year Award*, and Kapur has been named the *Emerging Citizen of the Year*.



Miller has been principal of Valley High School since 2014. As Valley principal, he has led the school through its equity audit and work with the Deep Equity program and continues to work diligently to provide growth and enrichment opportunities for students and staff. He continually strives to enhance the feeling of community among all Valley High School stakeholders.

Before serving as Valley principal, Miller was the associate principal at Brody Middle School in Des Moines for one year, then principal of Stilwell Junior High School in West Des Moines for 15 years. At Stilwell, he established three cornerstones that staff and students still follow today: *Do the right thing. Do your best. Treat others the way you want to be treated.*



Kapur founded the Iowa Sikh Turbanators, a youth-led community service group focused on terminating AKA “turbanating” the negative stigma surrounding Sikhism. His work advocating for Sikh civil liberties has earned him the Herbert Hoover Uncommon Student Award and ACLU Youth Advocacy Award.

In 2017, Kapur was named the Original Oratory National Champion at the National Speech and Debate Tournament which is the most prestigious high school speech and debate competition in the nation. His victory capped off a string of high profile awards including first-place finishes at Tournament of Champions, Emory University, and Harvard University tournaments.

BUSINESS

COMMUNITY

Business Recognitions
Executive Call Program



West Des Moines is proud of its business community which maintains a strong presence in the Metro as demonstrated by the many recognitions they have received from local, regional, and national organizations.

HIGHLIGHTS FROM THE 2017-2018 FISCAL YEAR:



Aureon was recognized as a 2018 Prometheus Awards Finalist for IT Service Provider of the Year and The Workiva Large Technology Company of the Year.



CBRE/Hubbell Commercial received the American Planning Association's National Planning Excellence Award for a Planning Advocate for their work to improve Central Iowa waterways.



The Solheim Cup was nominated for the Top Sports Event of the Year in 2017 at the 11th annual Sports Business Awards which recognizes excellence in the industry.



R&R Realty Group, R&R Real Estate Advisors, and Management Professionals Inc. received the recognition as the "Best of the Best" by Midwest Real Estate News in three categories.



The Iowa Clinic received the Drexel LeBow 2017 Analytics 50 Award for their innovative data-driven approach to increasing adult vaccinations rates.



UnityPoint Health received the Most Wired – Advanced Designation by Hospitals & Health Network.



Aterra Real Estate, Businessolver, Inc., and KCL Engineering, are mentioned in Inc. Magazine's list of the 5,000 Fastest-Growing Companies in the country.

KCL Engineering was recognized by Inc. Magazine as one of the Best Workplaces for 2018.

*THE **EXECUTIVE CALL PROGRAM** HAS TAKEN PLACE IN WEST DES MOINES FOR MORE THAN 20 YEARS. IN 2017, 68 LOCAL BUSINESSES PARTICIPATED IN THE PROGRAM.*

The program allows staff to identify strengths of running a business in West Des Moines as well as defining weaknesses for further work on improving business and economic climate in West Des Moines.

The Business Climate Report reflects results of the Executive Call Program. The report provides a summary of the Executive Call Program's company profiles, their use of technology and innovation, competitiveness, workforce characteristics and businesses' satisfaction with utility and community services.

The Report can be found on the City of West Des Moines website (WDM.Iowa.Gov) or a copy can be obtained through the office of Community and Economic Development located in City Hall.

The City of West Des Moines would like to express gratitude to the business leaders who participated and dedicated their time and resources to take part in the Program. If your business would like to participate in the Executive Call Program in the future, please contact a Business Development Coordinator with the **City of West Des Moines Community & Economic Development Department** Phone: (515) 273-0770



PARTICIPANTS:

Alzheimer's Association
American Management Resources, Ltd.
Assessment Services, Inc.
Asset Pros
Athene USA
Aureon
Auto-Owners Insurance Company
Ballet Des Moines
Barker Lemar Companies
Beacon Hill Staffing Group
BKD, LLP
Career Resources Group
Check-All Valve Manufacturing Co.
Commercial Appraisers of Iowa, Inc.
Cook Plumbing Corporation
Corell Contractor, Inc.
Des Moines Embassy Club West
Educational Resource Associates, Inc.
EmbarkIT, Inc.
Farmers National Company
FBL Financial Group, Inc.
Financial Care Professionals L.C.
Financial Partners Group
Financial Plus Credit Union, Inc.
Fiserv, Inc.
Foster Group, Inc.
Fox Brewing
Full Circle Child Development
GuideOne Insurance
Hanser & Associates
Helena Chemical Company
Hirsh Industries LLC
Illuminated Marketing & Development
Innovative Injection Technologies, Inc.
Insight Wealth Group
Iowa Student Loan
Iowa Wealth Management
J.B. Hunt Transport, Inc.
Kingston Life and Health
Meals from the Heartland
Microsoft Corporation
Midwest Project Partners (now Aureon Consulting)
Newbury Management Company
Northwestern Mutual
OutcomesMTM
Performance Marketing
QCI
Ramco Innovations, Inc.
Sammons Financial Group
Screenscape Studios
Shive-Hattery
Solar Transport
Speck USA
State Public Policy Group
Strategic America
Telligen
Ten Square International, Inc.
The Concept Works
The IMT Group
The Travelers Companies, Inc.
The Vroman Group, LLP
TrueNorth Companies LLC
U.S. Commodities, Inc.
UTC Aerospace Systems
Vivid Impressions/Pay-LESS Office Products, Inc.
Wells Fargo Card Services
Windsor Windows & Doors
Zirous, Inc.

COMMUNITY PROFILE

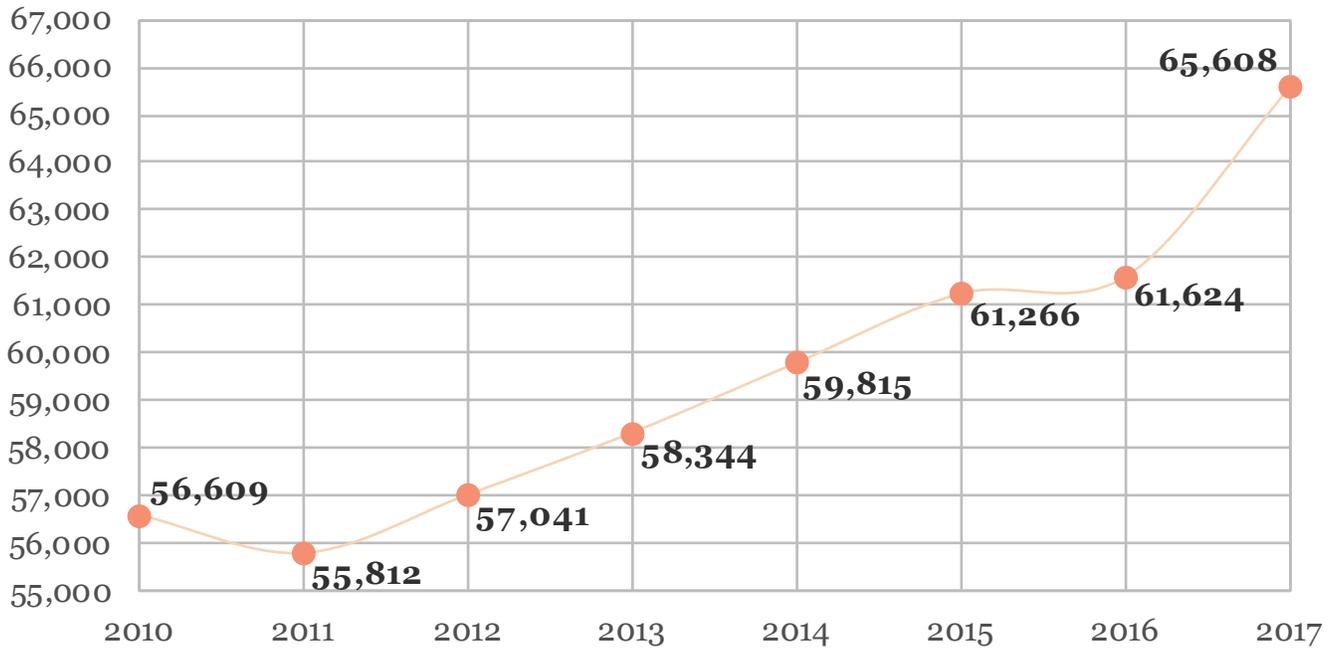
Population
Employment
Workforce
Education
Housing

3

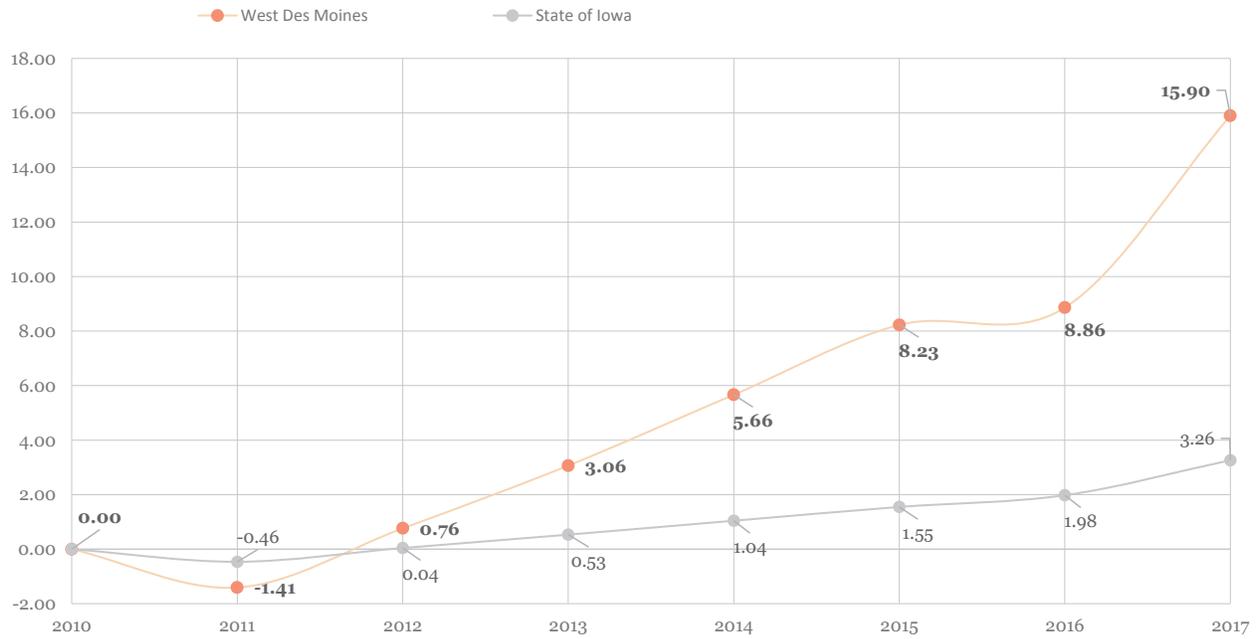
According to annual estimates provided by U.S. Census Bureau, the total population in West Des Moines was 65,608 as of July 1, 2017. As indicated in the graph below, the population demonstrates

a pattern of growth, generating higher population increases compared to the rest of the state of Iowa. This fact makes West Des Moines **one of the fastest growing cities** in the State.

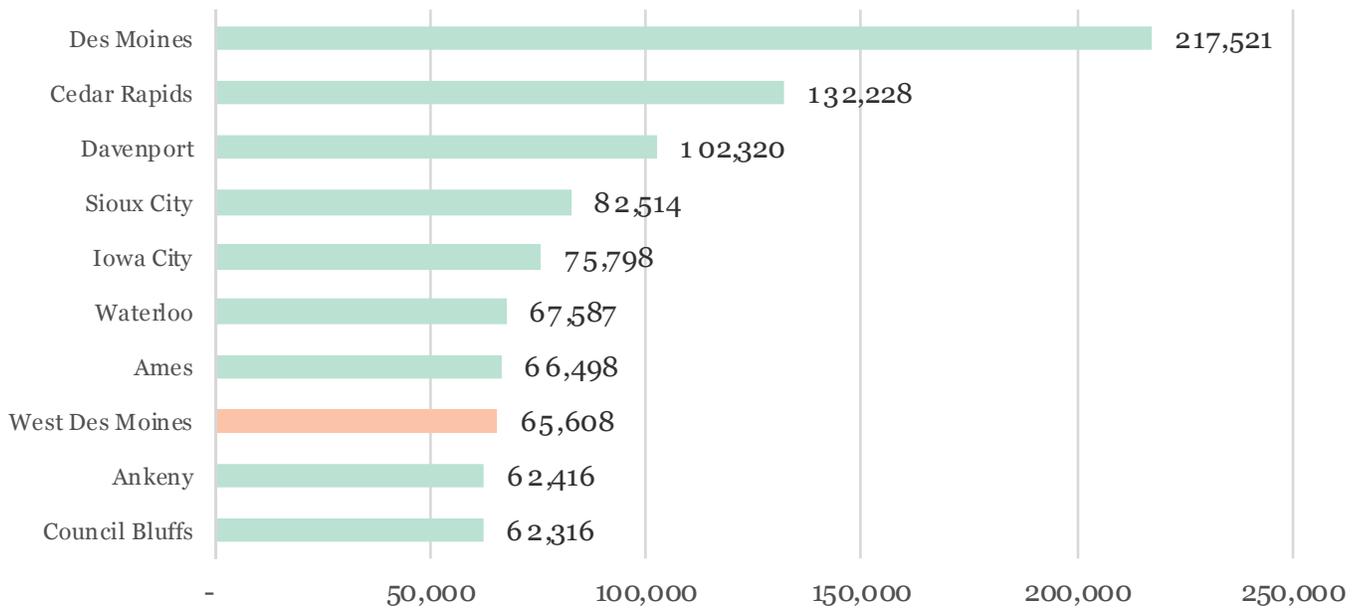
TOTAL POPULATION



POPULATION GROWTH AS PERCENTAGE OF TOTAL POPULATION IN 2010



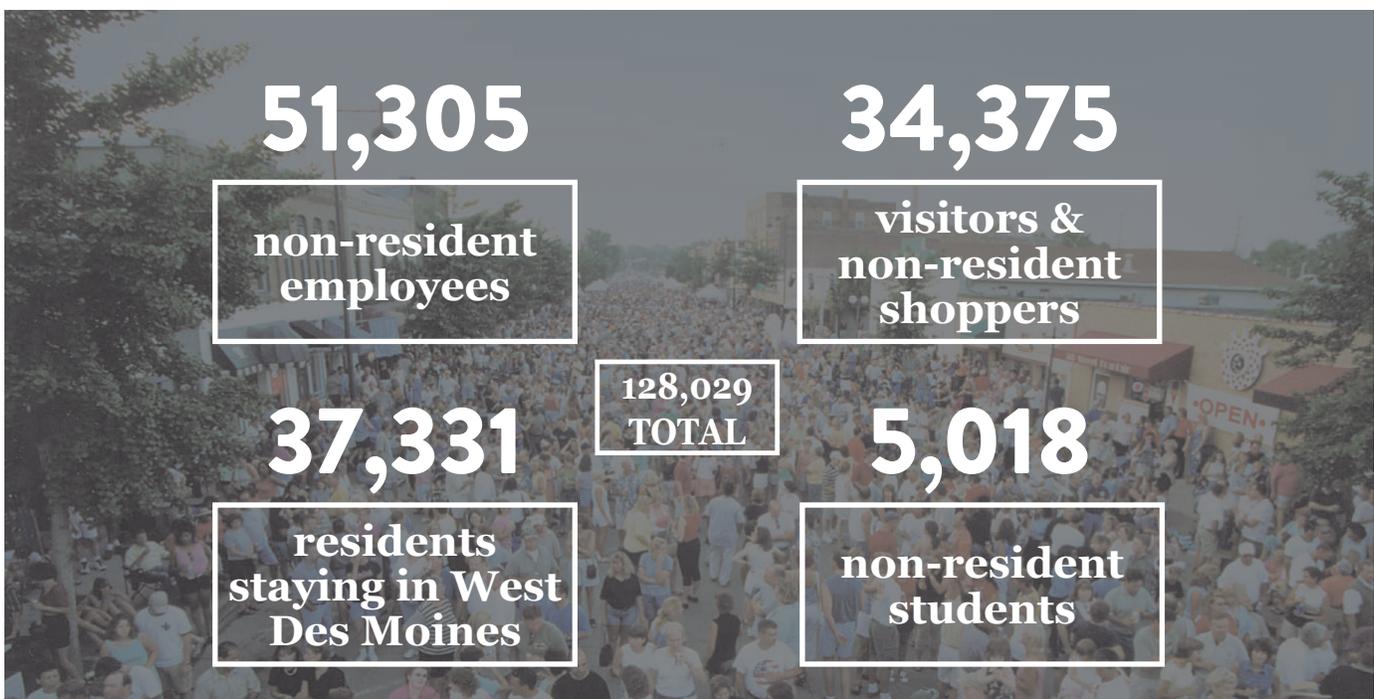
IOWA'S TOP 10 CITIES BY POPULATION



Source: U.S. Census Bureau. Decennial Census 2010, American Community Survey 5-year Estimates (2011-2016), Annual Estimates of the Resident Population July 1, 2017

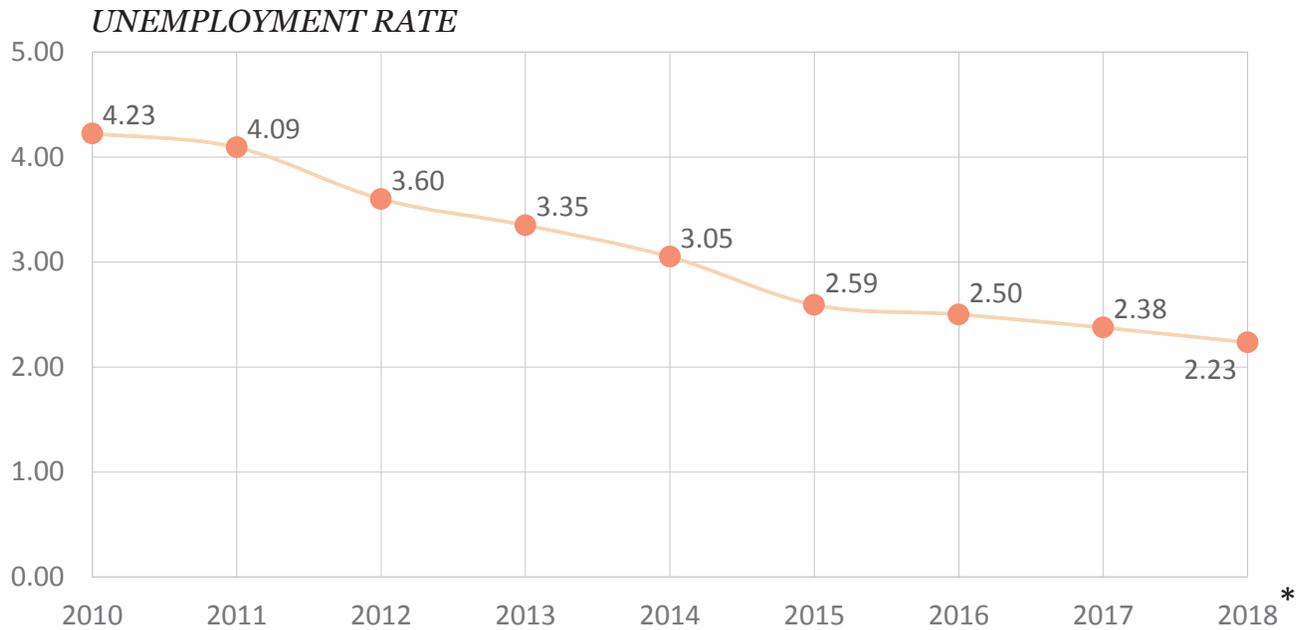
<i>Employer</i>	<i>Number of Jobs</i>
Wells Fargo & Company	10,550
West Des Moines School District	1,235
Athene USA Corporation	1,200
FBL Financial Group Inc.	1,200
Hy-Vee Inc.	1,174
American Equity Investment Life Holding Company	516
Sammons Financial Group	508
Mediacom Communications Corporation	494
Equifax Workforce Solutions	450
Businessolver, Inc.	416
Windsor Windows & Doors	400
GuideOne Insurance	398
Goodrich Engine Components/UTC Aerospace Systems	372
Metropolitan Life Insurance Company	346
Telligen	340

DAYTIME POPULATION



The graph to the left shows the major employers in the city. Wells Fargo & Company is the biggest employer in the region, with more than 10,000 employees, and has kept the leader position in the jobs market for multiple years.

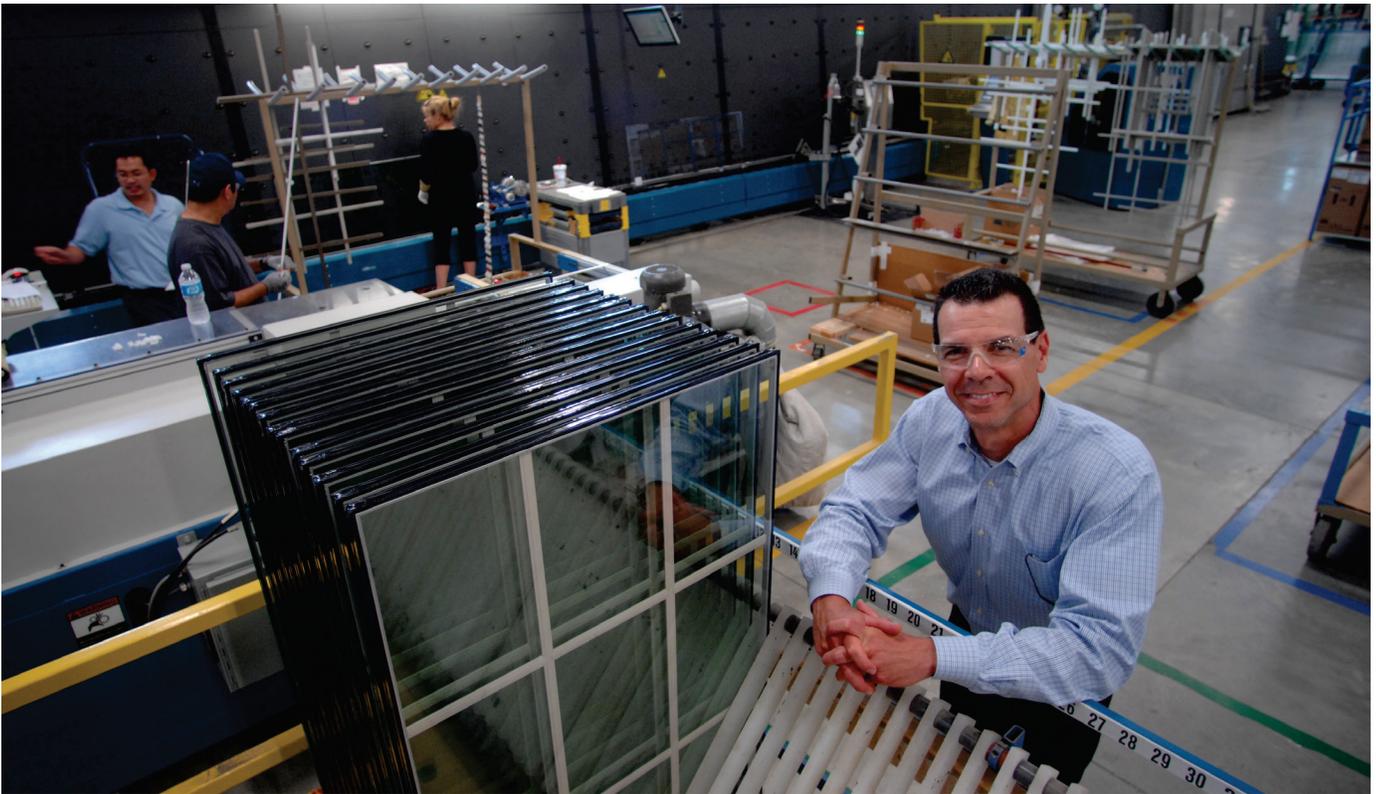
As seen in the graphs below, unemployment in West Des Moines reaches its lowest point since 2010 at the beginning of 2018 and checks in at 2.23%. The number of jobs and establishments in West Des Moines has been steadily increasing since 2002.



NUMBER OF JOBS & ESTABLISHMENTS IN WEST DES MOINES

Year	Establishments	Jobs
2002	1,897	39,099
2003	2,180	42,492
2004	2,324	44,613
2005	2,405	45,724
2006	2,491	47,665
2007	2,512	50,979
2008	2,514	51,481
2009	2,521	52,117
2010	2,589	52,580
2011	2,563	55,494
2012	2,668	58,477
2013	2,785	58,857
2014	3,370	61,137
2015	2,828	61,689
2016	2,857	61,284
2017	3,014	63,231
2018*	3,018	62,295

Source: Bureau of Labor Statistics, Iowa Workforce Development
 *Numbers for 2018 include data for January, February, and March



Median Wages

<i>INDUSTRY</i>	<i>ANNUAL SALARY</i>	<i>HOURLY WAGES</i>
Agriculture	**	**
Construction	**	\$20.00
Education	\$60,000	\$13.80
Entertainment & Recreation	**	**
Finance, Insurance & Real Estate	\$83,025	\$20.00
Healthcare and Social Services	\$60,000	\$16.63
Manufacturing	\$60,000	\$16.50
Personal Services	\$56,000	\$12.00
Professional Services	\$65,000	\$15.50
Public Administration & Government	\$82,000	\$33.81
Transportation, Communication & Utilities	\$68,500	\$16.88
Wholesale & Retail Trade	\$50,000	\$12.00

**Insufficient survey data/refused

Sources: United States Census Bureau, QuickFacts. "West Des Moines, Iowa"

Iowa Workforce Development, Labor Market Information Division. "2016 Laborshed Analysis, A Study of Workforce Characteristics: West Des Moines, Clive and Waukee"

<i>INDUSTRY</i>	<i>% OF WORKFORCE</i>	<i>ESTIMATED # OF EMPLOYED</i>
Finance, Insurance & Real Estate	19.3%	84,598
Wholesale & Retail Trade	13.6%	59,613
Education	12.8%	56,107
Healthcare & Social Services	12.1%	53,038
Professional Services	8.9%	39,012
Public Administration & Government	8.0%	35,067
Transportation, Communication & Utilities	7.4%	32,437
Manufacturing	6.9%	30,245
Personal Services	4.5%	19,725
Construction	3.5%	15,342
Agriculture, Forestry & Mining	2.2%	9,643
Entertainment & Recreation	0.8%	3,507

Iowa Workforce Development conducts a bi-annual laborshed analysis for the West Des Moines, Clive, and Waukee area. A laborshed is the region from which an employment center draws its commuting workers. The most current laborshed was released in November 2016 and is based on information

provided by the U.S. Census Bureau, Bureau of Labor Statistics, and Iowa Workforce Development. Finance, Insurance, and Real Estate industries are consistently the strong and significant industries for the West Des Moines and Metro workforce.



Sources: United States Census Bureau, QuickFacts. “West Des Moines, Iowa”

Iowa Workforce Development, Labor Market Information Division. “2016 Laborshed Analysis, A Study of Workforce Characteristics: West Des Moines, Clive and Waukee”

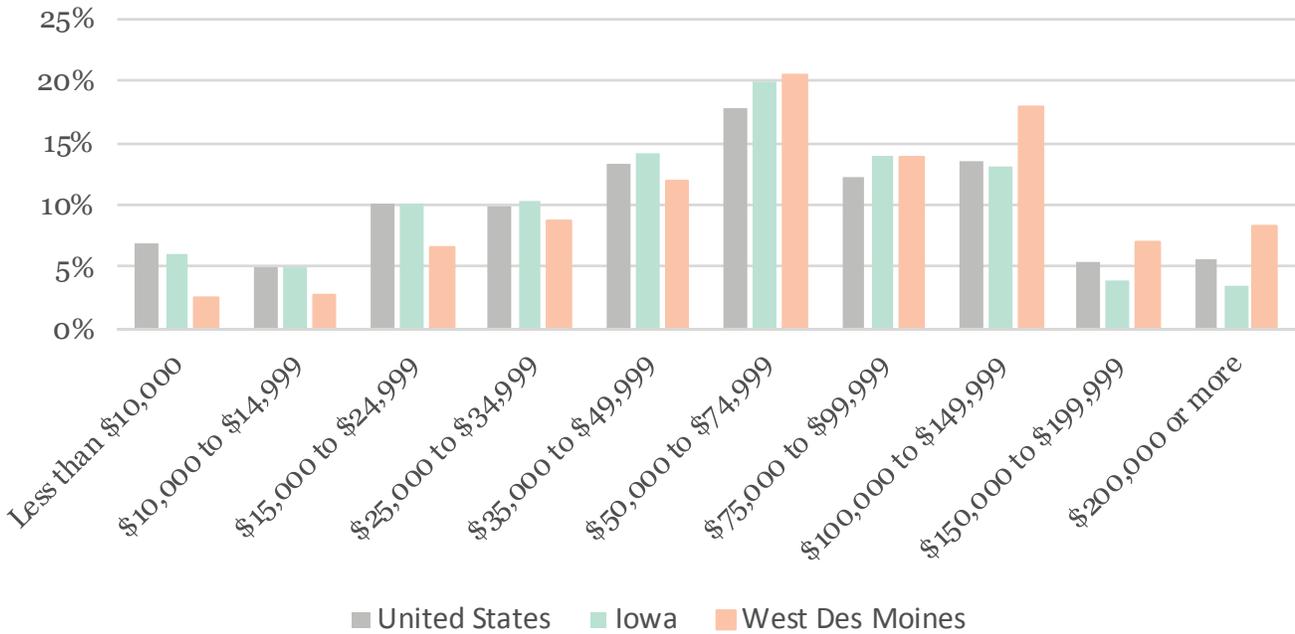
MEDIAN HOUSEHOLD INCOME

West Des Moines' median household income checks in at \$70,906, significantly higher than both the state and national median levels. It should also be noted that a larger percentage of the West Des Moines population falls into the higher income

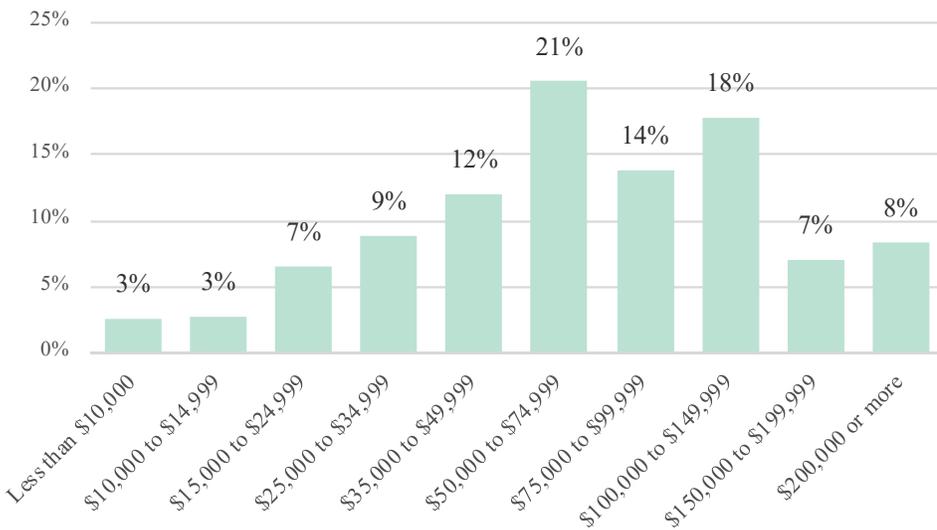
brackets (\$50,000 or more) than both the state and national populations.

The highest percentage of households fall into the \$50,000 to \$74,999 bracket in West Des Moines.

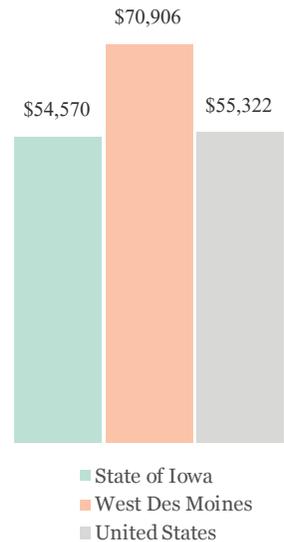
HOUSEHOLD INCOME BY INCOME BRACKETS



AVERAGE HOUSEHOLD INCOME IN WEST DES MOINES



MEDIAN HOUSEHOLD INCOME



Source: U.S. Census Bureau, Household Income in the Past 12 Months (in 2016 Inflation-Adjusted Dollars), 2016 American Community Survey 5-Year Estimates

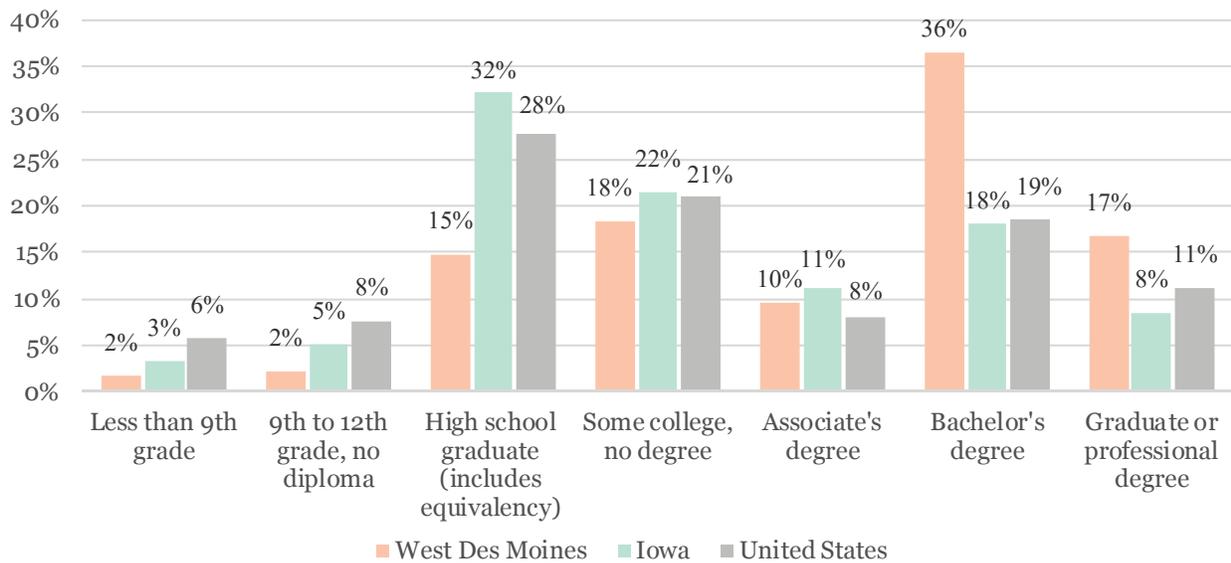
EDUCATIONAL ATTAINMENT

INDUSTRY	LEVEL BEYOND HIGH SCHOOL	ASSOCIATE DEGREE	UNDERGRADUATE OR HIGHER
Agriculture, Forestry & Mining	90.90%	18.20%	63.60%
Construction	65.40%	15.40%	19.20%
Education	96.20%	11.30%	78.80%
Entertainment & Recreation	**	**	**
Finance, Insurance & Real Estate	88.90%	7.10%	67.70%
Healthcare & Social Services	87.50%	21.90%	46.90%
Manufacturing	69%	16.70%	26.10%
Personal Services	93.10%	17.20%	44.80%
Professional Services	86.30%	17.60%	51%
Public Administration & Government	95.10%	7.30%	85.40%
Transportation, Communication & Utilities	78.30%	13%	34.80%
Wholesale & Retail Trade	72%	14.60%	26.90%

West Des Moines is home to a highly educated population. As of 2016, 57% of the West Des Moines population 25 years and older has a bachelor’s degree or higher, compared to the national average of 31%.

West Des Moines’ population is highly educated: 35% of the West Des Moines population 25 years and older holds a bachelor’s degree, a number that nearly doubles both the national and state averages.

EDUCATIONAL ATTAINMENT: 25 YEARS AND OVER



Source: US Census Bureau, Educational Attainment for the Population 25 Years and Older, 2016 American Community Survey 1-Year Estimates.

**Insufficient survey data/refused

RENTAL RATE COMPARISON IN WEST SUBURBS

Unit Type	2016-2017*	2017-2018*
Efficiency	5.8	-9.9
1-bedroom	1.5	-3.7
2-bedroom	3.9	-1.5
3-bedroom	5.6	-1.9

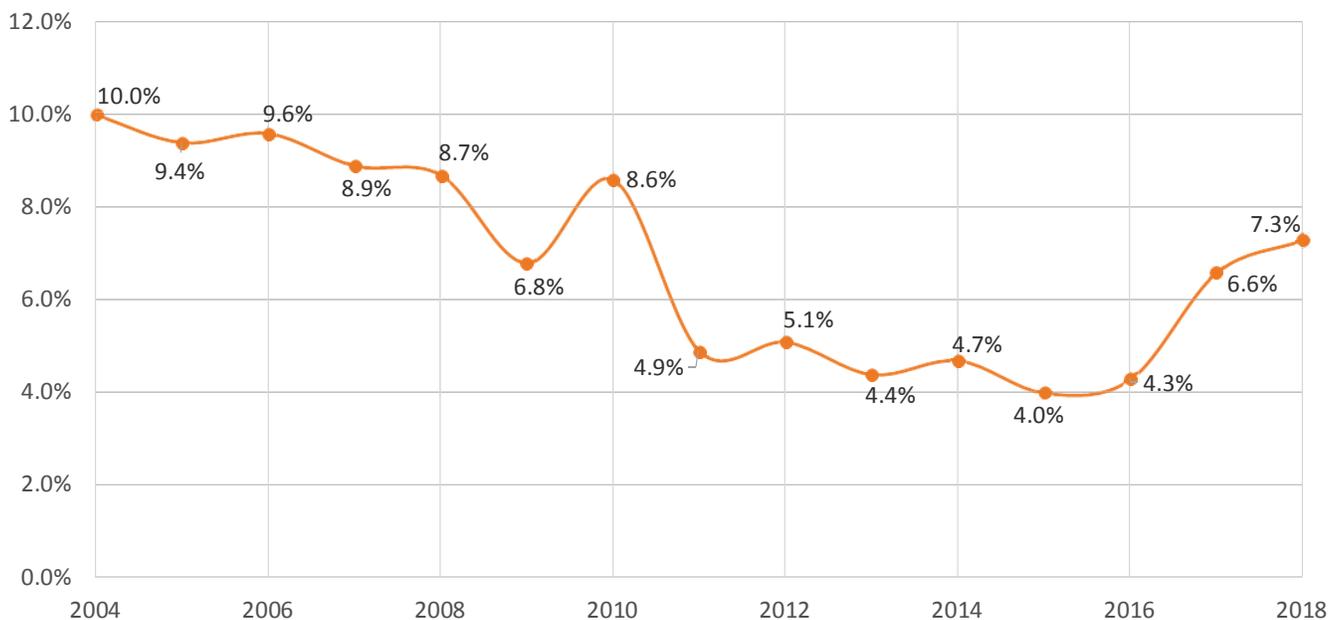
AVERAGE RENTAL RATE BY UNIT TYPE IN WEST SUBURBS

Unit Type	Monthly Rent 2017	Monthly Rent Q1 2018
Efficiency	\$798	\$719
1-bedroom	\$838	\$807
2-bedroom	\$911	\$897
3-bedroom	\$1,182	\$1,159

The spike in apartment vacancy rates observed in 2017 in West Suburbs (6.6%) continues to grow (7.3% in 2018) due to release of a significant number of new units over the past year. Apartment occupancy relief in the area has affected rental rents. According to the Marketview conducted in the first quarter of 2018, rental rates in the Des Moines metro area have not changed significantly and remain stable in the past few years. However, rates in the West Suburbs submarket dropped over the past year comparing to 2016-2017 while rates in the most parts of the Metro area are experiencing growth.

Western Suburbs - Encompasses West Des Moines, Clive, Urbandale, Windsor Heights, Johnston, Grimes, Waukee, and some unincorporated areas of Polk, Dallas, and Warren Counties.

WEST SUBURBS VACANCY RATES



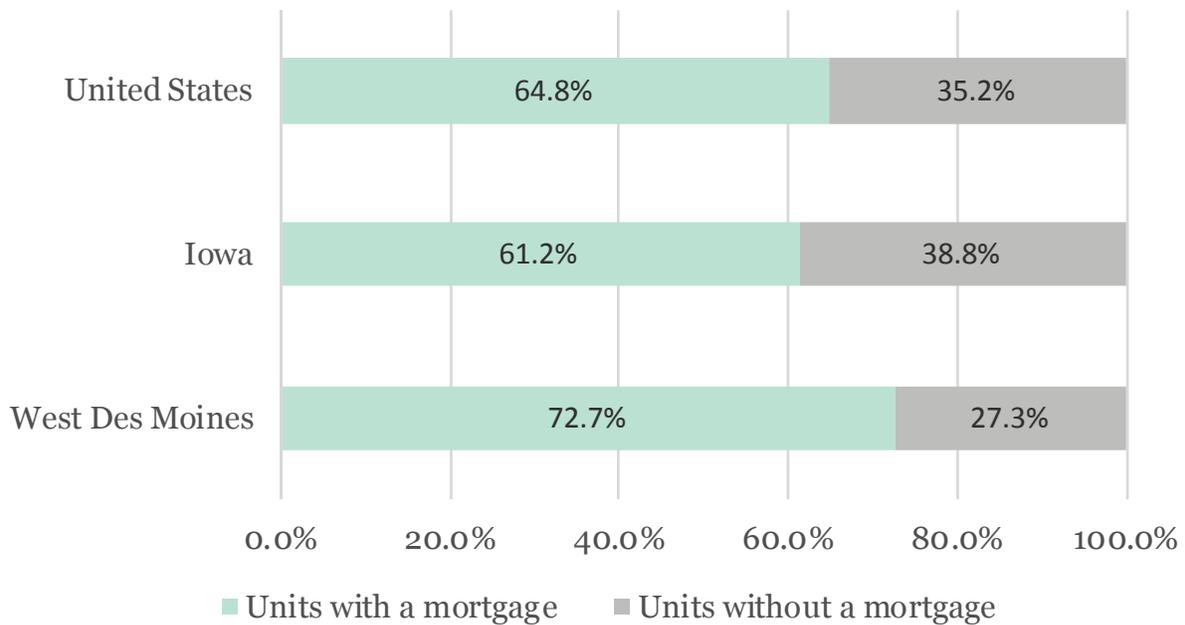
Source: CBRE/Hubbell Commercial, Marketview, Des Moines Metro Multi-family, Q1 2018; The rents have been adjusted for any rent concessions offered to arrive at an effective rent.

* calendar years

HOUSING OCCUPANCY BY REGION

	West Des Moines	Iowa	United States
Owner-Occupied	60.3%	71.5%	63.9%
Renter-Occupied	39.7%	28.5%	36.1%

MORTGAGE STATUS BY REGION



The majority of housing in West Des Moines is owner-occupied. Although the percentage of renter-occupied housing is higher than both the state and national averages, it has remained steady for the past two fiscal years.



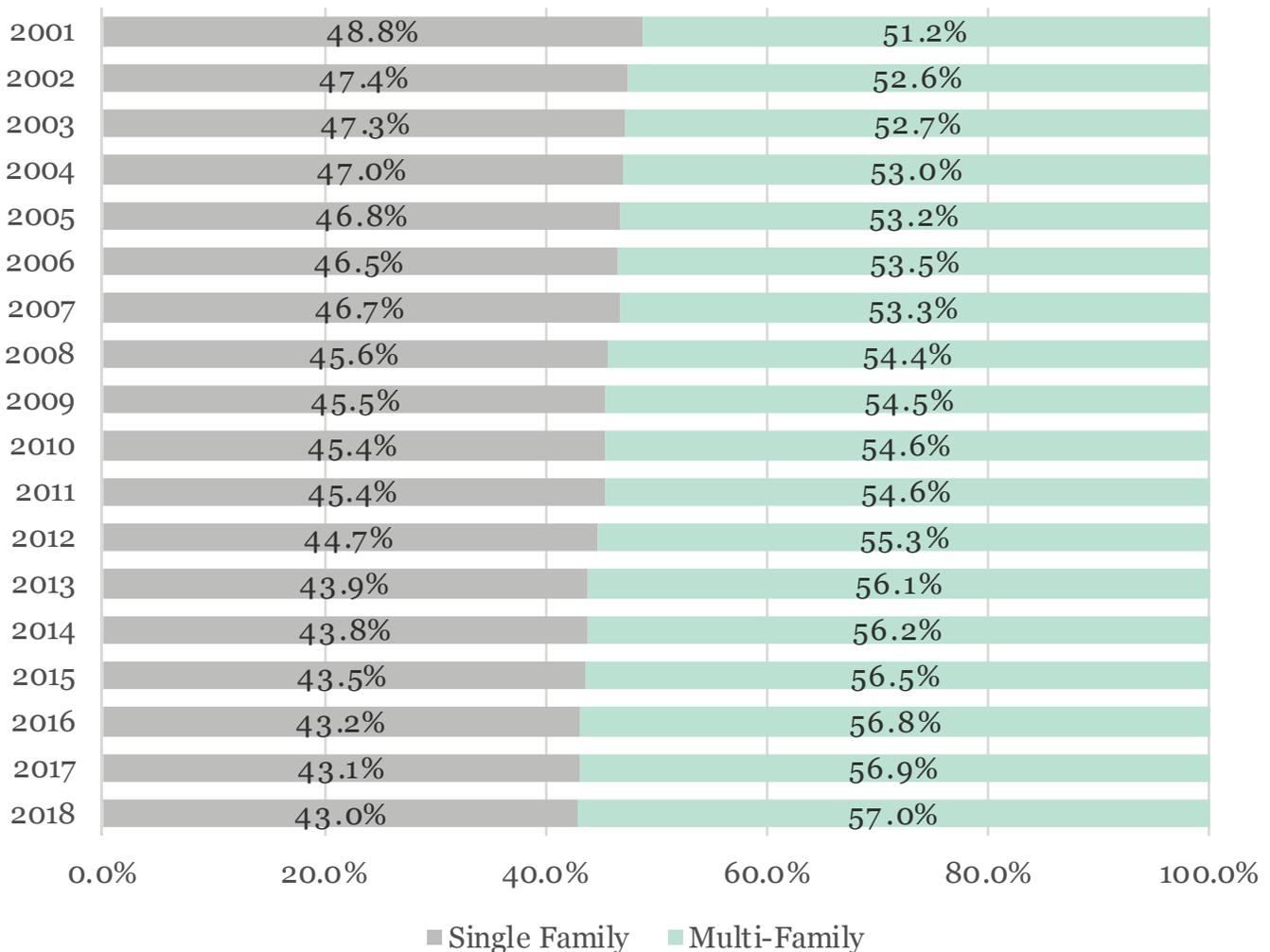
Source: US Census Bureau. American Community Survey 5-years Estimates (2011-2016 years)

**WEST DES MOINES
HOUSING UNITS**

	Single Family	Multi-Family
2014	12,191	15,636
2015	12,344	16,054
2016	12,526	16,459
2017	12,721	16,801
2018*	12,862	17,053

As of June 1, 2018, West Des Moines had 12,191 single family dwelling units and 15,636 multi-family dwelling units. Multi-family units consist of apartments, condos, and townhomes. As the chart below indicates, multi-family units have dominated the market since the beginning of the century. As West Des Moines continues to see the younger segment of the population grow, as well as the increasing number of empty nesters, the demand for multi-family housing is predicted to increase as well.

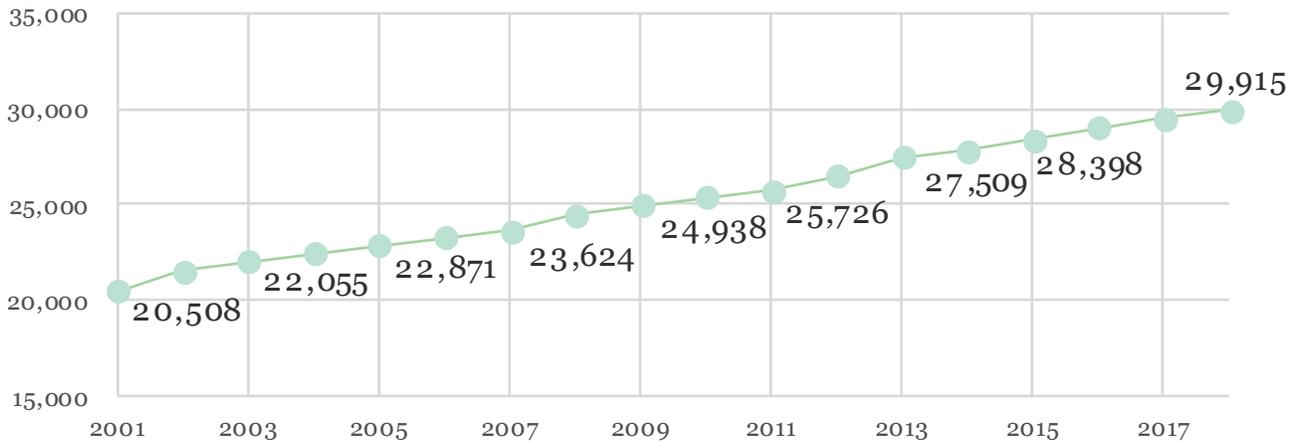
WEST DES MOINES HOUSING BY STRUCTURE TYPE



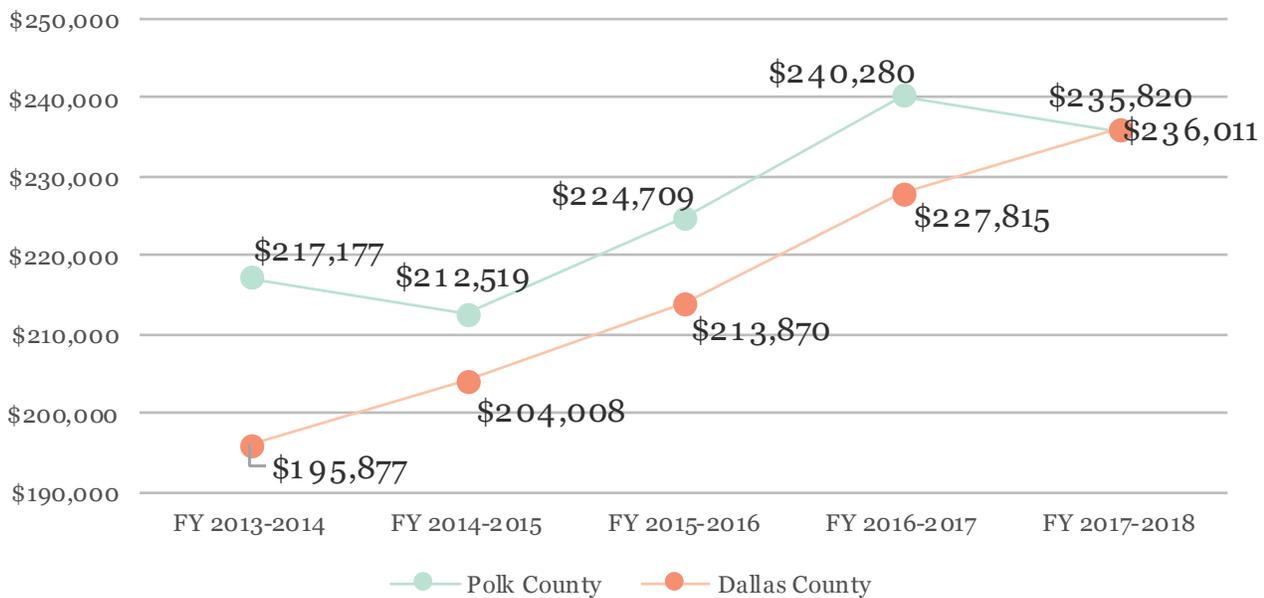
*As of June 1, 2018

Source: City of West Des Moines, Development Services Department

TOTAL HOUSING UNITS



WEST DES MOINES AVERAGE RESIDENTIAL SELLING PRICE



Since Fiscal Year 2014-2015, the average selling price of a West Des Moines house in Polk and Dallas Counties has been steadily increasing. The homes in the Polk County portion of West Des Moines consistently sell for slightly higher prices

than those in the Dallas County portion. In Fiscal Year 2017-2018, prices for houses in Polk County experienced a slight price drop at almost \$5,000 after experiencing a steady increase over the last three years.

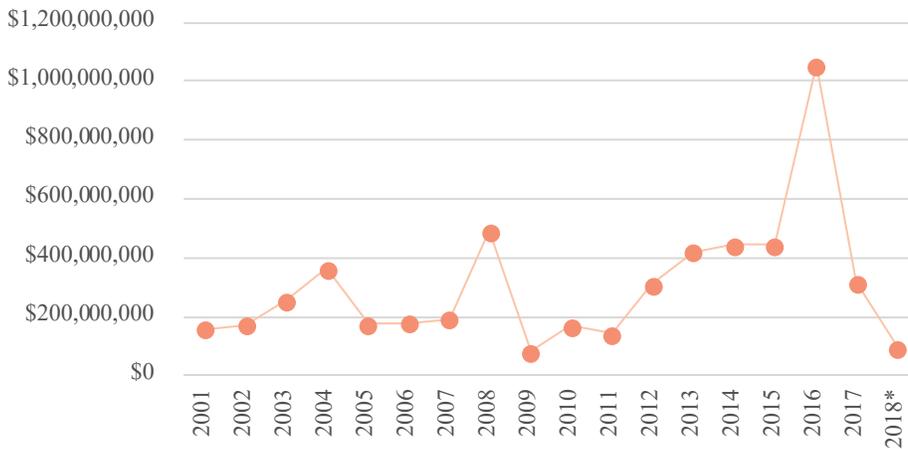
Sources: Dallas County Assessor; Polk County Assessor

CONSTRUCTION

4

Residential
Commercial

WEST DES MOINES TOTAL CONSTRUCTION VALUATIONS: COMMERCIAL AND RESIDENTIAL



YEAR	VALUATION
2001	\$160,202,428
2002	\$171,167,853
2003	\$255,989,203
2004	\$363,813,418
2005	\$176,762,250
2006	\$179,052,330
2007	\$193,234,279
2008	\$490,098,655
2009	\$82,767,511
2010	\$168,206,809
2011	\$142,361,135
2012	\$310,595,751
2013	\$421,746,147
2014	\$445,433,825
2015	\$444,323,688
2016	\$1,055,647,214
2017	\$318,067,828.00
2018*	\$93,696,733.00

Commercial and residential construction in Calendar Year (CY) 2016 broke records for the total amount of valuation in a calendar year. In 2016, the record-breaking construction valuation is attributed to a few large commercial projects such as the Microsoft data center. Valuation through June 2018 is nearly \$93,696,733.

Commercial construction in 2016 was the most significant factor in the overall valuation in that year. Other categories such as residential, tax exempt, and miscellaneous construction valuation in 2016 are more in line with the previous year. Commercial valuation in CY 2018 is lower than previous years so far, but that number is expected to rise in the coming months. It is expected that residential, tax exempt, and miscellaneous valuations for CY 2018 are on pace to be in line with CY 2017.

BREAKDOWN OF WEST DES MOINES CONSTRUCTION VALUATIONS

CONSTRUCTION TYPE	2015	2016	2017	2018*
Residential**	\$125,446,021	\$134,779,788	\$134,103,021	\$56,771,454
Commercial	\$295,267,554	\$906,220,121	\$170,624,847	\$30,711,843
Tax Exempt	\$16,442,981	\$8,908,240	\$2,748,022	\$1,917,727
Miscellaneous***	\$4,589,333	\$2,979,695	\$6,995,059	\$2,369,743

* As of June 1, 2018

** Includes Single & Multi-family dwellings

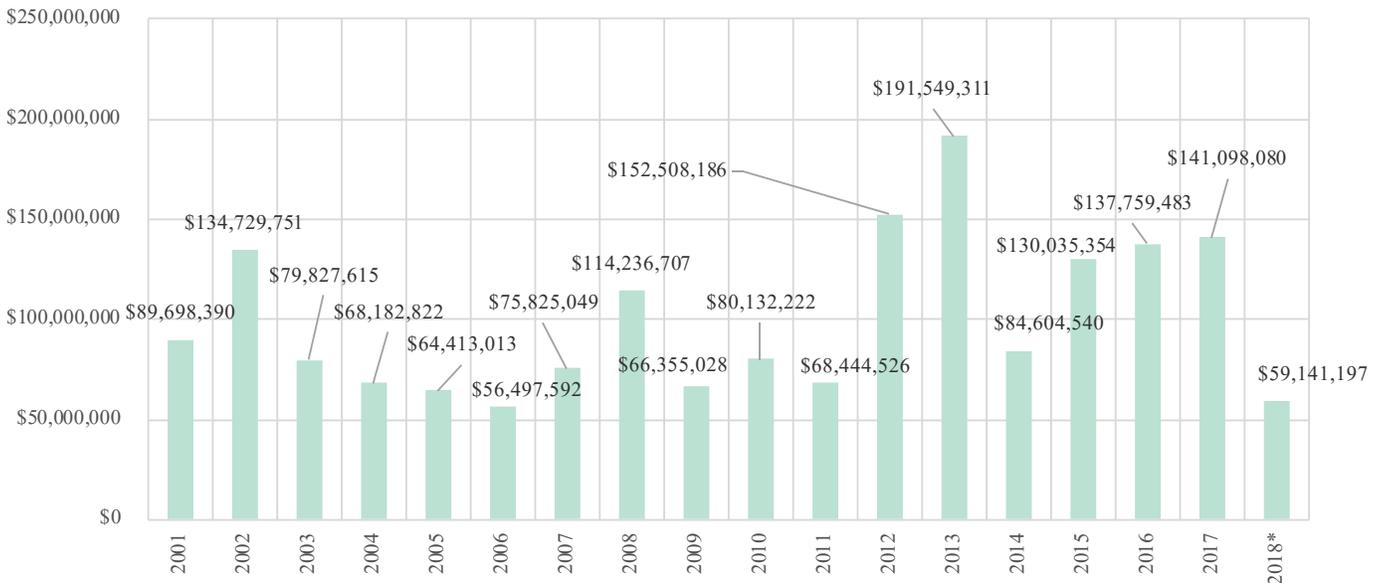
*** Includes fences, swimming pools, additions, etc

Source: City of West Des Moines, Development Services Department

RESIDENTIAL CONSTRUCTION VALUATION BY UNIT TYPE

YEAR	SINGLE FAMILY	MULTI-FAMILY	MISCELLANEOUS	TOTAL
2015	\$52,306,121	\$73,139,900	\$4,589,333	\$130,035,354
2016	\$66,927,682	\$67,852,106	\$2,979,695	\$137,759,483
2017	\$76,359,316	\$57,743,592	\$6,995,059	\$141,098,080
2018*	\$44,632,316	\$12,139,138	\$2,369,743	\$59,141,197

TOTAL RESIDENTIAL CONSTRUCTION VALUATIONS



When compared to the previous two years, CY 2018 is on a steady course as it relates to residential construction valuation. A closer look at the numbers indicates a surge in the amount of single family construction. Miscellaneous construction is significantly lower than in CY 2017 and is closer to the numbers in CY 2016 by the beginning of June 2018. There is a decrease in multi-family construction valuation however, that number is projected to increase through the end of CY 2018.

* As of June 1, 2018

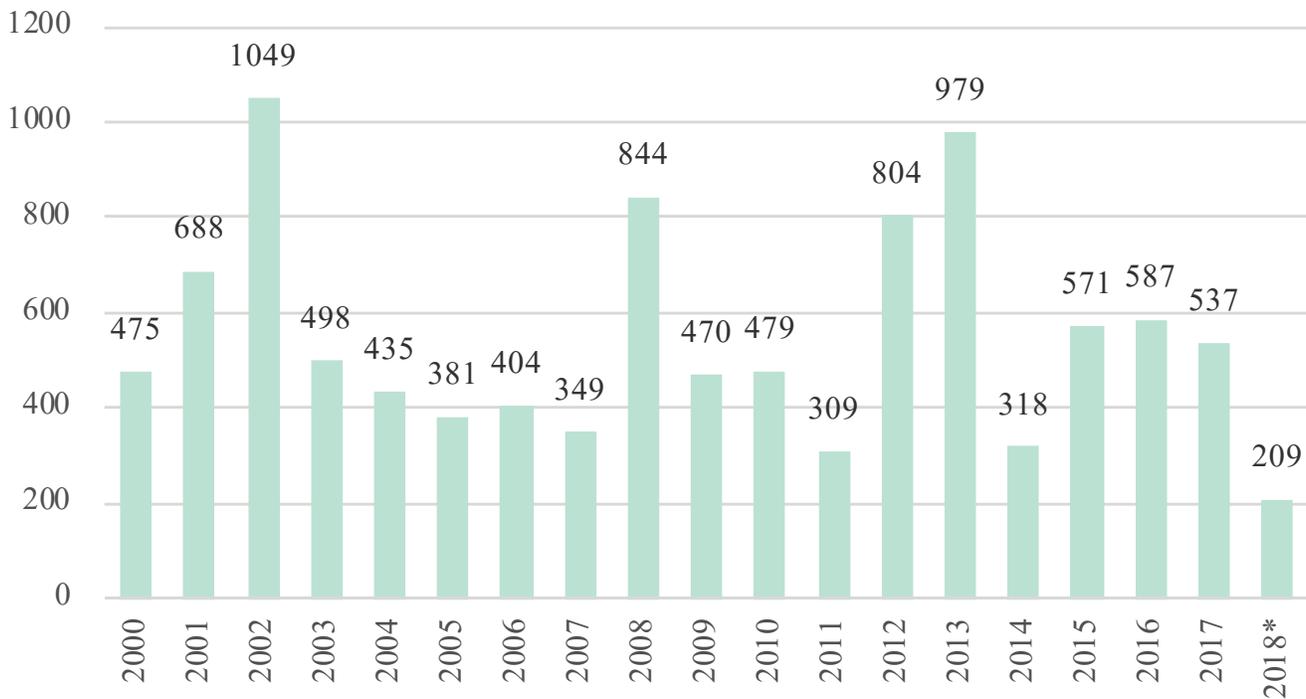
Source: City of West Des Moines, Development Services Department

RESIDENTIAL UNIT CONSTRUCTION

Every year since 2002, Dallas County has outpaced Polk County for the number of residential unit construction in West Des Moines, and the gap continues to grow. In 2017, Dallas County saw a total of 447 residential units constructed, while Polk County saw the construction of 56 units. The widening gap over the years can be attributed to the difference in the amount of land available for development in each county. In Polk County, available land for residential use is at a premium, while Dallas County has a significant amount of land available for residential development. Recently, West Des Moines has seen residential construction expand to Warren County (2015: 13 units; 2016: 14 units; 2017: 8 units; 2018*: 4 units).

Single family residential units constructed in 2017 totaled 195 while multi-family units totaled 342. In general, the number of single family units built has remained steady over the years, while the number of multi-family units appears less than constant. As of June 1, 2018, 90 multi-family units have been built, while single family units total 119 (see page 27).

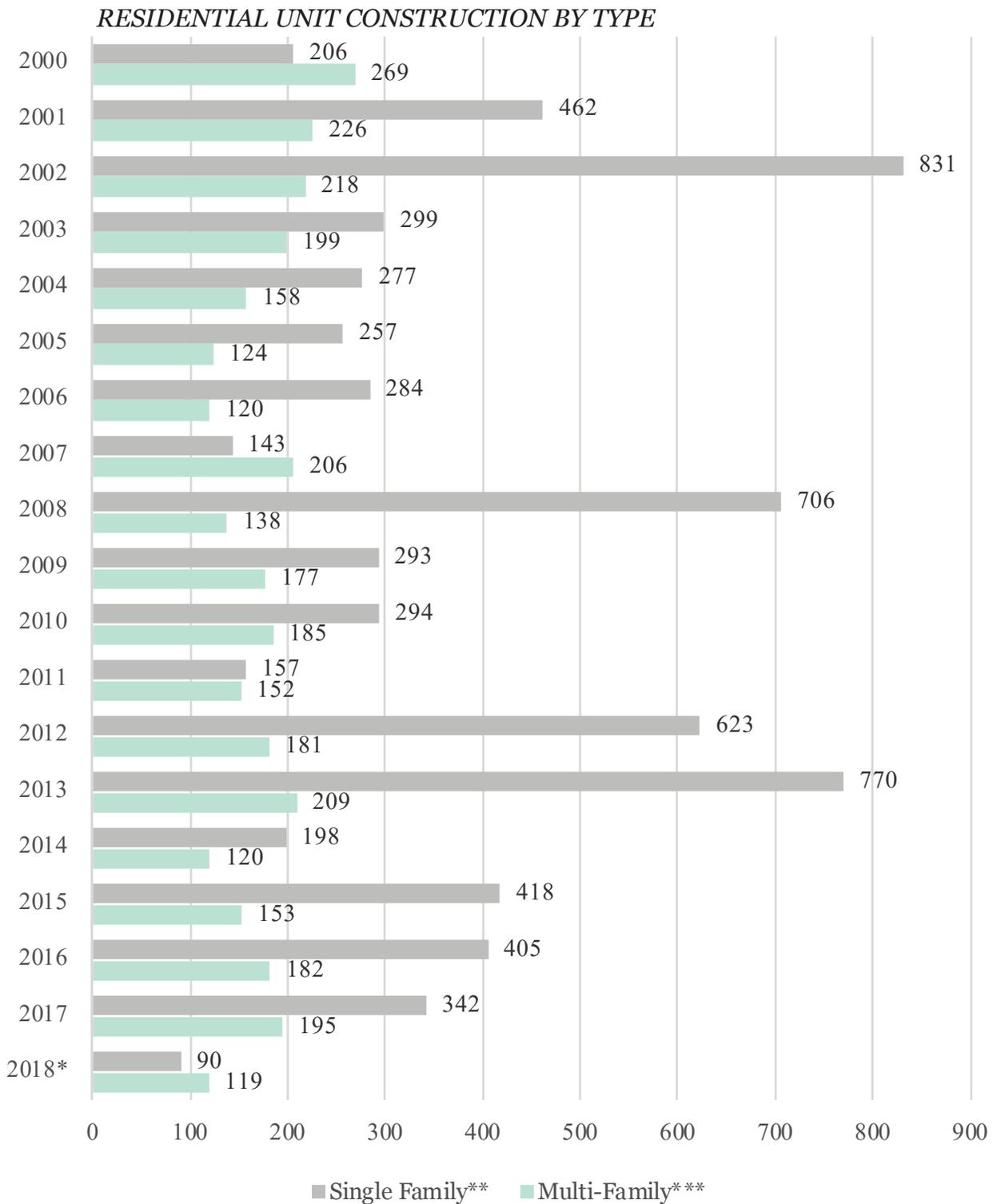
TOTAL RESIDENTIAL CONSTRUCTION UNITS



* As of June 1, 2018

Source: City of West Des Moines, Development Services Department

RESIDENTIAL UNIT CONSTRUCTION



* As of June 1, 2018

** Single family detached units

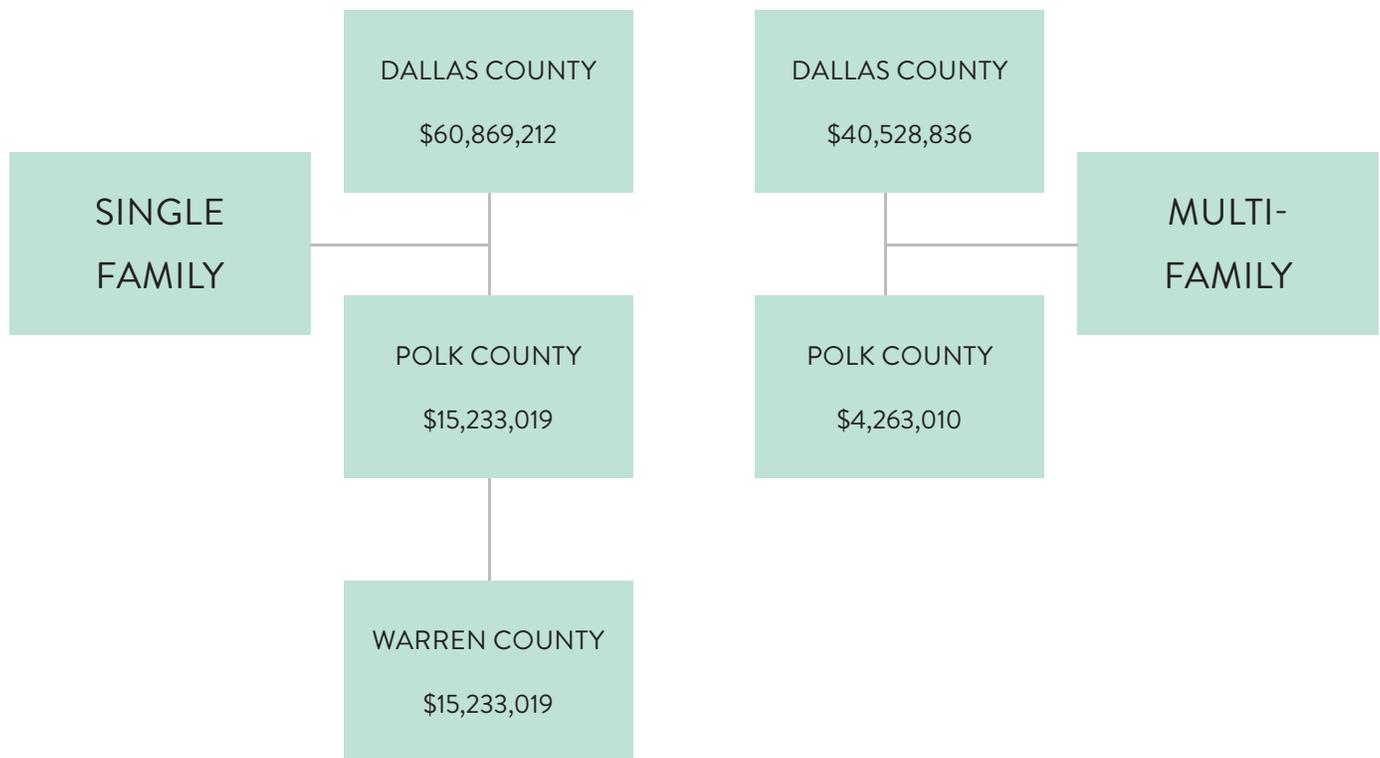
*** Includes townhouses, condominiums, and apartments

Source: City of West Des Moines, Development Services Department

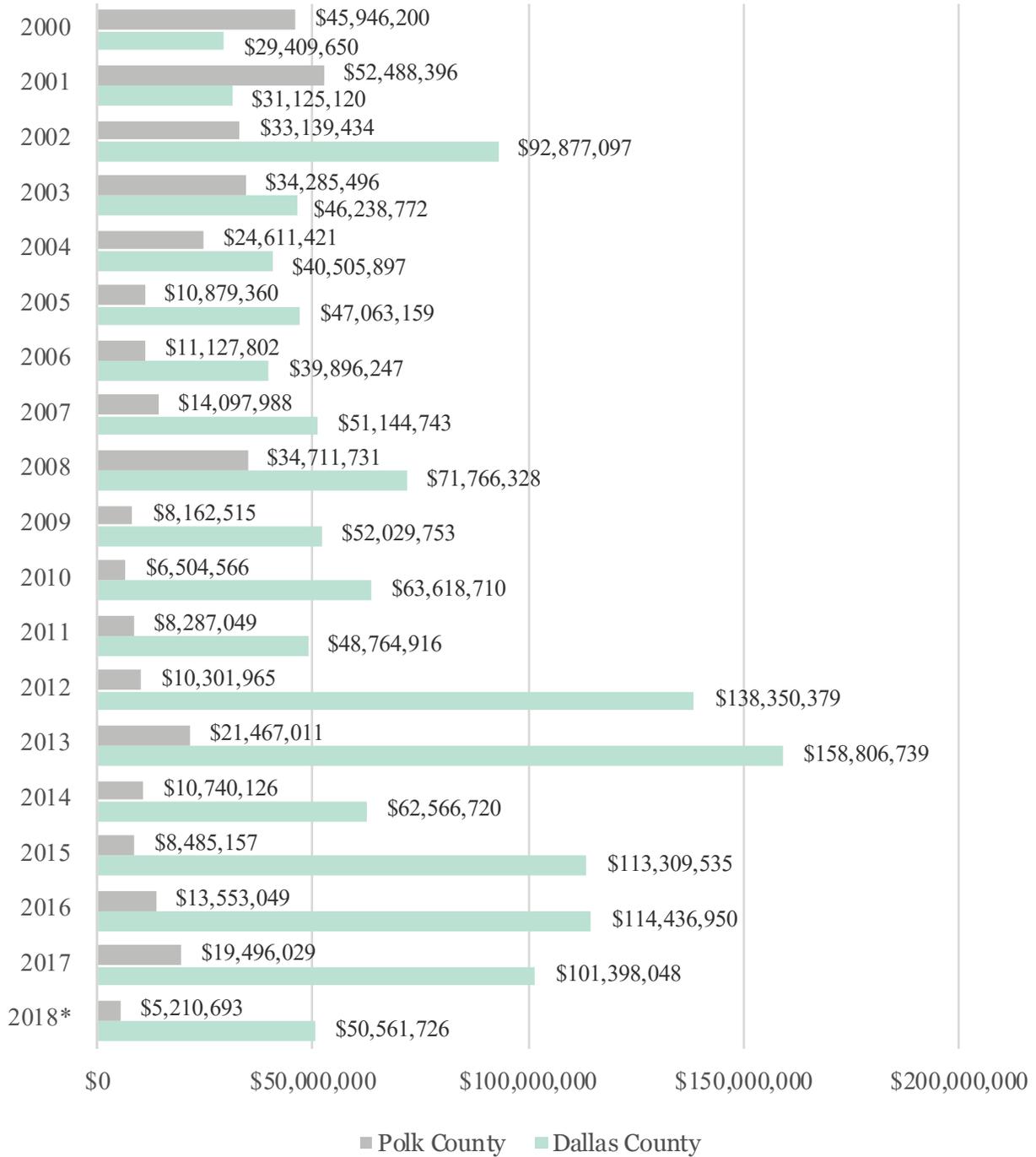
According to the chart below, 2017 ended up being another great year for residential building permit valuations in the Dallas County portion of West Des Moines. West Des Moines posted the fifth highest valuation total since 2000 in Dallas County with a total of \$101,398,048. As of June 1, 2018, the current year has posted \$50,561,726 for valuations of West Des Moines in Dallas County.

West Des Moines has seen a steady decrease in residential construction valuations in Polk County for some time; however, the recent trend shows constant growth since 2015. In 2017, there was a total of \$19,496,029 in residential building permit valuations, a strong number relative to previous years. As of June 1, 2018, West Des Moines has \$5,210,693 in residential building permits in Polk County.

2017 WEST DES MOINES BUILDING PERMIT VALUATIONS BY COUNTY



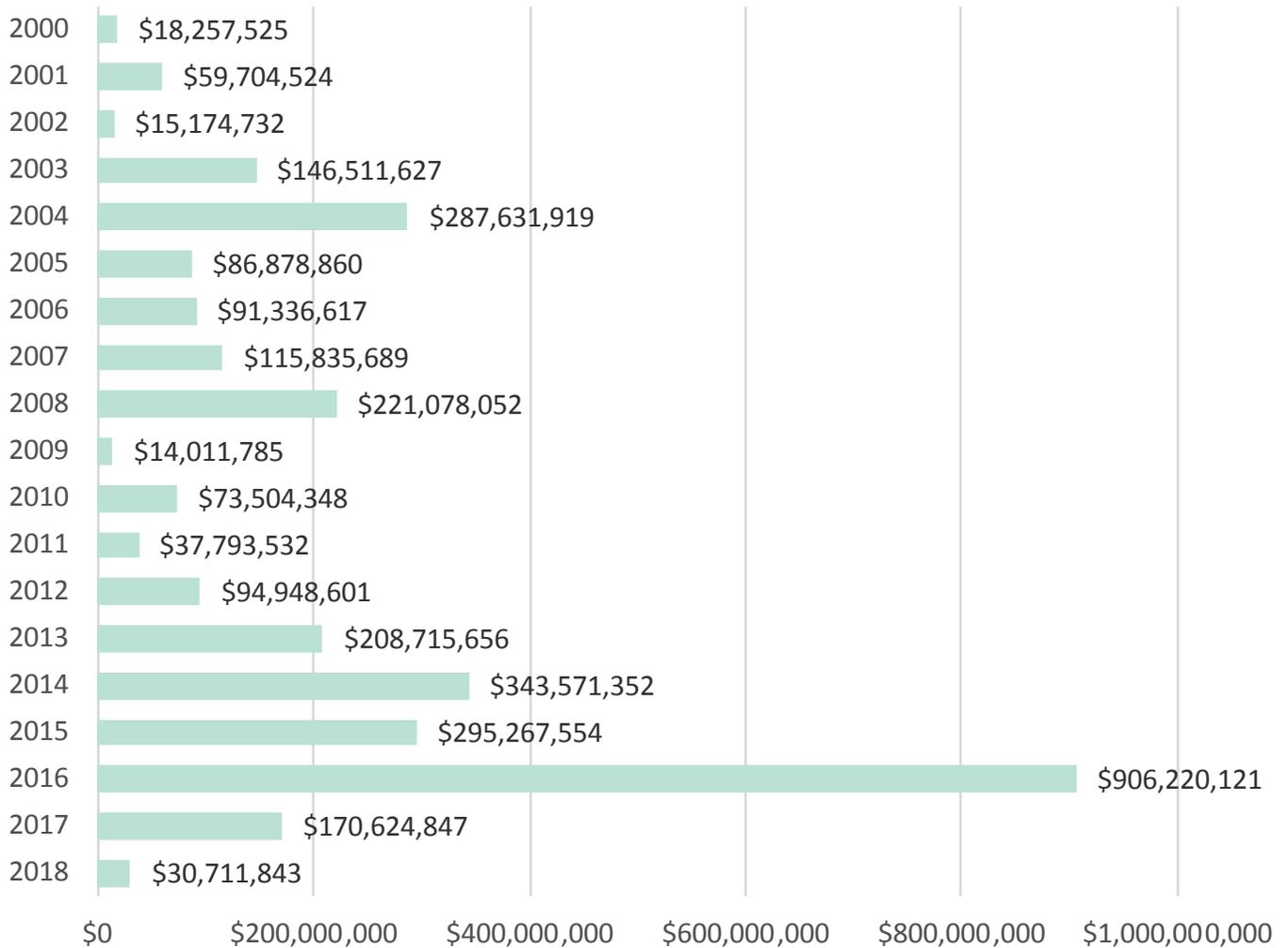
WEST DES MOINES RESIDENTIAL BUILDING PERMIT VALUATIONS BY COUNTY



* As of June 1, 2018

Source: City of West Des Moines, Development Services Department

TOTAL COMMERCIAL CONSTRUCTION VALUATION IN WEST DES MOINES

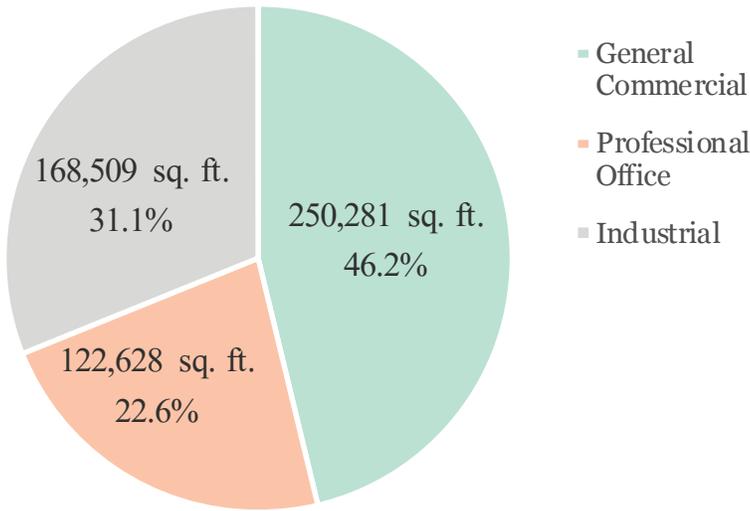


The calendar year 2016 was a record-breaking year for commercial construction valuation in West Des Moines, reaching more than \$900 million. This can be attributed to the initiation of construction on the newest Microsoft data center project. The CY 2017 ended at \$170,624,847 in commercial construction value. The City expects to see a stable pace for commercial construction to finish the 2018 calendar year and projects growth into the future.

* As of June 1, 2018

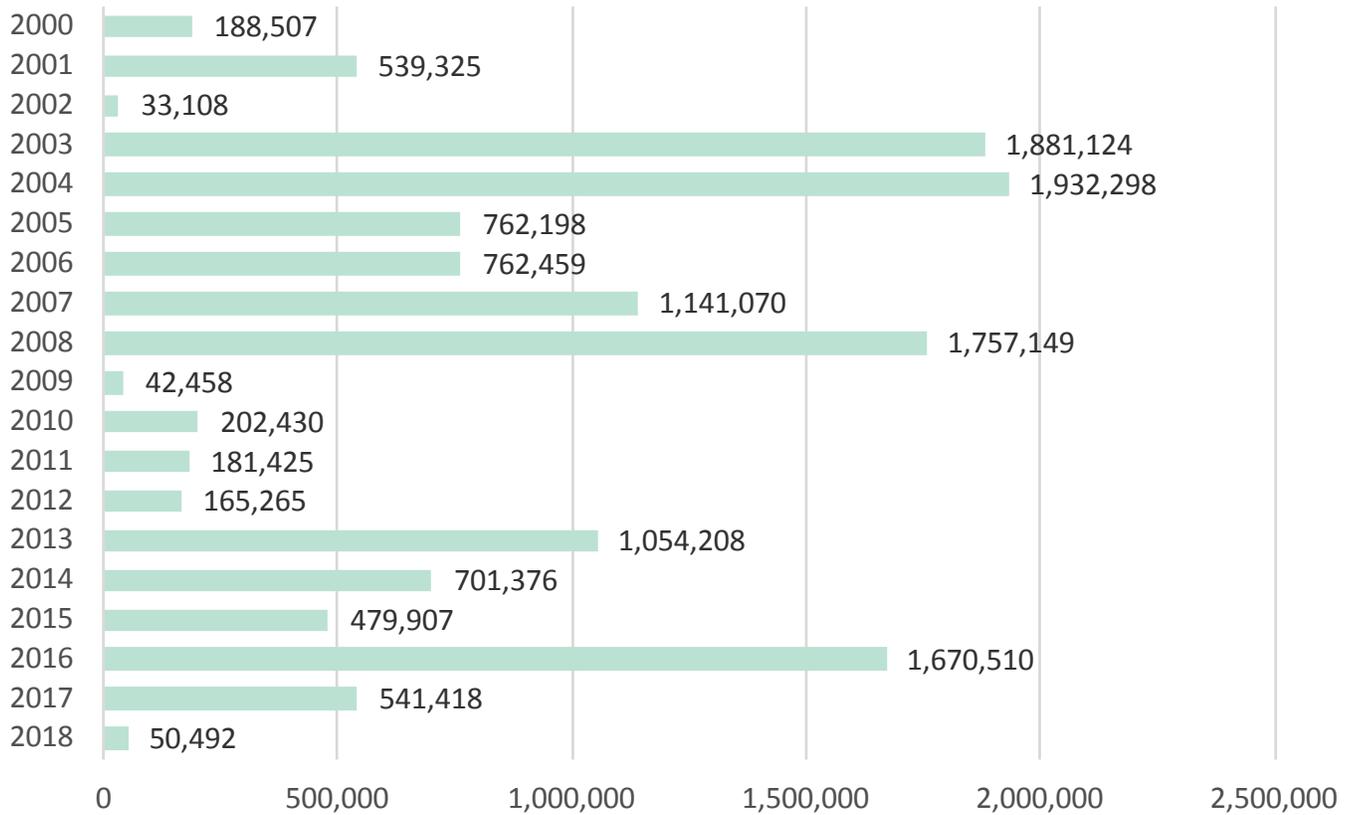
Source: City of West Des Moines, Development Services Department

2017 CONSTRUCTION BREAKDOWN



The construction breakdown shows the total square footage of construction in West Des Moines including commercial, industrial, and professional office space projects. The total area constructed in 2017 decreased from 2016. However, 2017 construction drastically increased the inventory of available commercial, industrial and office space in West Des Moines. Most of the construction in 2017 has been general commercial and industrial. Office construction makes up about a quarter of the construction in 2017 which is consistent with the previous year.

TOTAL SQUARE FEET OF COMMERCIAL & INDUSTRIAL CONSTRUCTION IN WDM



* As of May 1, 2018

Source: City of West Des Moines, Development Services Department

PROPERTY & RETAIL

Property Taxes & Value

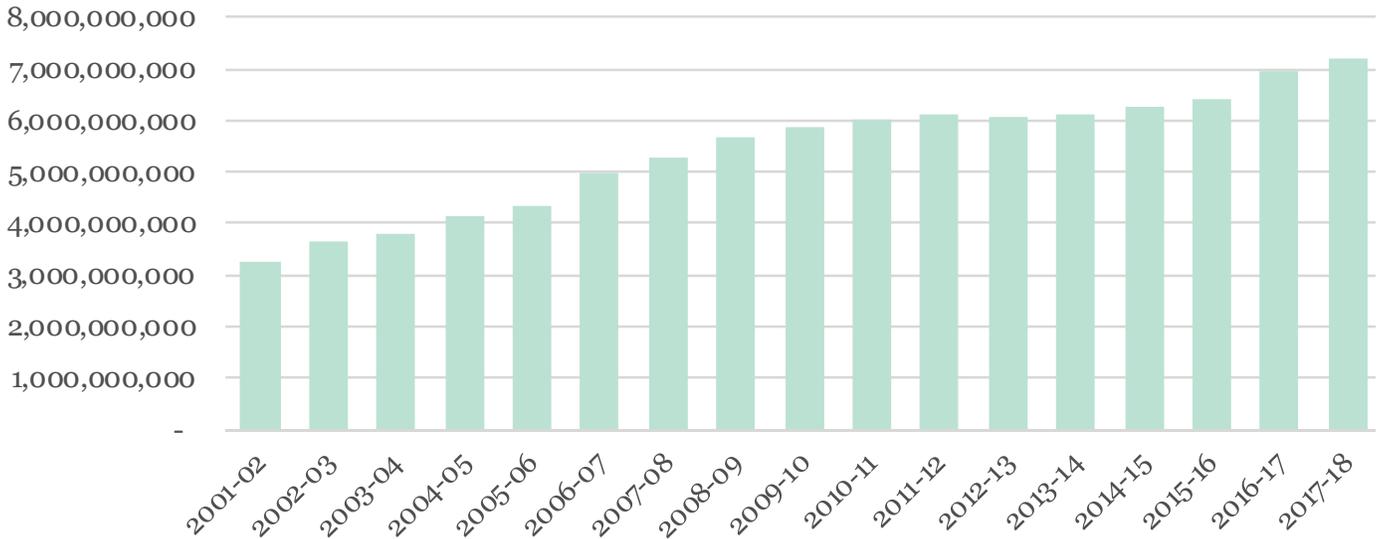
Pull Factors

Taxable Sales



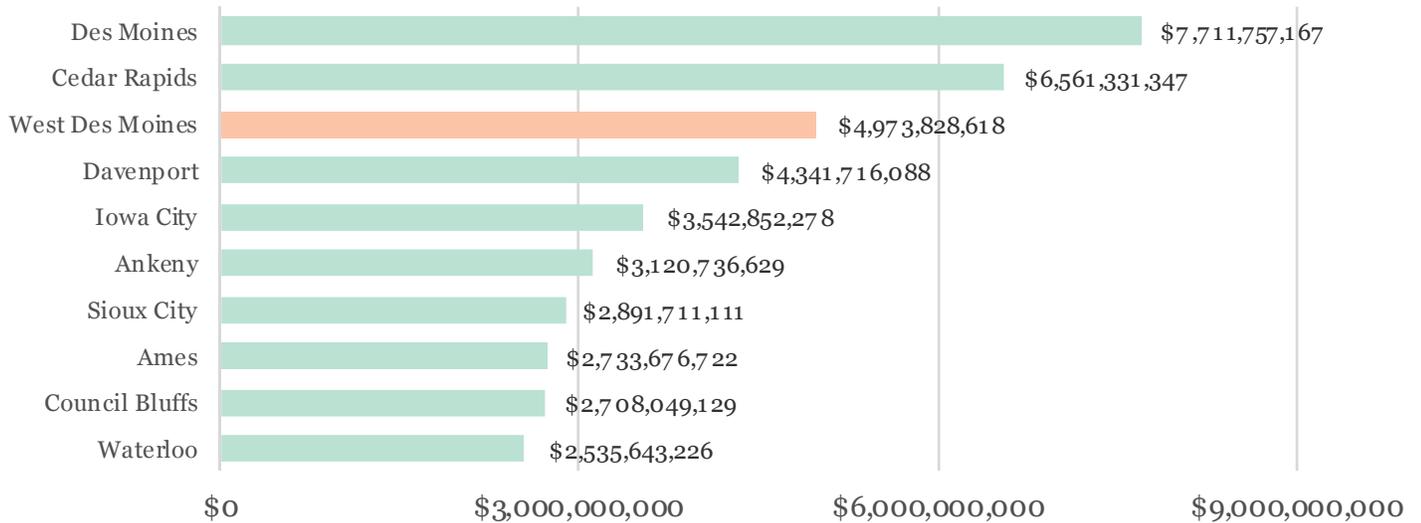
WEST DES MOINES PROPERTY VALUATION

TOTAL PROPERTY VALUATION IN WEST DES MOINES BY FISCAL YEAR



The total property valuation in West Des Moines has been gradually climbing since 2000. Fiscal Year 2017-2018 saw a slight increase over the previous year to reach a total property valuation of \$7.18 billion, which is a 12% increase over the previous year. The consistent increase in total property valuation indicates that West Des Moines continues to grow and experience a healthy economy. It is important to note that the total property valuation includes non-taxable buildings, such as hospitals, government buildings, and schools.

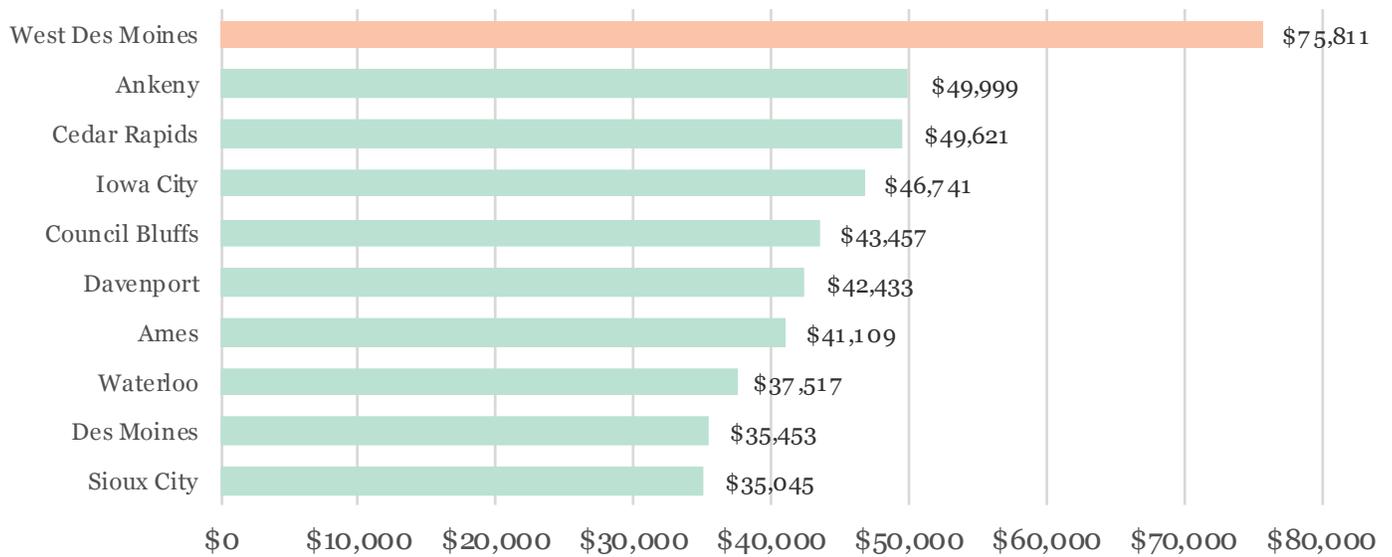
TAXABLE PROPERTY VALUATION FOR IOWA'S TEN LARGEST CITIES (BY POPULATION)



For Fiscal Year 2017-2018, the City of West Des Moines comes in third for highest taxable property valuation at a total of \$4.97 billion. This strong ranking indicates a vibrant economy in West Des Moines considering that West Des Moines is the eighth largest city in the state. Only the two largest cities in Iowa, Des Moines and Cedar Rapids, outrank West Des Moines for taxable property valuation.

Source: City of West Des Moines, Finance Department

PER CAPITA TAXABLE PROPERTY VALUATION FOR IOWA'S 10 LARGEST CITIES (BY POPULATION)



West Des Moines ranks the highest for per capita taxable property valuation out of Iowa's 10 largest cities. Even though West Des Moines is only the eighth largest city in terms of population, it greatly exceeds the other cities in terms of property value per capita. West Des Moines property is valued at \$75,811 per capita, which is \$25,812 above Ankeny, the next city in the ranking.

CITY PROPERTY TAX RATES FOR IOWA'S 10 LARGEST CITIES (BY POPULATION)



The City of West Des Moines is the ninth largest city in Iowa. Out of the 10 largest cities, the City's property taxes are the third lowest. West Des Moines' property tax rate is only \$12 per \$1,000 of assessed value which is \$3.22 less than the fourth lowest rate, Cedar Rapids (second largest city). Furthermore, the City of West Des Moines' property tax rate continues remain consistent year of year.

Source: City of West Des Moines, Finance Department

Pull factors measure the relative strength of a city's retail business compared to the state of Iowa. A pull factor is the ratio of local taxable retail sales per person to the state taxable retail sales per person. Pull factors offer a solid measure of sales activity because they reflect changes in population, inflation, and the statewide economy.

Pull factors are calculated by taking the per capita taxable retail sales of a community and dividing it by the per capita taxable retail sales of the state. For example: If a city's per capita sales in a given industry were \$20,000 per year, and the state per capita sales were \$10,000 per year, the pull factor would be 2.0 ($\$20,000/\$10,000$). This indicates that the city captured twice as many dollars of goods or services sold in that industry than the state did.

In other words, businesses in the city "pulled in"



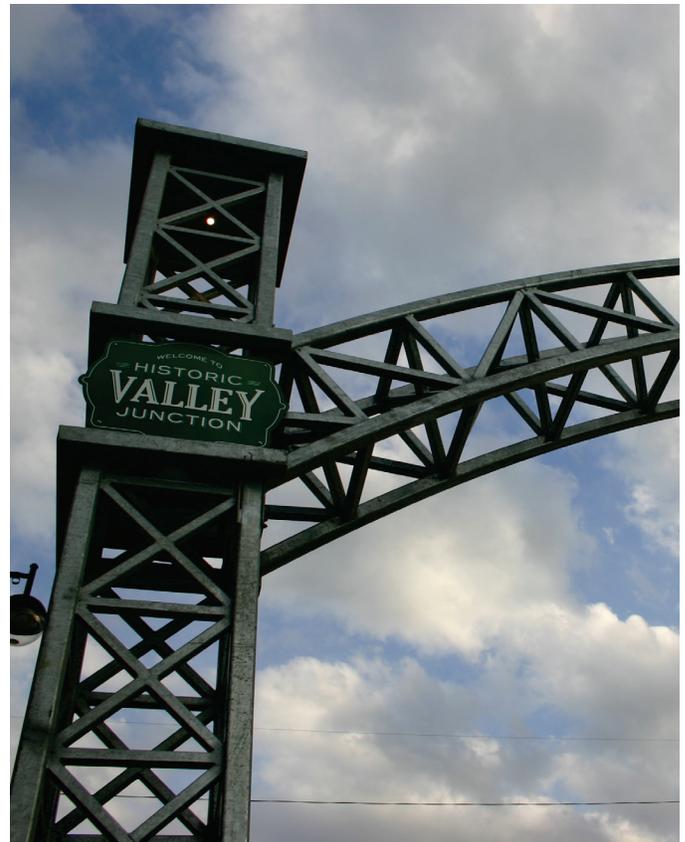
customers who live outside city borders. This situation demonstrates a favorable balance of trade. A pull factor of 1.0 shows a perfect balance of trade – city residents who shop outside the city are counteracted by nonresident customers. A pull factor of less than 1.0 signals that trade is being lost in the city.

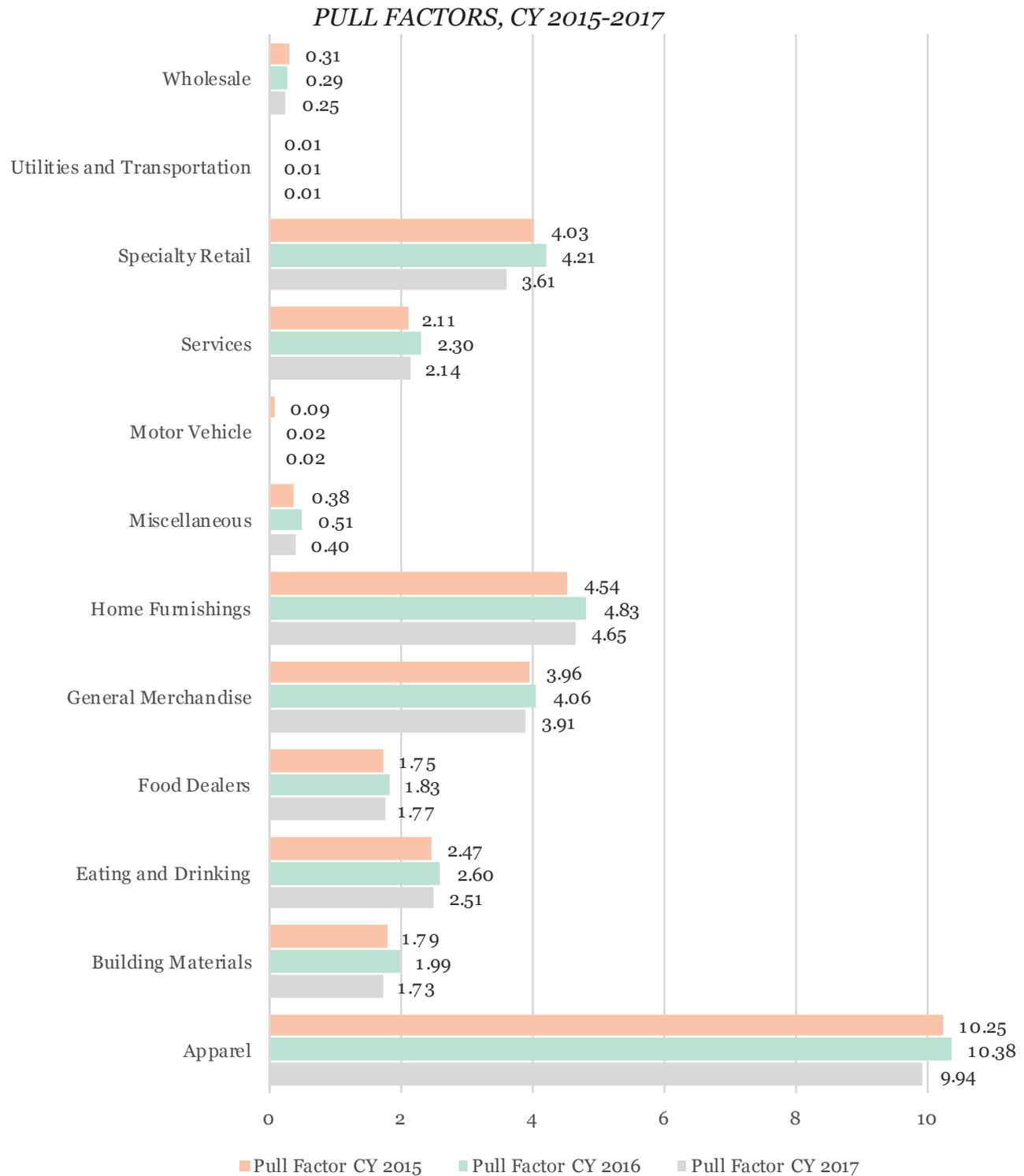
The pull factors in the 2018 City of West Des Moines Development Retrospective are not adjusted for purchasing power and are based on the



calendar year.

The state of Iowa changed the definition of its business codes/groups, so the pull factors from the 2016-2017 Development Retrospective cannot be compared to past Development Retrospectives.





*The “Services” category includes: Arts & Entertainment , Auto Repair & Related Services, Beauty/Barber Shops, Finance & Insurance, Real Estate & Leasing, Hotels & Other Lodging, Laundry & Floor Cleaning, Miscellaneous Repairs, Personal and Professional Services, and Video Industries.

Source: Iowa Department of Revenue, “West Des Moines Retail Sales Statistics Public - Through Calendar Year 2017;” Iowa Department of Revenue, “Retail Sales & Use Tax Quarterly Report, March/June/September/December 2017”

In calendar year 2017, West Des Moines experienced very strong retail sales, as shown by the pull factors on page 36. In eight out of the 12 industry groups, West Des Moines had a pull factor greater than one. This indicates that the City attracted, or “pulled in,” more non-resident shoppers than residents who used their purchasing power in other cities.

By far, the strongest retail category in West Des Moines during 2017 was Apparel with slightly lower performance than in the previous 2016 year. Apparel had a pull factor of 9.94, meaning that the City of West Des Moines had almost 10 times as many apparel sales per resident than the state of Iowa. For perspective, communities consider a pull factor of 1.0 favorable because it indicates a perfect balance of trade. West Des Moines’ ability to capture such a large amount of apparel sales per resident compared to the rest of the state can be attributed to its diverse selection of shopping centers: Historic Valley Junction, Jordan Creek

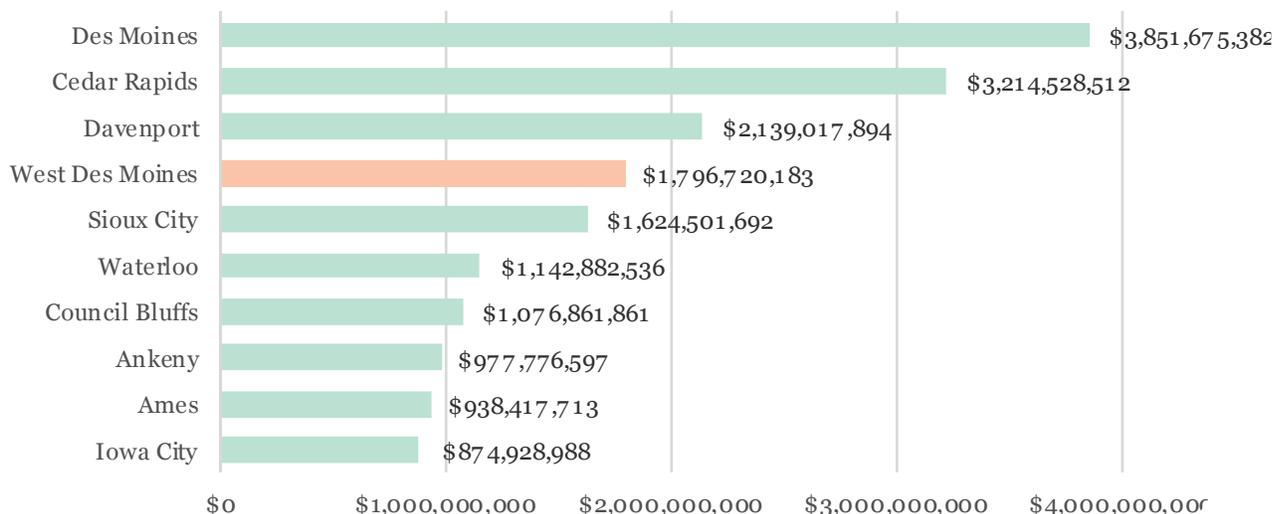
Town Center, Valley West Mall, West Glen Town Center, and other unique retail centers located throughout the community.

In addition to Apparel, West Des Moines captured a higher proportion of retail sales than the state in the following industry groups: Home Furnishings, Specialty Retail, General Merchandise, Eating & Drinking, Services*, Building Materials, and Food Dealers. West Des Moines experienced lower than state level sales in Utilities & Transportation, Motor Vehicle, Miscellaneous, and Wholesale. Overall, West Des Moines’ retail sales consistently outperforms the rest of the State.

*The “Services” category includes: Finance & Insurance, Real Estate & Leasing, Arts & Entertainment, Lodging & accommodations, Education & Athletic Events, Video Industries, Auto Repair & Related Services, Other Repair Services, and Business and Personal Services.

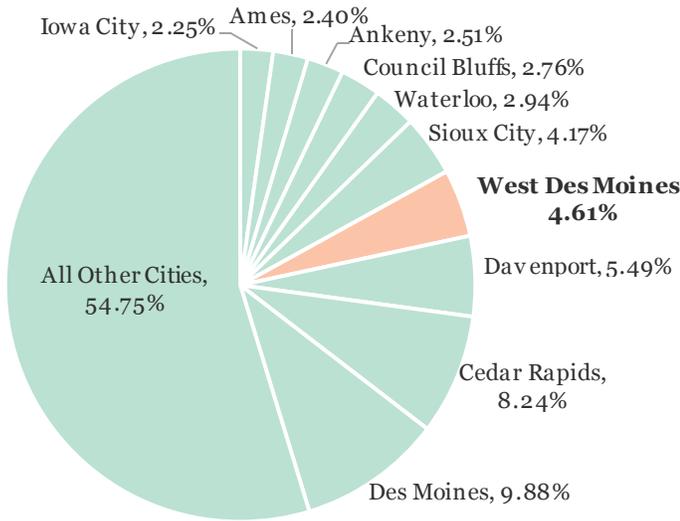
TAXABLE SALES

From July 1, 2017 to June 30, 2018, West Des Moines had \$1.80 billion of taxable sales, making it the fourth highest amount of taxable sales among Iowa’s most populated cities. In the Fiscal Year 2017, West Des Moines saw a 2.7% increase in taxable sales, a positive trend that has continued since 2013.



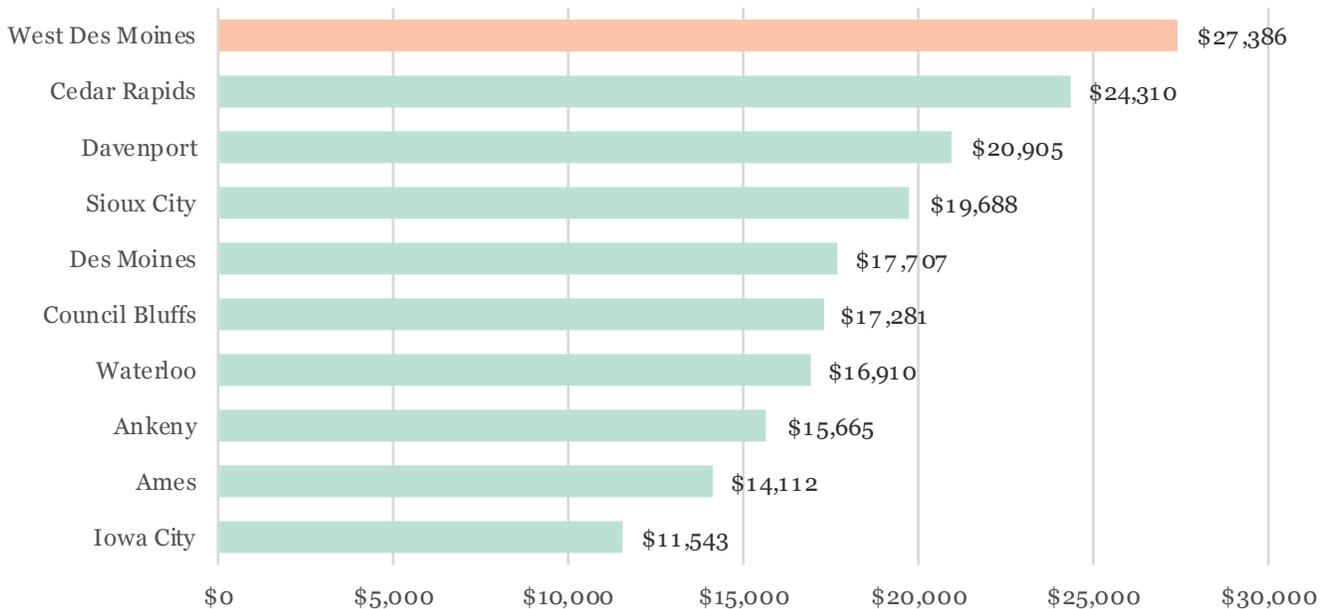
Source: Iowa Department of Revenue, “Retail Sales & Use Tax Annual Report Fiscal Year 2017”

IOWA'S TOTAL TAXABLE SALES BY CITY



Iowa's 10 most populated cities account for almost half of the state's taxable sales, with Des Moines and Cedar Rapids carrying the bulk of the sales. West Des Moines produces 4.61% of the state's total taxable sales, the 4th highest city on the list. With 2.08% of total Iowa's population, West Des Moines shows the high level of taxable sales share (4.61%) which is more than double compared to the share of the population. This indicates a robust retail industry in West Des Moines, especially in relation to its size.

PER CAPITA TAXABLE SALES



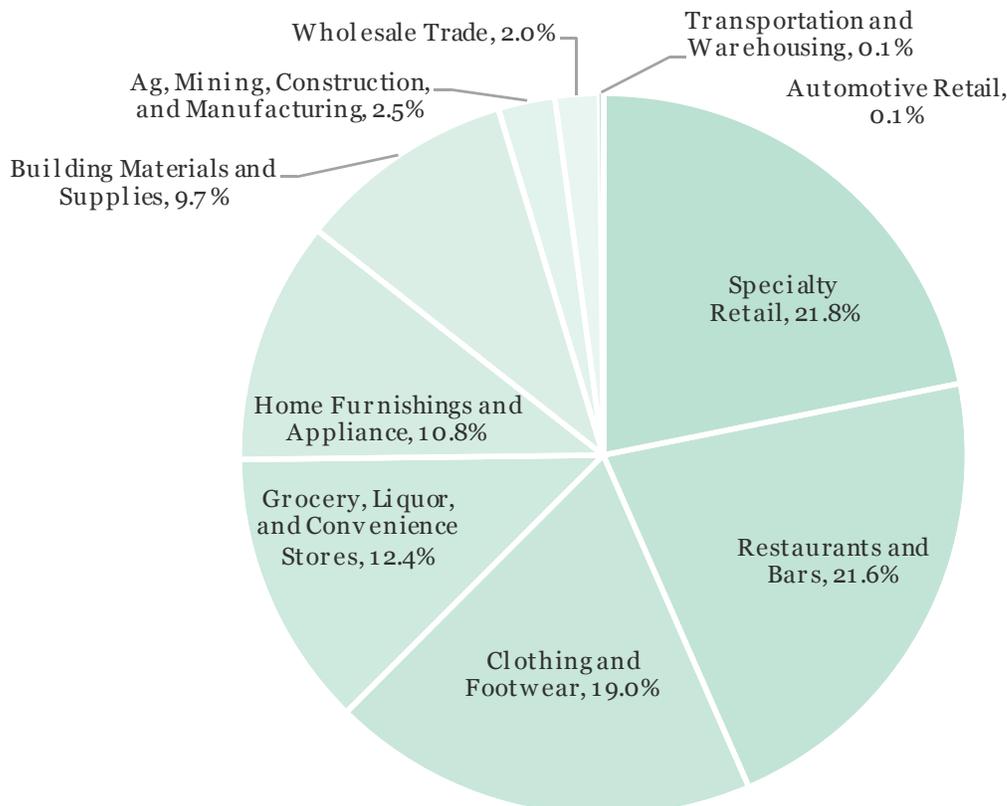
For Fiscal Year 2017-2018, West Des Moines ranks number one for per capita taxable sales among the 10 most populated cities in Iowa. West Des Moines has outperformed the other cities in per capita taxable sales for 10 consecutive years. To demonstrate the strength of the City's retail base, divide total taxable sales by the number of residents in West Des Moines and each resident would be spending \$27,386 in goods and services each year.

Source: Iowa Department of Revenue, "Retail Sales & Use Tax Annual Report Fiscal Year 2017"

RETAIL TAXABLE SALES, FY 17-18

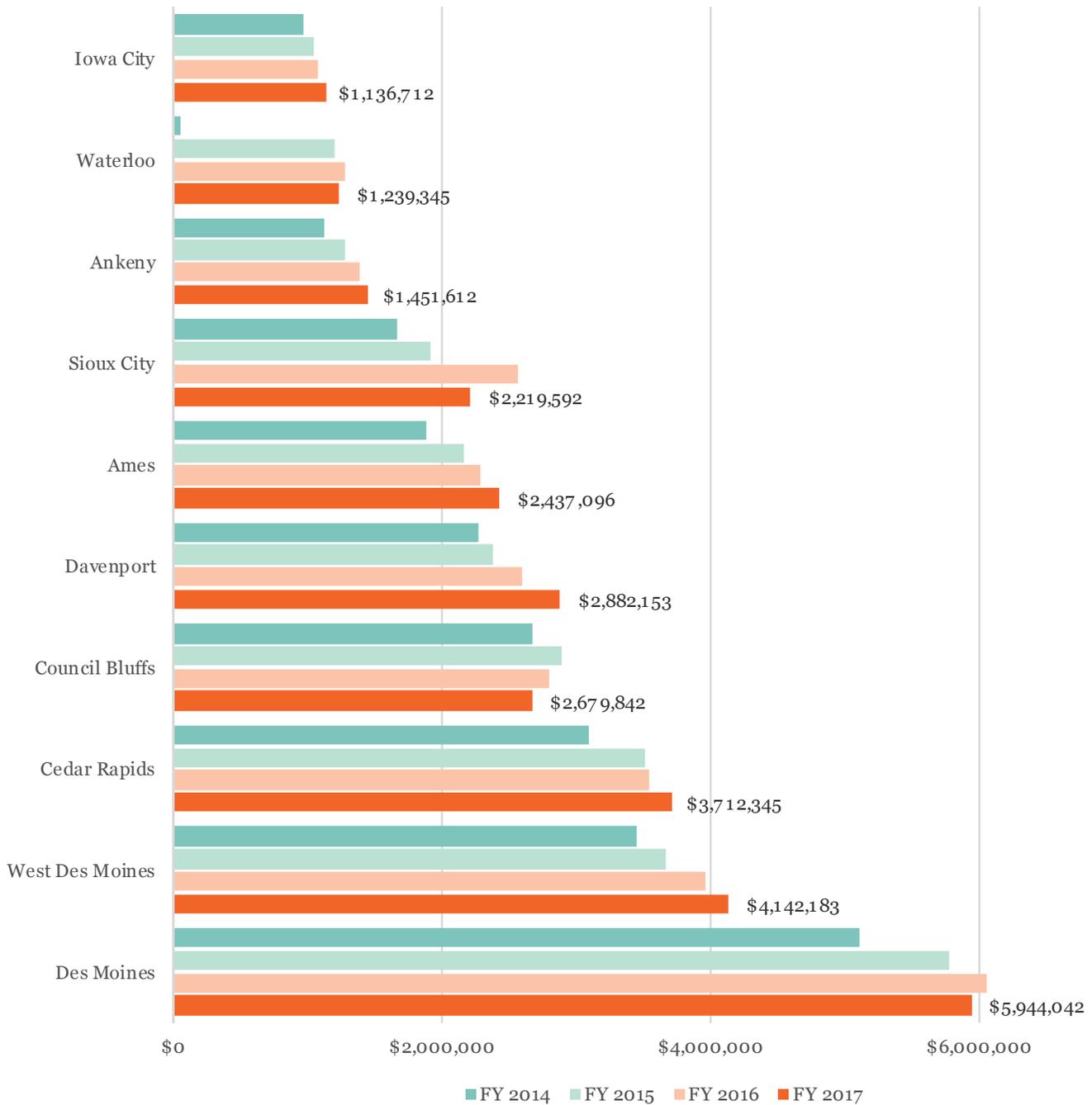
Ag, Mining, Construction, and Manufacturing	\$26,485,378
Automotive Retail	\$770,782
Building Materials and Supplies	\$102,051,018
Clothing and Footwear	\$199,750,738
Department and Discount Stores	\$337,599,469
Grocery, Liquor, and Convenience Stores	\$130,215,857
Home Furnishings and Appliance	\$114,093,174
Restaurants and Bars	\$227,740,634
Services	\$243,823,421
Specialty Retail	\$229,682,628
Transportation and Warehousing	\$964,387
Wholesale Trade	\$20,756,990
Total	\$1,606,678,316

The following graph and chart show the industry breakdown of West Des Moines' retail taxable sales in the 2017 calendar year. West Des Moines' strongest category is Department and Discount Stores, which account for 21% of total taxable sales. The Services category represents the next strongest category followed by Specialty Retail, Restaurants & Bars, Clothing & Retail, Grocery, Liquor & Convenience, and Home Furnishings & Appliances. The retail taxable sales can only be compared to Development Retrospectives FY 2016-2017 due to a change in category definitions.

RETAIL TAXABLE SALES BY INDUSTRY

Source: Iowa Department of Revenue, "West Des Moines Retail Sales Statistics Public - Through Calendar Year 2017"

HOTEL/MOTEL TAXES COLLECTED IN 10 IOWA BIGGEST CITIES (BY POPULATION) FY 2014-2017



For the eighth consecutive fiscal year, West Des Moines has collected the second highest amount of Hotel/Motel Tax out of the state’s largest cities, following only Des Moines. West Des Moines’ revenue from the Hotel/Motel tax was \$4,142,183 in Fiscal Year 2017-2018 which is a 4.5% increase over the year prior.

Source: Iowa Department of Revenue, “Retail Sales & Use Tax Annual Report Fiscal Year 2017/2016/2015/2014”

The 2017-2018 Development Retrospective highlights significant facts about the City of West Des Moines from July 1, 2017 to June 30, 2018. The data contained in the Development Retrospective show West Des Moines' general economic strength

and quality of life. Fiscal Year 2017-2018 was another year of growth for the city, with some highlights summarized below:

- Several **major projects** were undertaken, including phase four of Microsoft's Mountain data center, which will be approximately 169,000 square feet.
- West Des Moines businesses once again received **regional and national accolades**.
- West Des Moines' **population** continues to grow, reaching 65,608 in 2018.
- West Des Moines has a **highly educated population**, with 57% having at least a bachelor's degree, compared to the US average of 31%.
- The majority of West Des Moines residents are **homeowners**.
- West Des Moines continues to have **higher per capita property valuations** than other Iowa cities.
- West Des Moines has **very strong retail sales**, especially compared to other similar and larger cities in the state.



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