

The Good, the Bad and the Ugly

North Dakota State
Legislative Assembly Special Session
November 7, 2011

Presented by Brad Bekkedahl
Williston City Commissioner



Bakken Development Impacts

It all started 60 years ago in Williams County, 36 miles from Williston.

The Clarence Iverson Well #1, April 4, 1951.



Source: Williston Herald
Bill Shemory

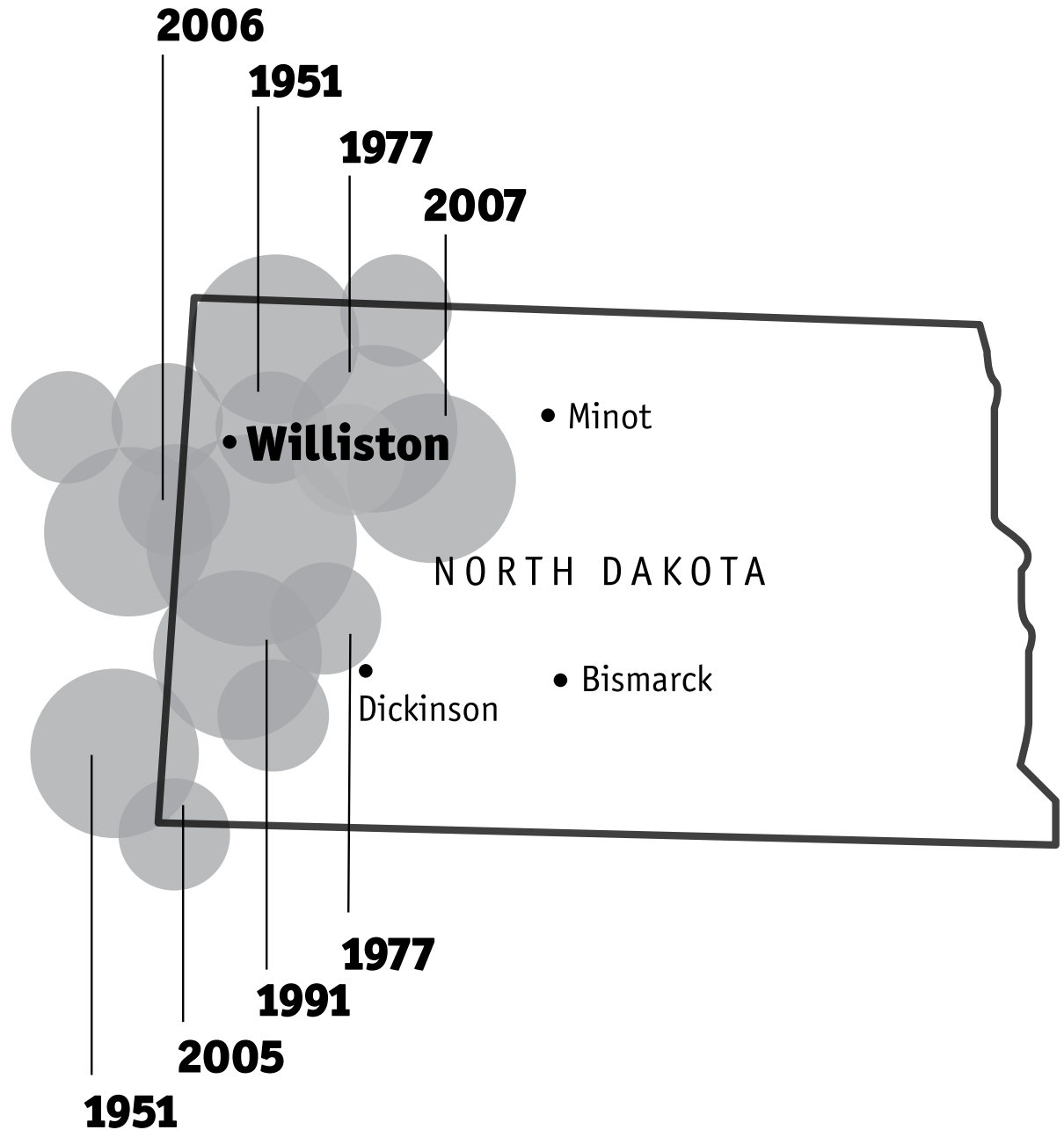
Bakken Development Impacts

Williston is the center of the Bakken Shale play. 90% of the drilling rigs are within a 70 mile radius of Williston.



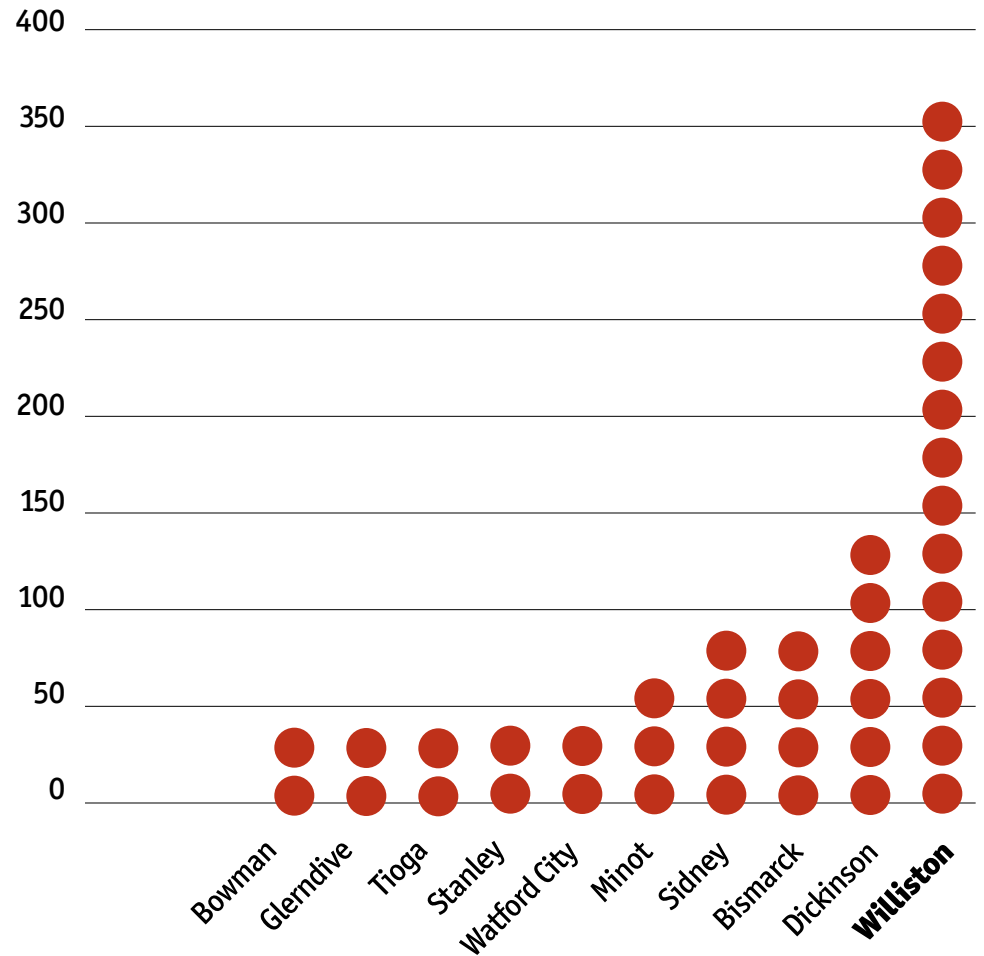
Bakken Development Impacts

Williston has been North Dakota's oil industry leader since 1951. Of the 200 active drilling rigs, Williams and McKenzie Counties account for over 100 of them.



Bakken Development Impacts

Williston is home to over 350 oil and gas service companies. Their businesses are dependent upon their location. Williston's oil employment numbers are 4-times higher than Dickinson and 8-times higher than Minot.



Bakken Development Impacts

- **Mining** was the *top employing industry* in the area with an *average annual employment of 4,534 or 31.4%* of total jobs.
- **Mining** also had the *largest growth in employment* with the addition of *1,705 new positions* and was *the fastest growing industry, increasing by 60.3%*.
- The **Mining industry** led all industries with the *largest share of total wages at 44.4%*.
- **Construction** had the *largest number of worksites* in Williston, accounting for *11.4%* of total worksites.
- The **Average Annual Wage** in Williston is **\$57,313.00**. This is a *20% increase over last year* and an *80% increase since 2006*.



Bakken Development Impacts

Employment Projection

Based on historical job/industry growth figures since 2006.

Figures are based on initial five year growths of:

Oil and Gas Industry: 32% per year for years 2012-2016.

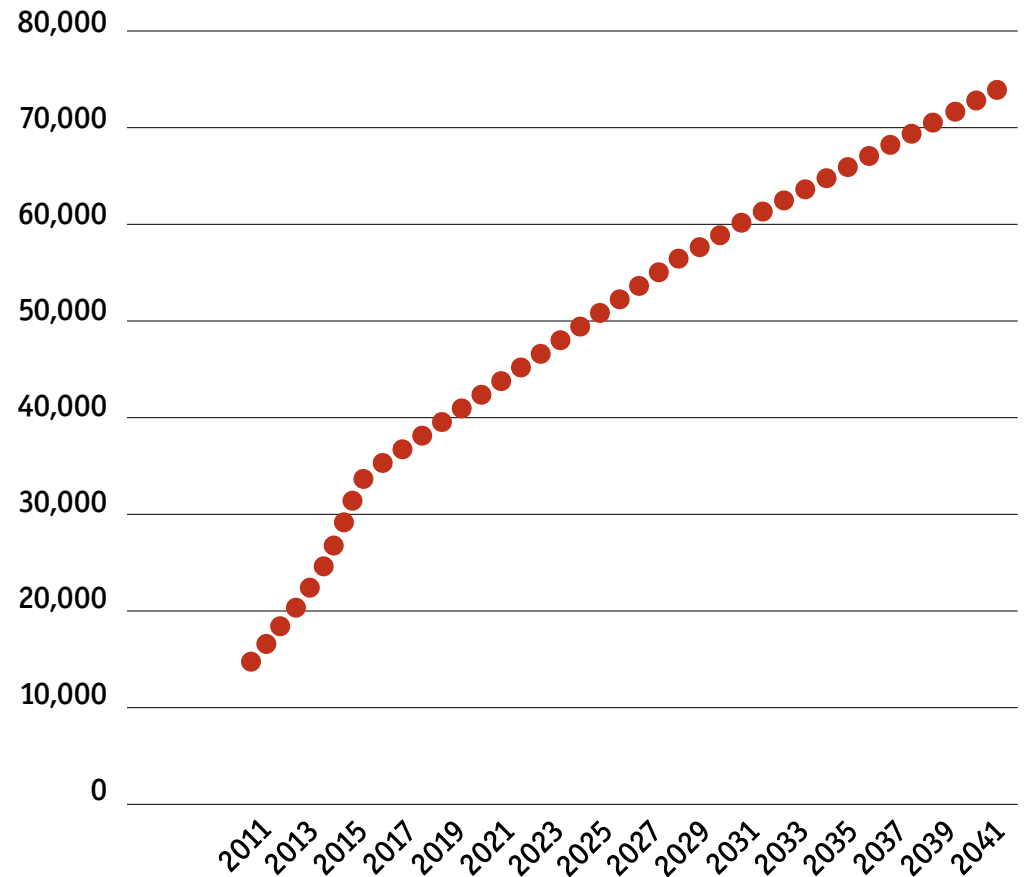
All other Industry: 8% per year for years 2012-2016

Years 2017 through 2026:

All industries projected average 5% growth per year.

Years 2027 through 2041:

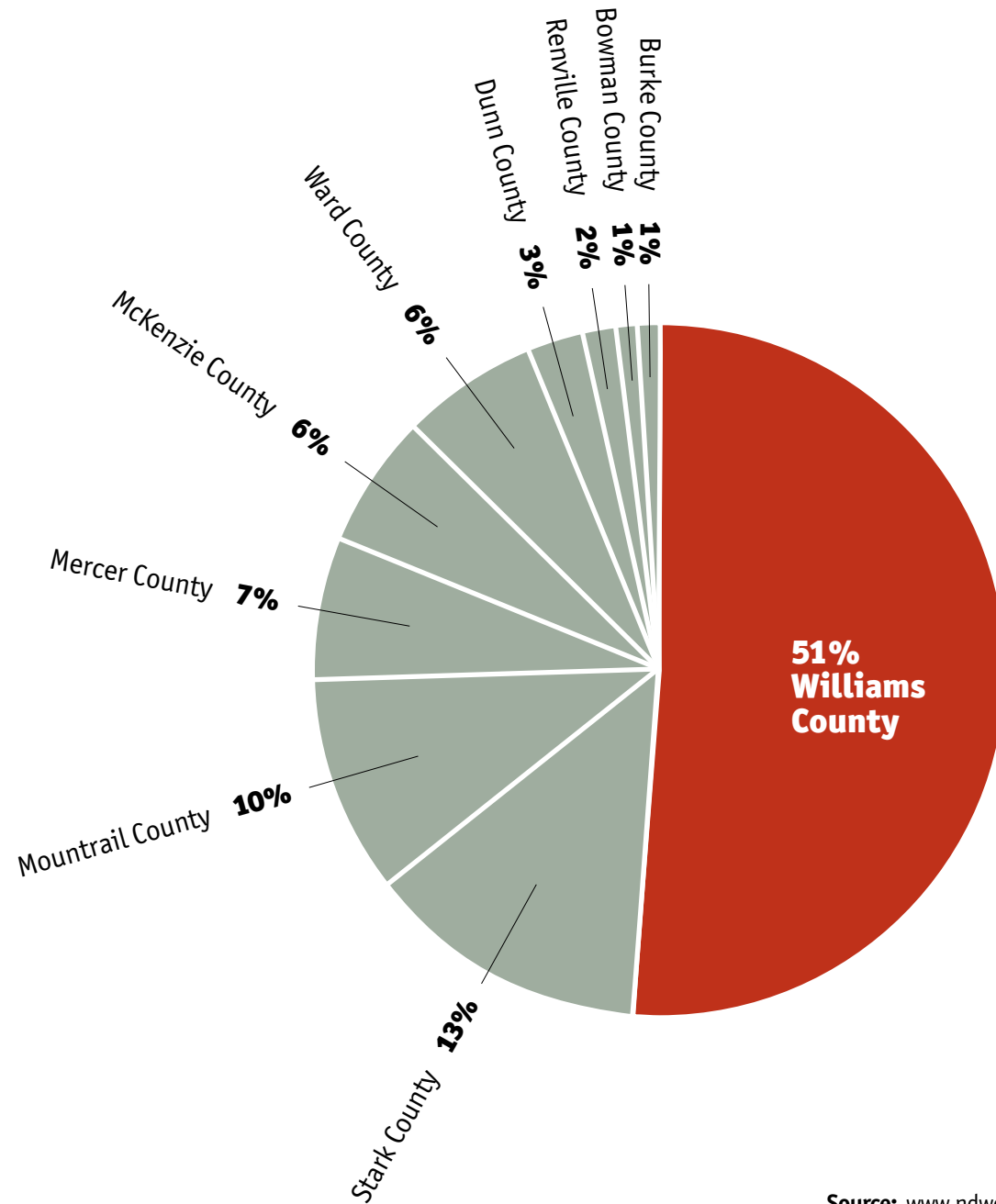
Oil and Gas declining in growth to 2% per year. All other industries growing 4% per year.



Bakken Development Impacts

Mining Employment by County

Percentage of Market Share 2010



Source: www.ndworkforceintelligence.com
Quarterly Report (Wage/Industry)

Bakken Development Impacts

Preparing as a Community for Future Impact

Williston first noticed this increasing activity level beginning in 2004.

To prepare, the city increased major infrastructure capacity for up to 40% more population.

We have since far exceeded that excess capacity, and are working with the Governor and Legislature to further extend our water, sewer, and road infrastructure for workforce housing and industry facility needs.

The City of Williston has committed over one million dollars in studies addressing the impact and future needs of the community.

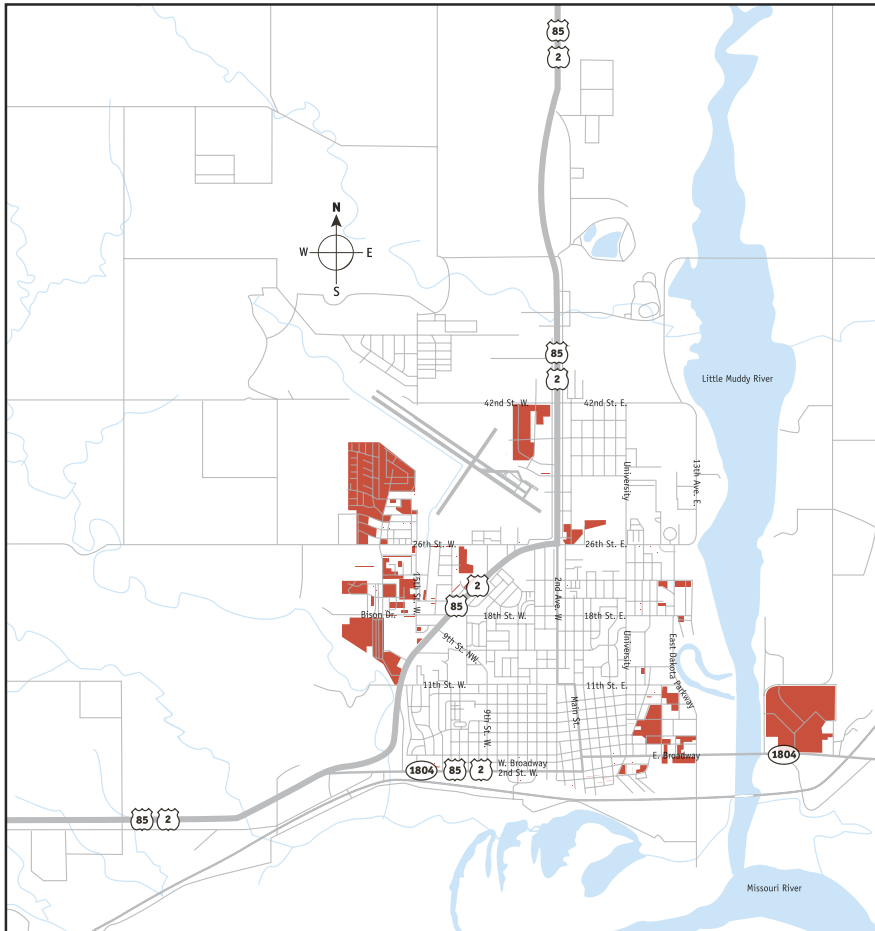
Bakken Development Impacts

Preparing as a Community for Future Impact

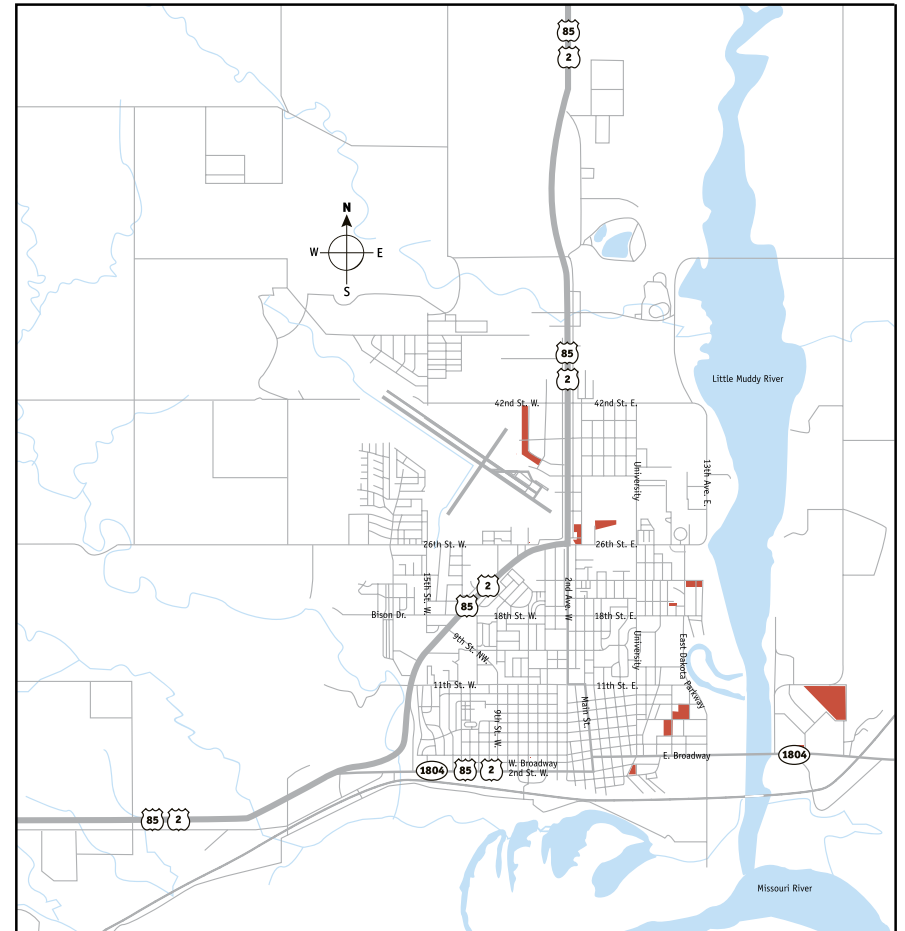
- Comprehensive Master Plan
- Annexation Options and Implications
- Infrastructure Capital Improvement Plan
- Regional Water Study
- Transportation Study
- Housing Study
- Labor Availability
- Petroleum Workforce Needs Study
- Williston Parks and Rec Master Plan
- Williston State College Master Plan
- Williston School Needs Study

Bakken Development Impacts

City Owned Property



2001

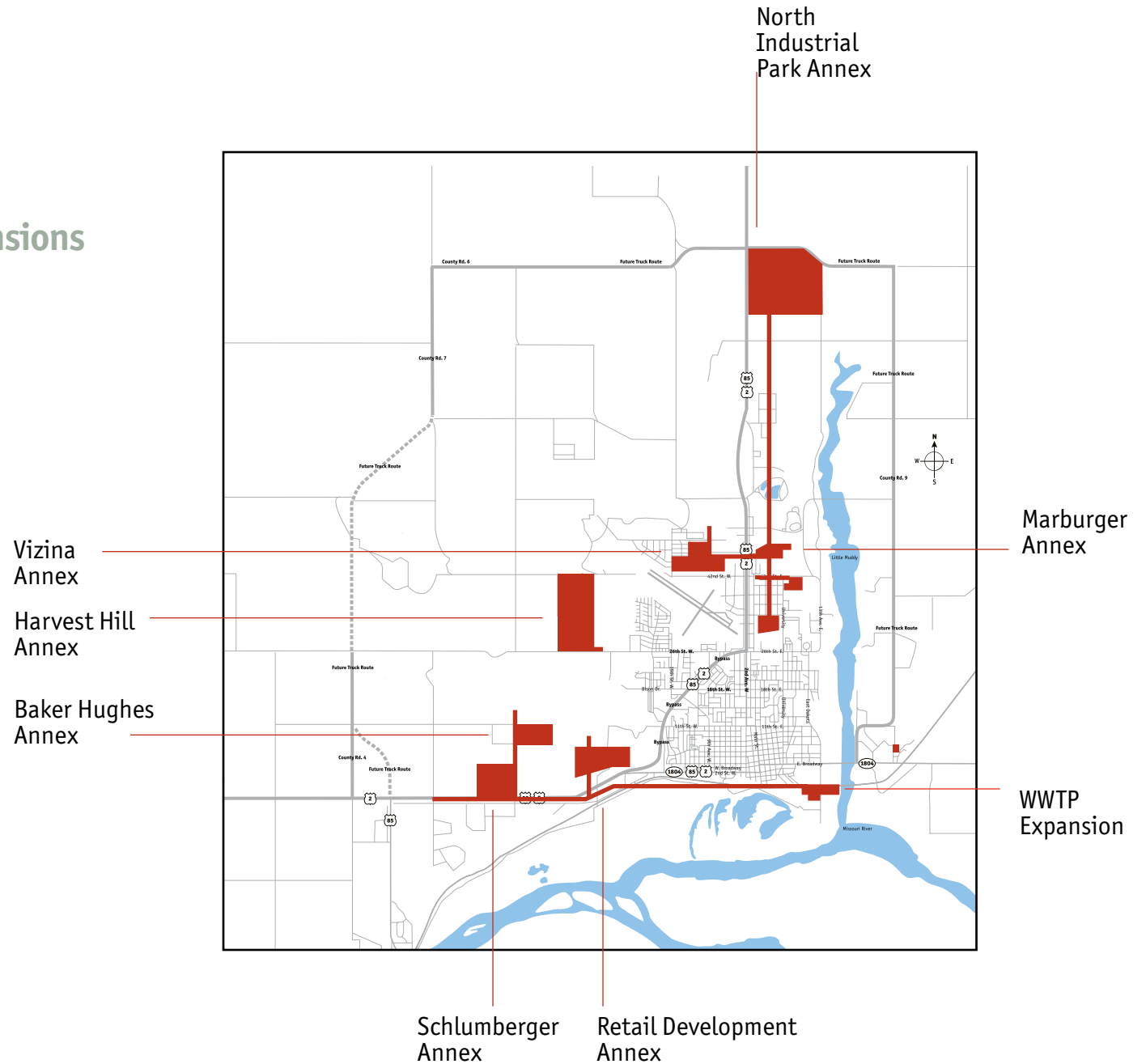


2010

Bakken Development Impacts

Development & Expansion

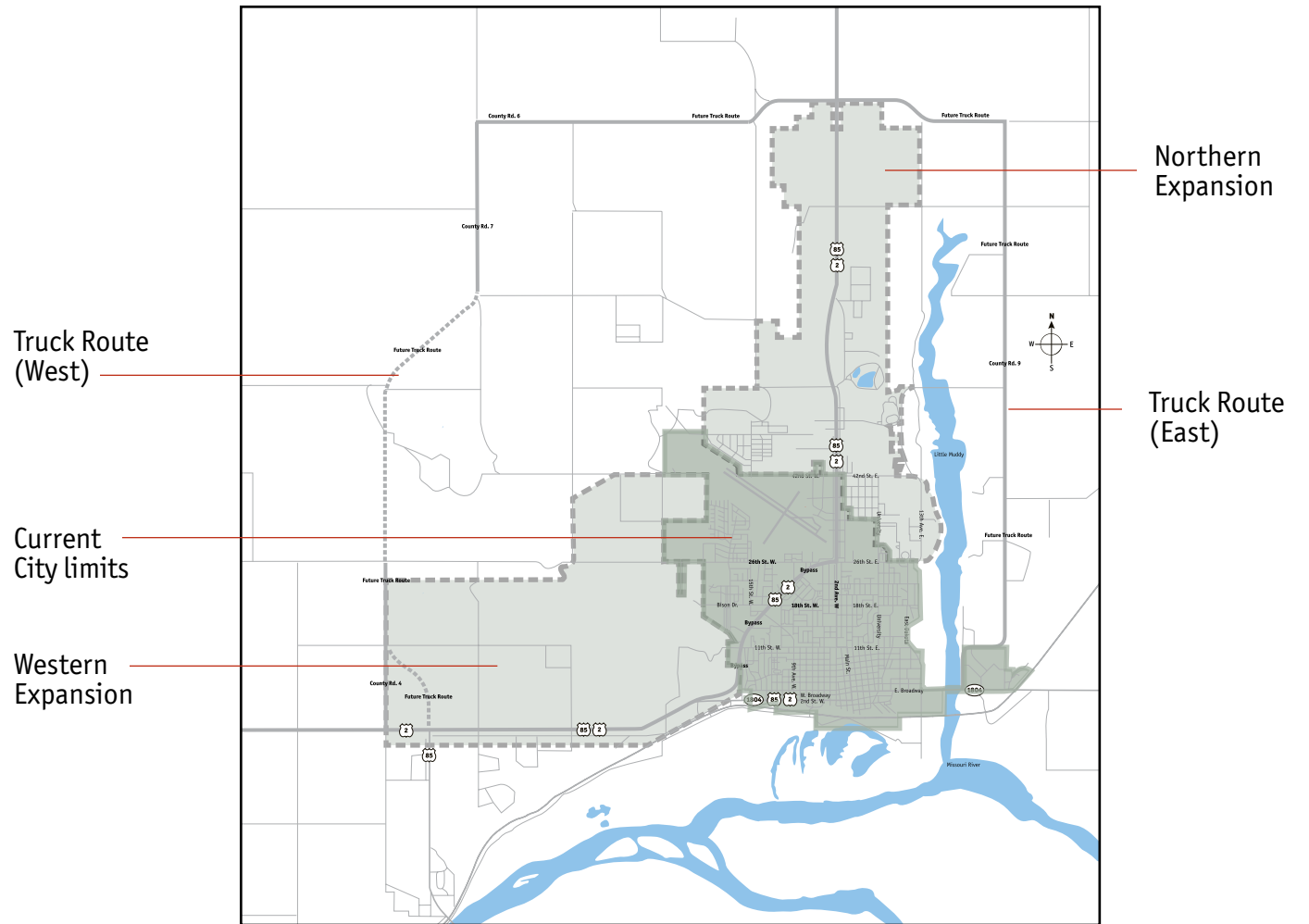
2011 Annexes & Expansions



Bakken Development Impacts

City Expansion

Williston will double, possibly triple in size by 2020



Bakken Development Impacts

**The Williston Capitol
Improvements Plan**

Improvements totaling
\$182 million are programmed
for development at critical
population thresholds.

Of this total, \$104 million
are classified as an
“immediate” need.

(These totals are calculated based on
industry impacts and needs.)

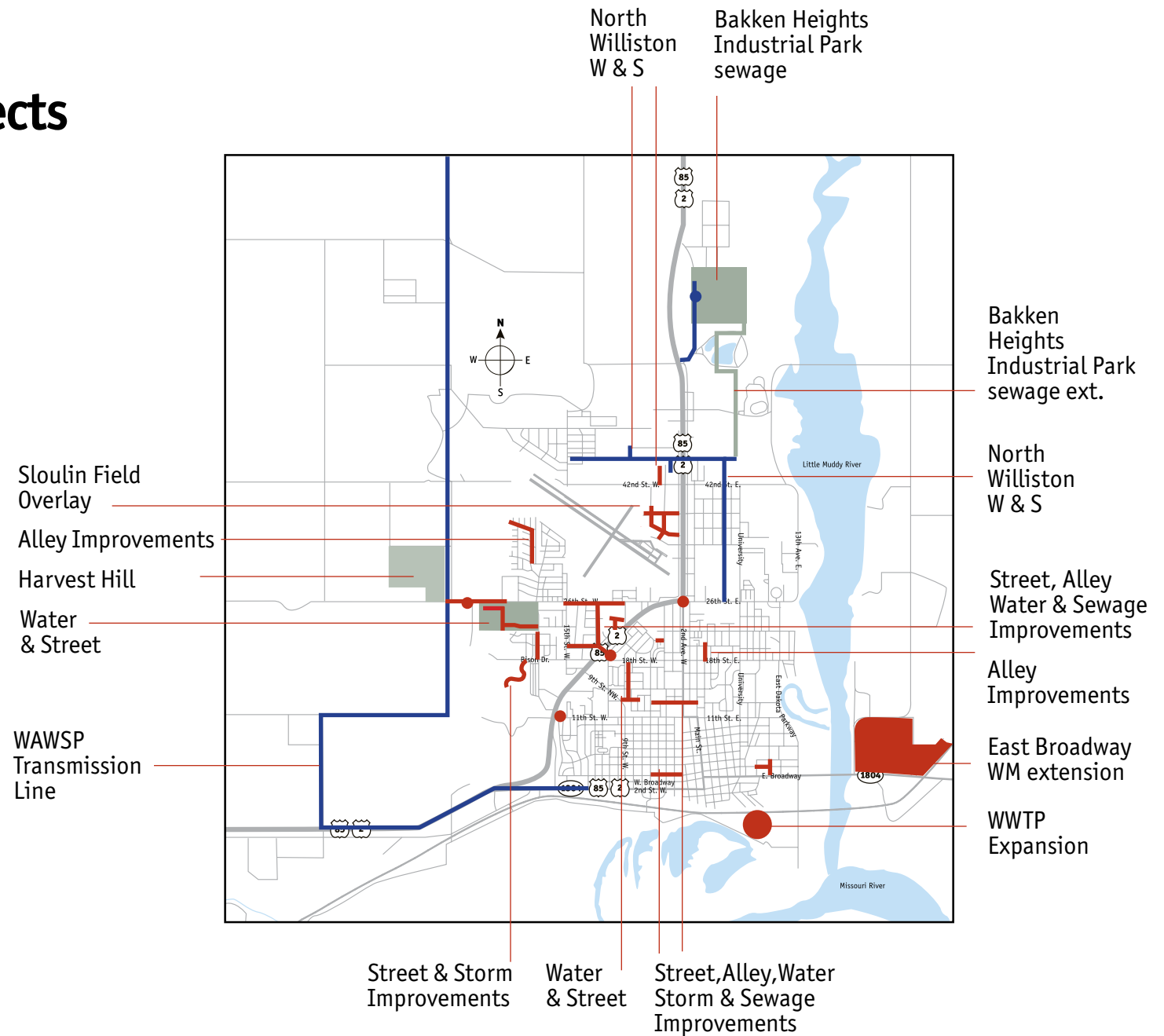
**Invest in
the West
to Fund
the Rest!**

Bakken Development Impacts

2011 City Projects

City of Williston

- City Projects
- Developer Projects
- WAWS

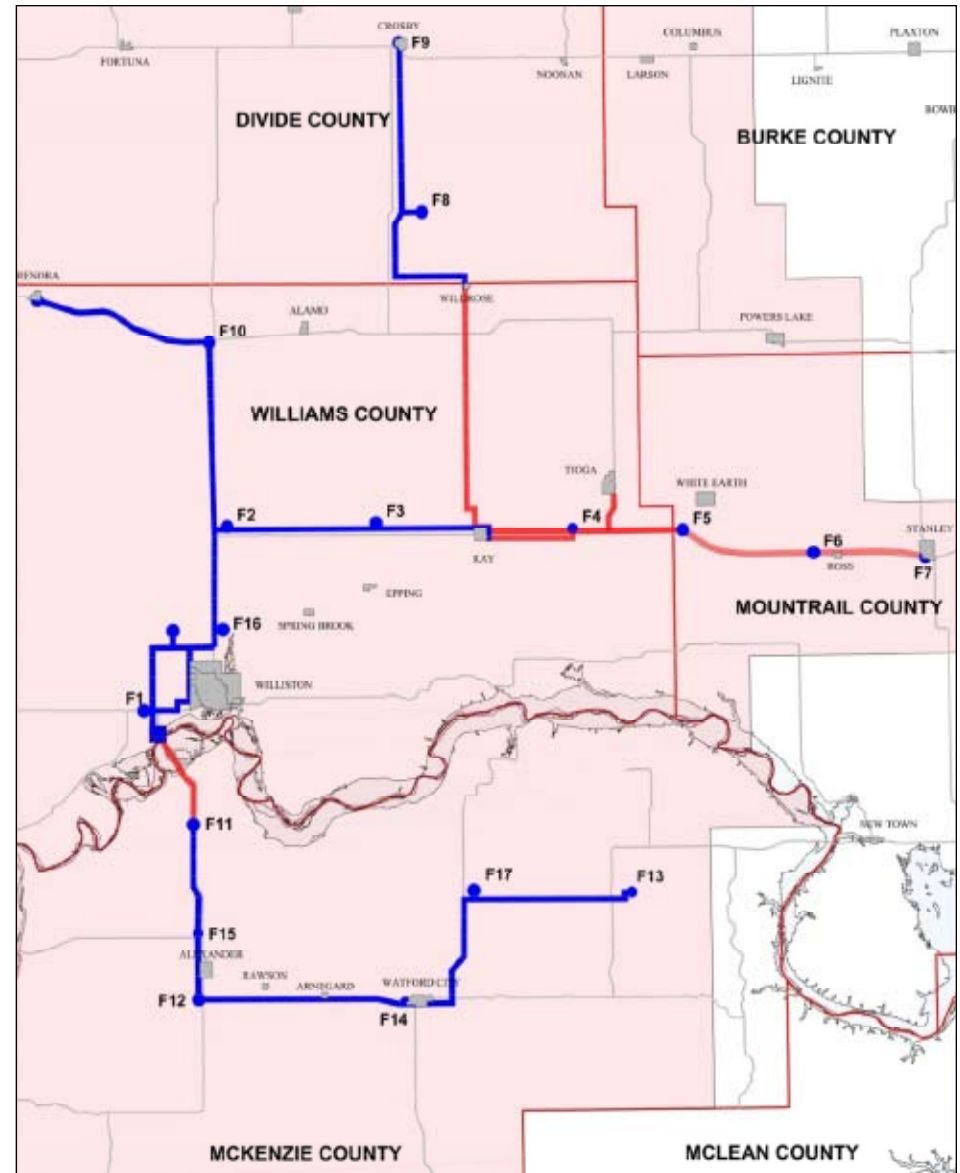


Bakken Development Impacts

Western Area Water Supply (WAWS)

The City of Williston is integral to the Western Area Water Supply as it holds a permit for up to 36 million gallons per day of Missouri River water access from its water treatment plant.

The WAWS system also provides critical water infrastructure for Williston's projected growth needs in expanding the city.

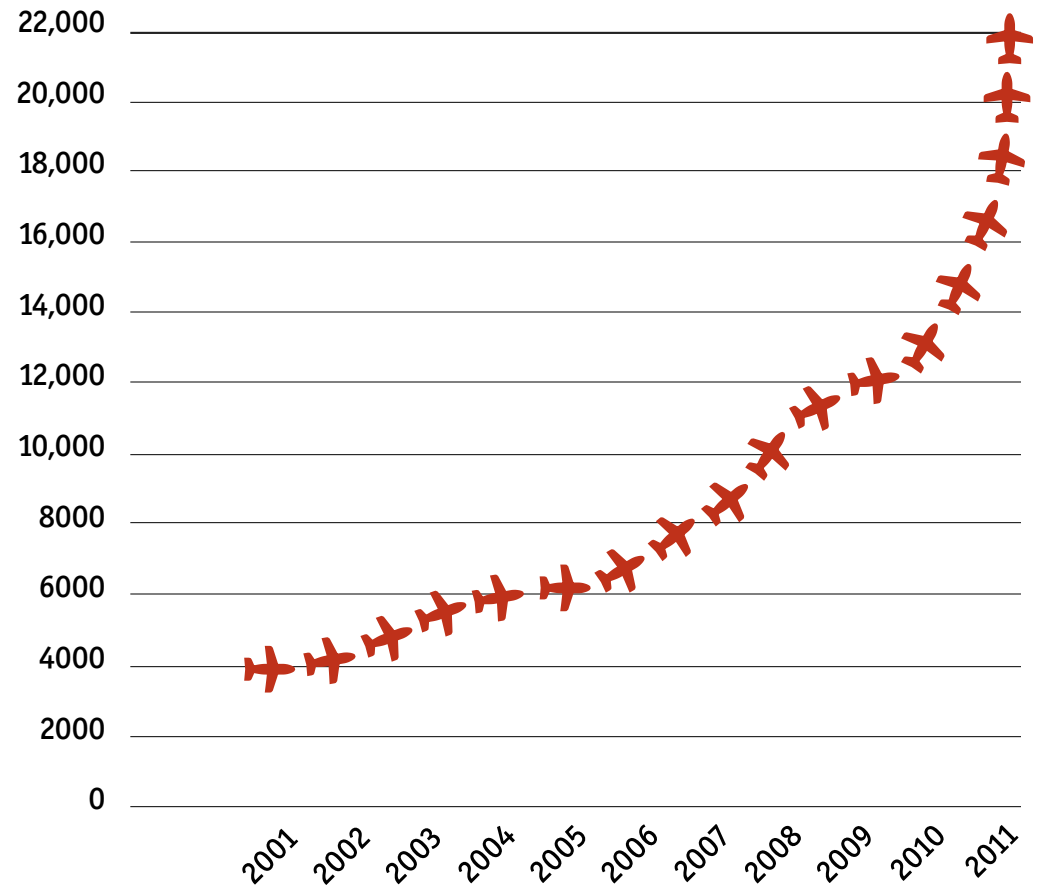


Bakken Development Impacts

Sloulin Field International Airport

22,000 boardings as of Oct. 31, 2011

The airport received a \$1.3 Million Surface Overlay to the main runway in 2011.

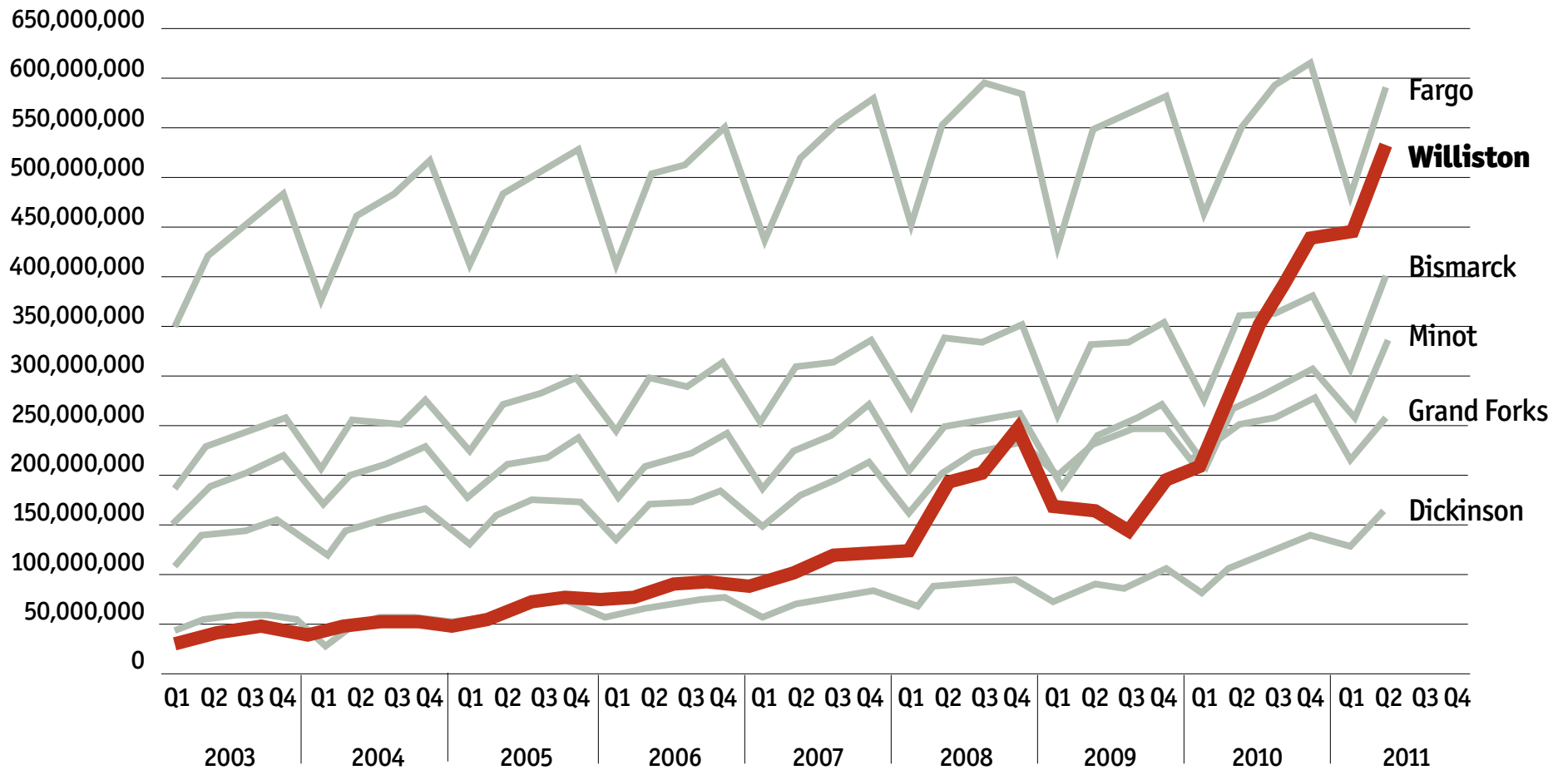


Source: ND Aeronautics Commission

Bakken Development Impacts

ND City Sales Tax

Major City Quarterly Comparison



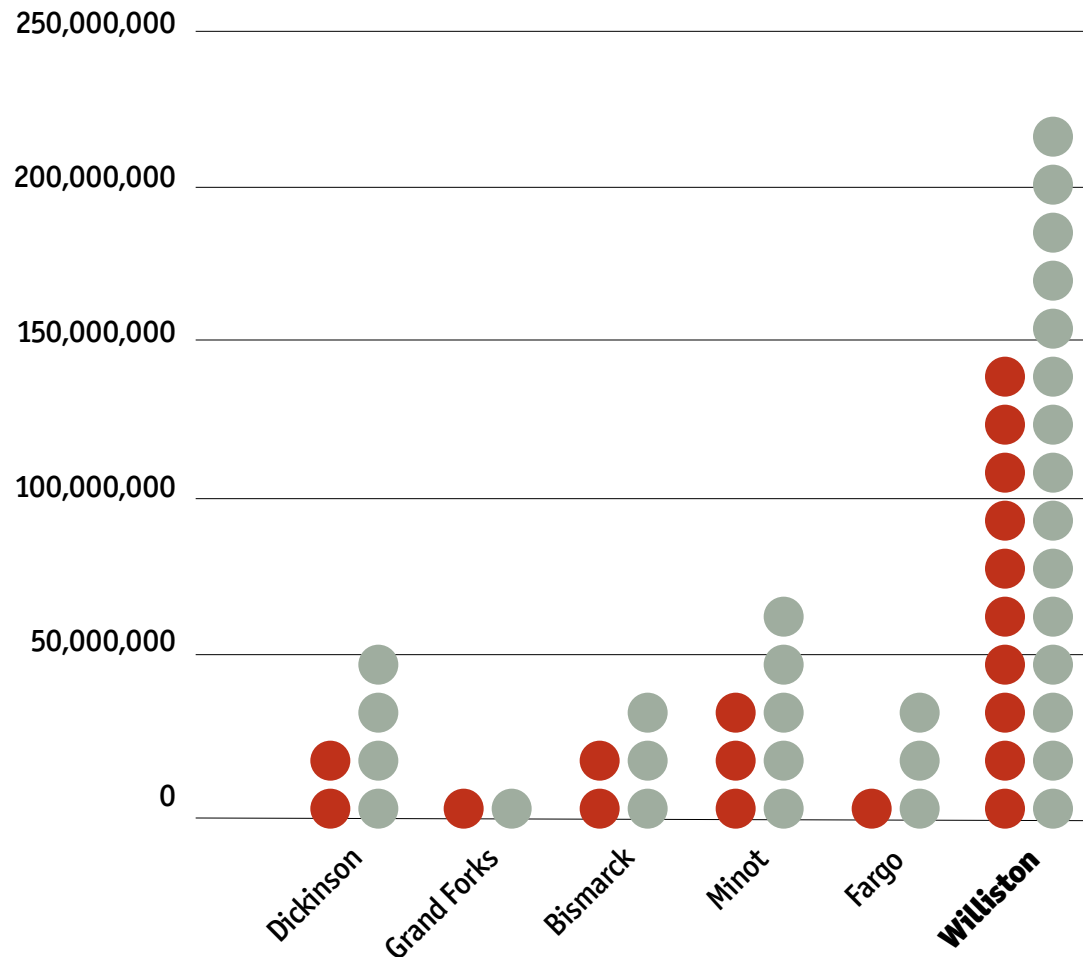
Source: ND Office of State Tax Commission

Bakken Development Impacts

ND City Sales Tax

2nd Quarter Net Gain/Loss Comparison

- 2010-2011 Net Gain/Loss
- 2009-2010 Net Gain/Loss



Source: ND Office of State Tax Commission

Bakken Development Impacts

2011 Williston Residential Building Permits

As of October 31, 2011

Single Family:	246
Multi Family:	737 (22 Buildings Permitted)
Mobile Homes:	110 (No Space Left)
Man Camps	0
Hotel Units:	604 (7 Properties Permitted)
Total:	1,697 Units

(Total permit valuation has passed
\$275.9 million as of Oct 31, 2011
Williston is on pace to pass
\$300 million in total permit valuation)

Bakken Development Impacts

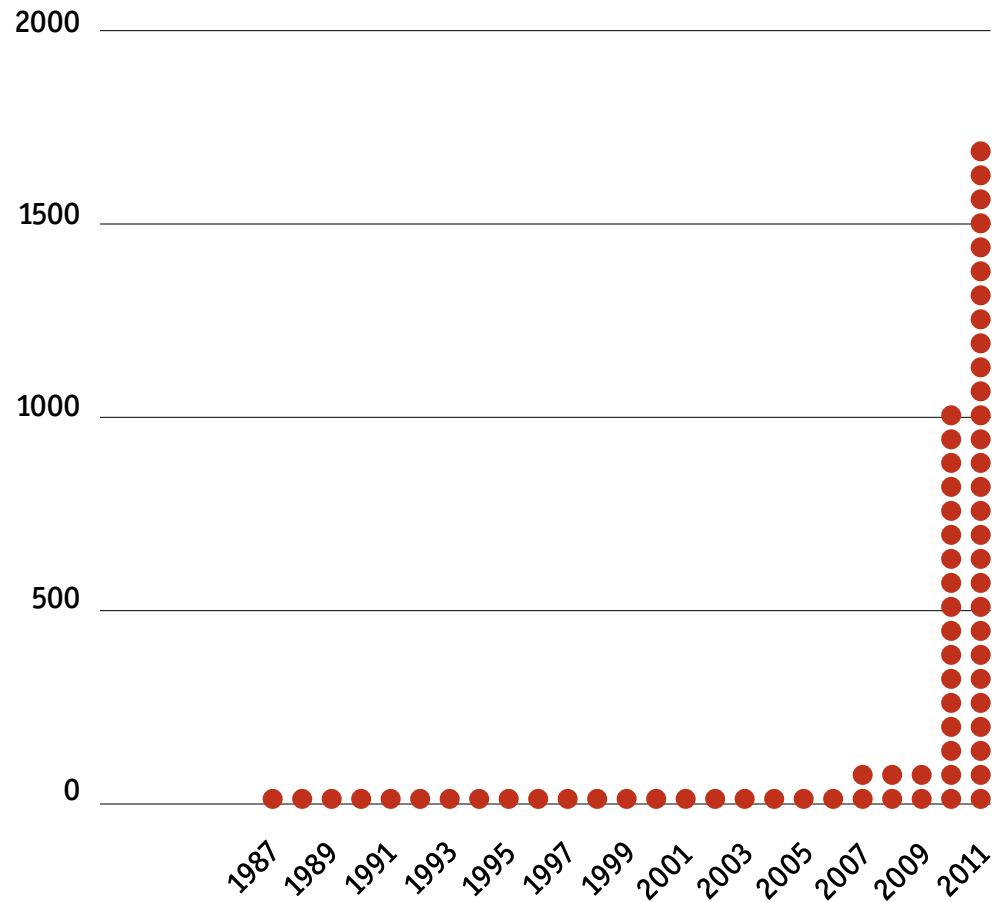
Williston Housing Units Built

January 1, 1987–Oct. 10, 2011

1987-2002: 211 units built

2003-present: 3,420 units built

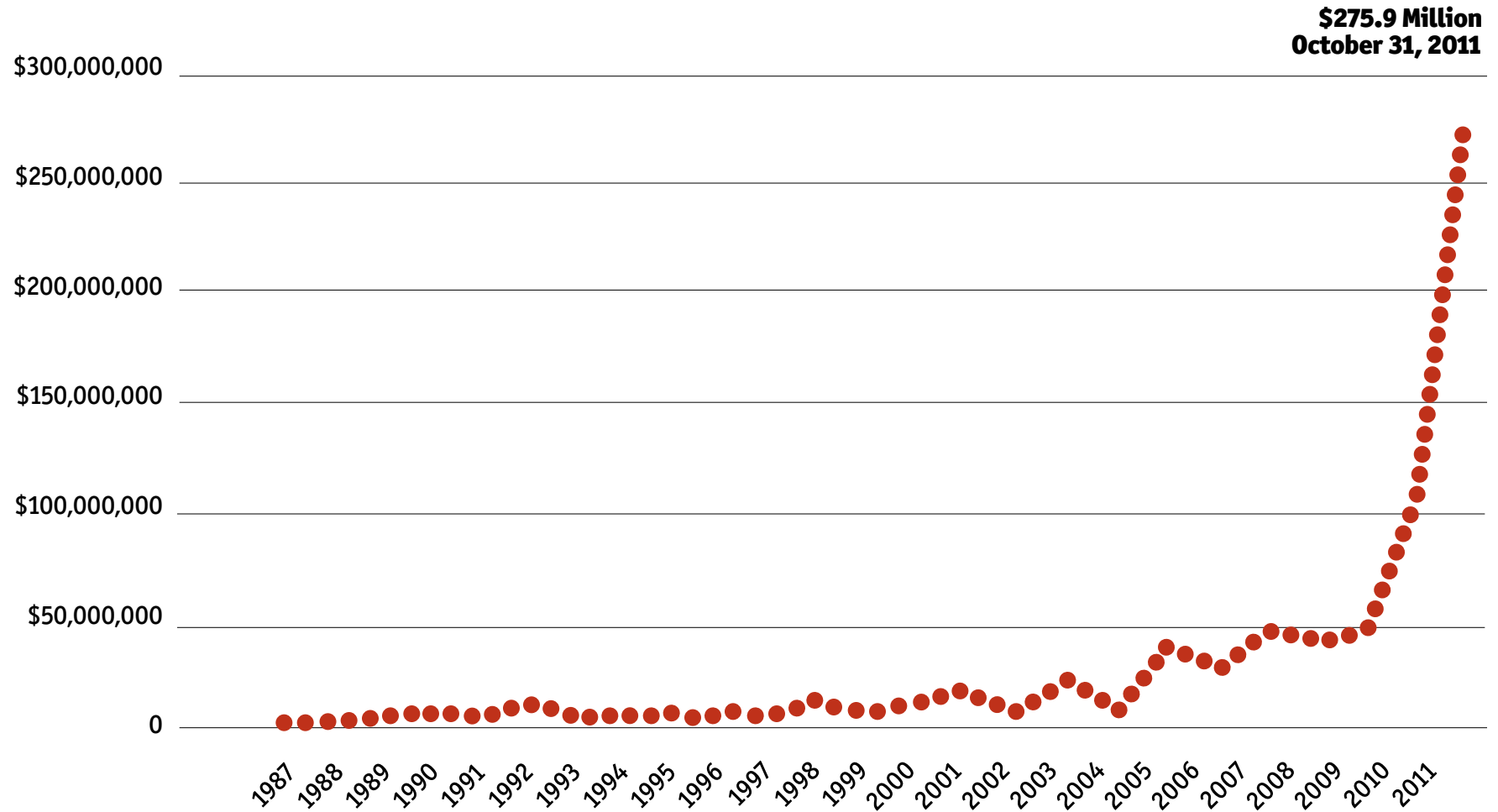
(includes: single and multi family, mobile home, and temporary work-force housing, hotel units and the WSC residents hall in 2010. This does not include County statistics.)



Bakken Development Impacts

Building Permit Valuation Totals

City of Williston, 1987– 2011

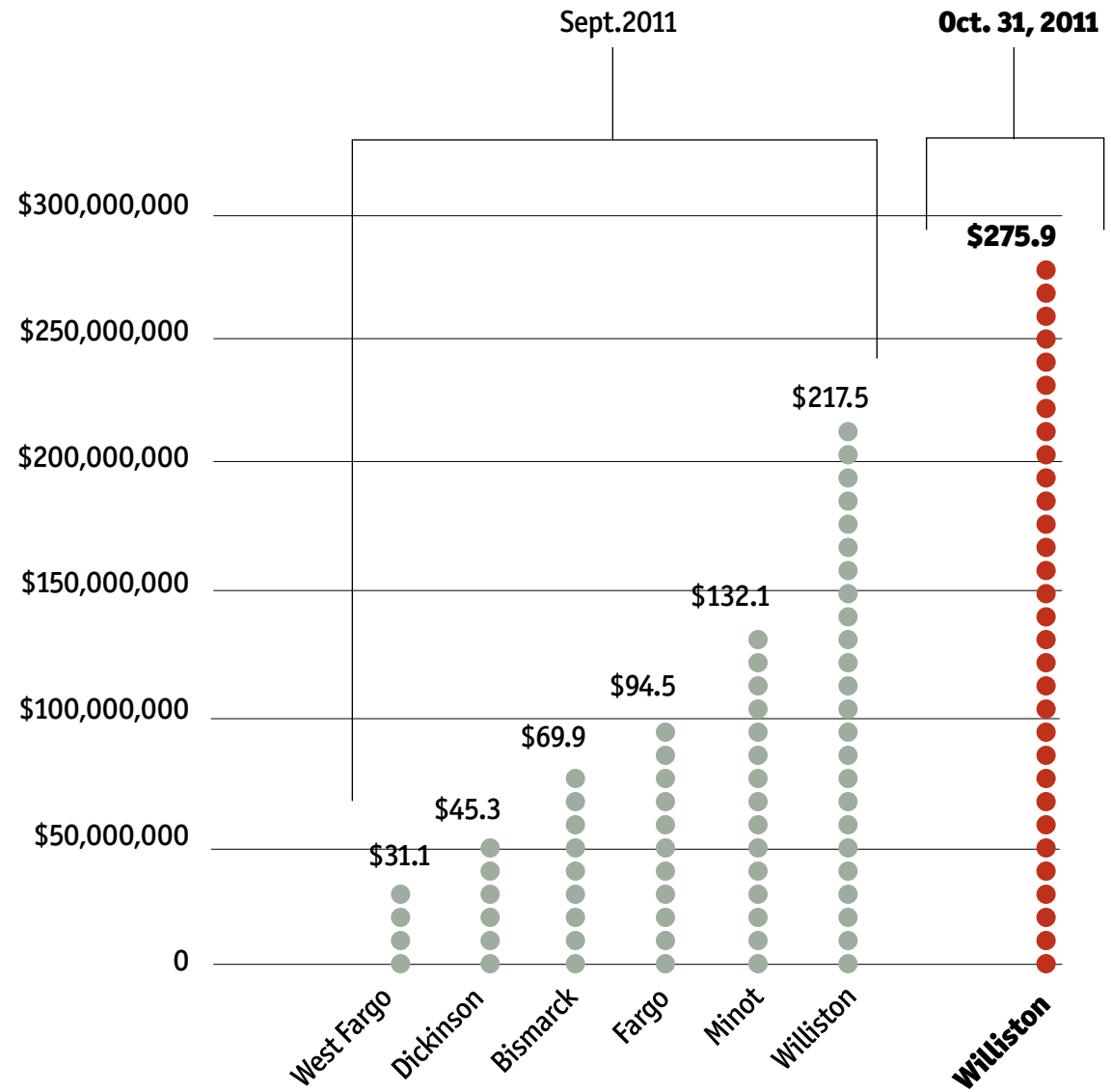


Source: ND Office of State Tax Commission

Bakken Development Impacts

ND City Valuations

Year to Date September 2011



Bakken Development Impacts

Hotel Development

Prior to 2009, Williston accommodated seven hotels with a combined occupancy of 606. Two hotels were built in 2010 to increase room total to 762. This year, seven additional hotels are completed or under construction to increase room total to 1368.

In less than two years, Williston has more than doubled its hotel room occupancy.

(As of today, 10 more hotels are planning the possibility of breaking ground in the future. This will double Williston's room capacity once again.)



Bakken Development Impacts**Man Camps**

Williams County Temporary Housing, currently calculated at over **9,200** sleeping units and growing, provides housing to a transitioning workforce.

August 9, 2011: Watford City City Council says no more man camps will be allowed within the city and including the one-mile jurisdiction.

September 12, 2011: In response to the growing demand and applications, the Williams County Commission issues a six-month moratorium on man camps.

September 27, 2011: Mountrail County announced a 18-month moratorium on any type of housing that is meant for temporary occupation.

Bakken Development Impacts

Police department calls increased 250% 2009: 6,000 /2010: 17,000

Municipal Court case activity increasing 15% annually

Airport boarding's quadrupled since 2001 and continue to increase

Building department staff doubled since 2008

Planning and Zoning department reestablished in 2007

Economic Development staff doubled since 2008

Wastewater treatment plant exceeded capacity in 2010

Sales tax collections since inception in 1991 have increased ten fold

City employment increase: 1994 – 82 fte /2011 – 126 fte / 2012 - 153 fte

Annexation since 2009 currently over 1,500 acres

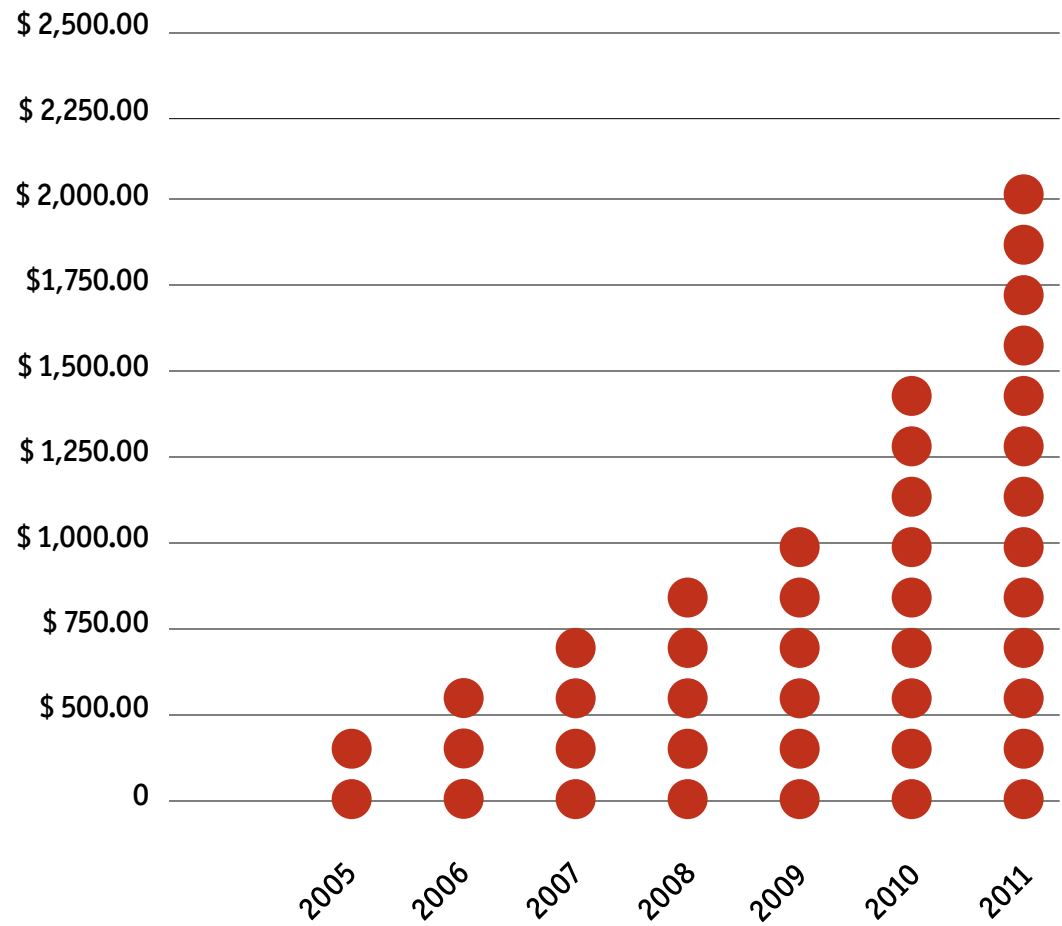
Bakken Development Impacts

The Human Cost of Progress: **Housing**

Rising rent raises anger: senior citizens are not happy with rent jumping from \$700 to \$2,000.

*Williston Herald,
September 29, 2011*

Rent: 1-2 Bedroom Apartment



Bakken Development Impacts

The Human Cost of Progress: **Transportation 1**

Oil field worker dies after run over by truck

Weekend accidents kill 1, injure 6

4 semi accidents in 4 days

18-wheeler on fire near Williston

Semis collide, 1 catches fire

4 killed in head-on crash with semi

Man dies in tanker rollover

Williston Herald, September Headlines

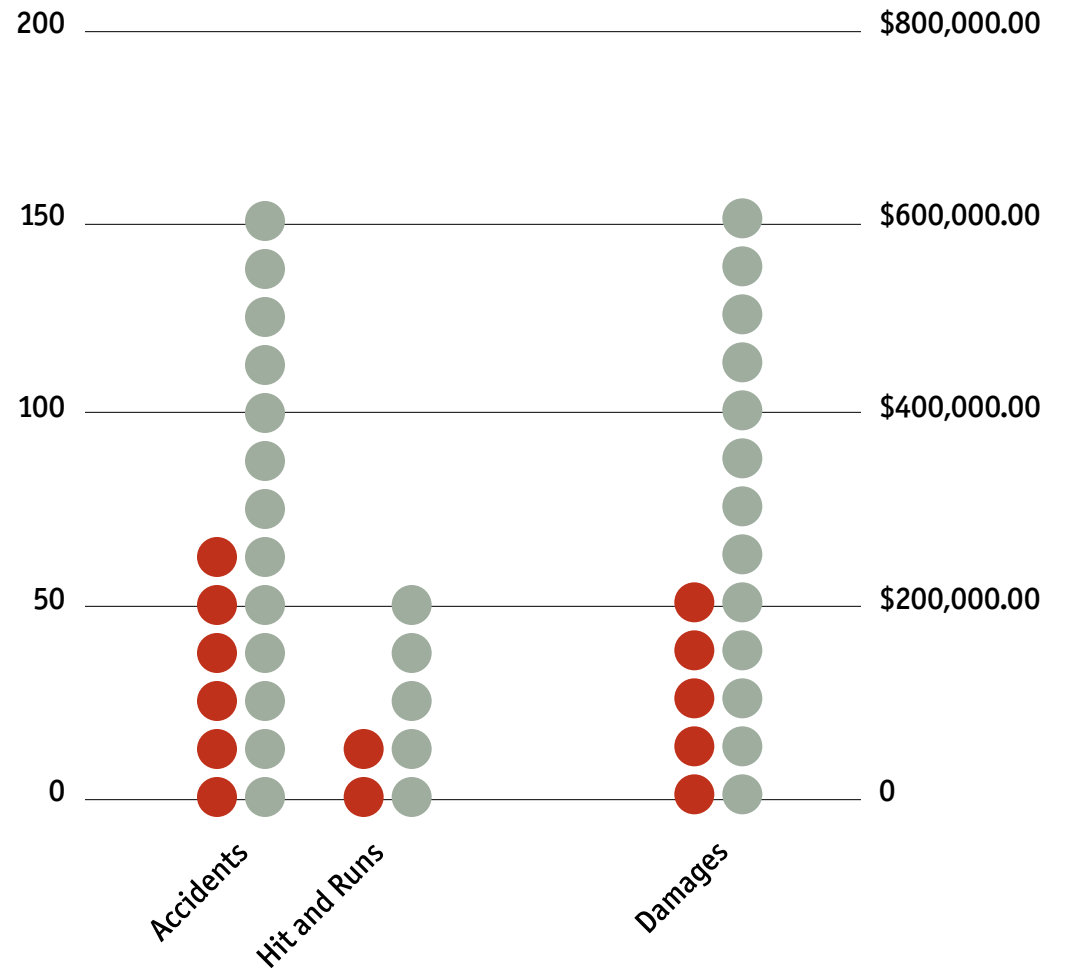


Bakken Development Impacts

The Human Cost of Progress: Transportation 2

Williston Police Department
Traffic Accident YTD Comparison

- September 2011
- September 2010



Bakken Development Impacts

The Human Cost of Progress: **Transportation 3**



Non-Rush Hour

Bakken Development Impacts

The Human Cost of Progress: **Transportation 4**



July 7, 2011

Semi loaded with Potassium Hydrochloride turned onto a residential street, across from Mercy Medical Hospital. There was 350 gallons of chemicals unloaded at the scene of the incident by emergency responders.

Bakken Development Impacts

The Human Cost of Progress: **Transportation 5**

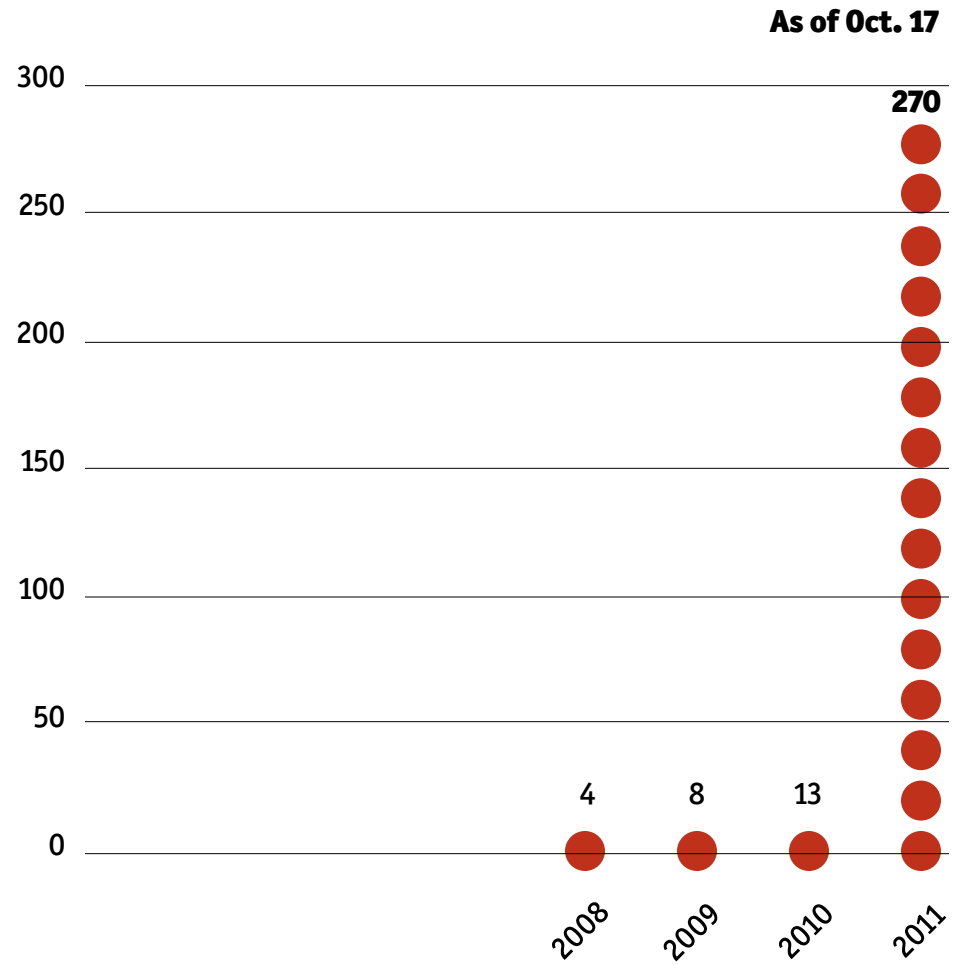


Police Department states that they are missing 1 out of 3 truck route violations due to staff shortages.

Bakken Development Impacts

The Human Cost of Progress: Transportation 6

Truck Route Violations Citations



Bakken Development Impacts

The Human Cost of Progress:
Transportation 7



\$1.5 million city road repairs in 2011

Bakken Development Impacts

Western North Dakota is hosting the largest oil play in the lower 48 states.

Due to current state oil tax legislation:

- **State resources are in record surplus, *estimated \$1.5 billion annual Oil & Gas tax receipts.***
- **Local resources are in deficit and overwhelmed, *Williston's portion of State Oil & Gas tax is \$1.5 million per year or 0.1% of total State Oil Tax collections.***

According to Williston Mayor, Ward Koeser:

"We need a lot more money out here to deal with the impacts."

**When it is all said and done,
we **Will** be a better community
than before we started!
Thank you.**

Brad Bekkedahl
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