

Estimated Damage Incurred and Assistance Received

Executive Summary

Immediately after the flood, economists began estimating the damages and economic loss to the community of Grand Forks. Numbers ranged from \$1 billion to over \$2 billion as people came back to water-filled basements, destroyed businesses, damaged streets and no drinkable water.

Unfortunately trying to get an overall estimate on the total damage from this massive event is very difficult. The following pages show the best collection of the estimated amounts of damage incurred and assistance received that could be gathered at this time. These pages will demonstrate that while assistance was generally received in quantifiable amounts, the damage estimates are less definable.

The following pages will also demonstrate that although Grand Forks received a tremendous amount of help, the amount of damage sustained was much greater.

The bottom line is that at least \$1 billion dollars worth of damage was sustained within Grand Forks. This awesome amount came in the form of real property damage, economic losses and long-range financial consequences that are still beyond full comprehension.

In addition, while the generosity of our neighbors near and far has been overwhelming, there is still an incredible gap between the assistance received and damage incurred. In fact, if the current total damage and assistance amounts were distributed on a per capita basis, each man, woman and child in Grand Forks would still be faced with a bill for nearly \$10,000 and an increased debt load of over \$3,000.

Estimated Damage Incurred from the Flood of '97

Estimated Damages	
<u>Estimated Physical Damage</u>	
Residential Structural Damage	\$123,000,000
Commercial Structural Damage	\$45,000,000
Residential Personal Property Loss	\$123,000,000
Commercial Property Loss	\$45,000,000
Non-Profit Structural Damages	\$58,800,000
Non-Profit Property Loss	\$58,800,000
School System Structural and Content Loss	\$72,000,000
Park District Loss	\$12,000,000
City Building and Property Damages	\$32,444,800
Infrastructure Damage	\$156,885,975
UND Damages	\$50,187,055
State Property Damages	\$1,000,000
Grand Forks County Damages	\$45,000,000
<u>Economic Losses</u>	
Decrease in Residential Tax Collections Because of Property Damage	\$12,300,000
Decrease in Commercial Tax Collections Because of Property Damage	\$4,500,000
Tax Base Lost (from property buyouts)	\$3,600,000
Economic Loss from Businesses Being Closed During Flood	\$170,000,000
UND Economic Loss	\$8,000,000
Total Estimated Damages to date:	\$1,013,517,830

Estimated Damages: Description of Categories

Residential Damages: These estimates of damage to residential structures are from the Grand Forks City Assessor based on the inspection of the 11,000 residential and commercial properties in the city.

Commercial Damages: These estimates of damage to commercial structures are from the Grand Forks City Assessor based on the inspection of the 11,000 residential and commercial properties in the city.

Residential Personal Property: This very conservative value was estimated based on the assumption that the amount of personal property loss averaged the same amount as the damages to structure (above). These values are from the City Assessor.

Commercial Personal Property: This very conservative value was estimated based on the assumption that the amount of commercial personal property loss averaged the same amount as the damages to the structure (above). These values are from the City Assessor.

Non-Profit Damages: The City Assessor estimated this value based on the fact that the amount of non-profit properties in the city equals approximately 35% of the commercial and residential taxable properties. Therefore he took 35% of the total damages to commercial and residential properties to come up with \$58.8 million.

Non-Profit Property: The City Assessor estimated this value based on the fact that the amount of non-profit properties in the city equals approximately 35% of the commercial and residential taxable properties. This is also based on the assumption, as with residential and commercial personal property, that the amount of personal property loss is equal to the amount of physical damage. Therefore he took 35% of the total damages to commercial and residential properties to come up with \$58.8 million.

School System: According to Dr. Sanford, Grand Forks Superintendent of Schools, \$72 million is the approximate amount for structural and content damage to the schools.

Park District: Obviously, the floodwaters caused much damage to the city's park areas. The costs have not yet been estimated and the number above is not verified.

City Buildings and Property Damage: The buildings and contents owned by the city. This amount was determined by estimations of each city property's structural and content damage.

Infrastructure Damage Estimates: Estimated by the Engineer department, this figure represents an estimate of the infrastructure damage. Some of the damages are immediate and repairable but some are less immediate and will affect the city in the long run in the form of lost use and unrecoverable equity.

UND Damages: The amount of estimated physical damage and related costs to the University of North Dakota for flood fight, assisting City in all areas of operation, and repairs.

State Property: The amount of State property in the city, excluding UND, that received damage. To date, this amount is not verified.

Grand Forks County: Received by the State Department of Emergency Management, this value is the amount of county property damaged and county applicants for public assistance.

Decrease in Residential Tax Collections Because of Property Damage: This number represents the amount of taxes residents would have paid to the city but now will not because their property has been reduced in value because of flood damages. These values are estimated the City Assessor.

Decrease in Commercial Tax Collections Because of Property Damage: This number represents the amount of taxes businesses would have paid to the city but now will not because their property has been reduced in value because of flood damages. These values are estimated by the City Assessor.

Tax Base Lost (from property buyouts): The amount of taxable property missing from the tax rolls because they were so damaged the city had to buy them out and are now exempt. The City Assessor assumed a 2% loss to the residential and commercial tax bases per year for a period of 5 years to derive this number.

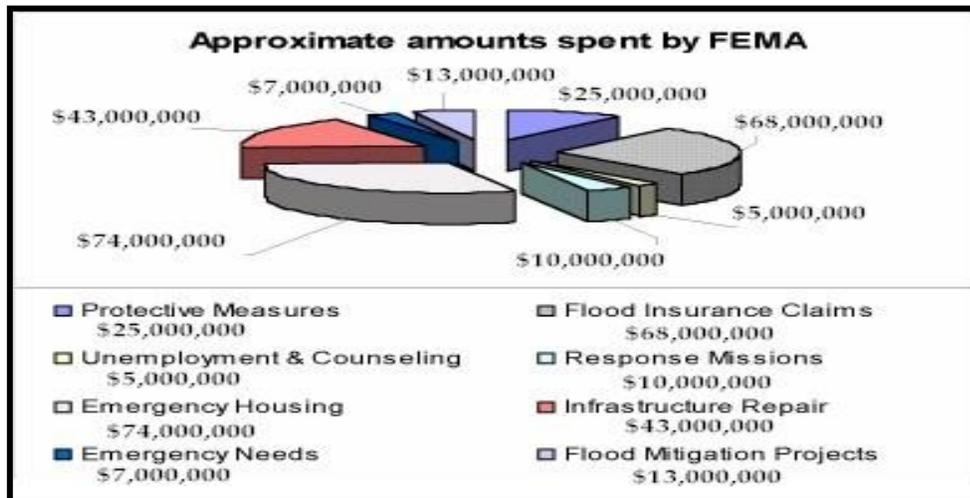
Economic Loss from Businesses Being Closed During Flood: This estimate was formulated, in part, by using the results of the Grand Forks Business Emergency Census directed by Dr. Cliff Staples of the UND Sociology Department, which indicated the median number of days businesses were closed and the daily economic loss incurred.

UND Economic Loss: Not including tuition shortfall, this number represents the amount anticipated lost.

Approximate Assistance Received

Approximate Assistance	
FEMA (Federal Emergency Management Agency)	\$245,000,000
HUD (Housing and Urban Development - CDBG funds)	\$171,600,000
Angel Fund (Donation from anonymous benefactor)	\$20,060,000
State Aid	\$20,000,000
Red Cross	\$11,700,000
Salvation Army	\$6,000,000
Fannie Mae	\$13,450,000
EDA (Economic Development Agency)	\$10,166,750
Flood Clearinghouse	\$1,045,629
Greater Grand Forks Relief Fund	\$655,725
'97 Flood Relief Fund	\$929,181
Miscellaneous Donations	\$5,000,000
Total Estimated Assistance to date:	505,607,285

FEMA (Federal Emergency Management Agency): FEMA has been invaluable not only in the direct response phase but also in the recovery. Their financial assistance is only a part of the overall assistance they've provided to the City as well as the rest of the State. Most of the financial assistance has been in the form of addressing immediate needs and therefore has already been spent or allocated toward specific projects. As noted by the chart below, a diverse number of programs have been implemented to assist our city. (Please note the amount of "Emergency Housing" assistance. This sum denotes the amount needed in the first weeks and months for temporary assistance.)



HUD (Housing and Urban Development - CDBG funds): The Office of Housing and Urban Development has supplied over \$171 million in the form of Community Development Block Grants. These grants have been instrumental in assisting with immediate housing, infrastructure and commercial needs. They are also used to fund general rehabilitation projects without which the stability of the community would continue to be compromised.

Angel Fund (donation from an anonymous benefactor): This fund was established out of the goodness of one individual's heart. The fund was augmented by another donation and the result was a majority of Grand Forks families received grants of up to \$2000 to cover some of the initial expenses such as evacuation costs and temporary living quarters.

State Aid: The State has been invaluable in providing assistance to our area. The amount shown represents the State's portion of Federal programs operated through FEMA as well as the assistance provided before federal help was available. It is with the State's continuing assistance that Grand Forks has been able -- and will continue to be able -- to be a commercial as well as cultural asset to North Dakota.

Red Cross: Red Cross assistance has taken the form of several programs. From flood-fight feeding to clothing refugees and replenishing destroyed food stocks, the Red Cross has supplied an almost unbelievable amount of assistance directly to the people of Grand Forks.

Salvation Army: The Salvation Army has provided a variety of assistance programs. From flood-fight feeding to clothing refugees and replenishing destroyed food stocks, the Salvation Army has been invaluable to the people of Grand Forks. This value represents missions to date as well as an extended two-year commitment.

Fannie Mae: Fannie Mae has been instrumental in being a catalyst for rehabilitating the city's housing stock, one of the most vital needs.

EDA (Economic Development Agency): EDA has utilized its resources to stabilize Grand Forks' commercial base as well as infuse the commercial sector with new, start-up funds that have revitalized existing as well as future businesses and financial projects.

Flood Clearinghouse: The Flood Clearinghouse has not directly contributed funds or gifts to the city but has been vital as a coordinator between the needy and the generous. As noted, their coordination of over \$1.7 in donations represents some of the individual donations that have found their way to Grand Forks.

Greater Grand Forks Relief Fund: This fund was established directly after the flood and has supplied grants to many area-wide organizations.

GRANT

Crestwood Elementary School	\$25,000.00
East Grand Forks Campbell Library	\$7,500.00
East Grand Forks Parks & Rec.	\$13,000.00
Independent School Dist. Central	\$25,000.00
River Heights	\$25,000.00
River Heights Lutheran pre-school	\$4,000.00
Antenna Club, Inc.	\$10,000.00
Belmont Baby Care	\$30,000.00
Center for Innovation & Bus. Dev.	\$20,000.00
Central High School	\$4,600.00
Dakota Science Center	\$50,000.00
Golden Eagle Club	\$5,000.00
Golden Eagle Club/Ch. Commerce	\$10,000.00
Grand Forks Christian School	\$20,000.00
GF Substance Abuse & Traffic	\$25,000.00
Greater G.F. Food Cupboard	\$5,000.00
GGF Youth Committee	\$20,000.00
L.I.S.T.E.N. Inc.	\$15,000.00
ND Special Olympics Inc.	\$5,000.00
RRV Community Action	\$10,000.00
RRV Gymnastics Club	\$25,000.00
St. Anne's Guest Home	\$18,125.00
St. Mary's School & Preschool	\$30,000.00
St. Michael's Children's Center	\$15,000.00
St. Michael's Elementary School	\$20,000.00
Summer Performing Arts Co. (SPA)	\$2,000.00
Sunflake Pre-school, Inc.	\$2,500.00
United Day Nursery	\$30,000.00
University Children's Center	\$4,000.00
Valley Memorial Homes	\$50,000.00
VICTORY	\$50,000.00
YMCA	\$80,000.00
(Second round of Grants, depleting the fund)	
VICTORY	\$133,000
Red River Valley Community Action	\$50,000
EGF Campbell Library	\$5,000

EGF Education Foundation	\$5,000
EGF Parks and Recreation	\$5,000
Sacred Heart School	\$10,000
Total	\$863,725.00

'97 Flood Relief Fund: This fund was established directly after the flood and has supplied grants to many area-wide organizations. The funds were disbursed to organizations, not individuals, and therefore have supported the community's basic social structure by infusing assistance in the form of basic needs such as daycare, churches, schools and many others

ArtWise	\$20,000
Belmont Baby Care	\$10,000
Café Kosmos & teen culture center	\$30,000
Café Kosmos, Inc.	\$17,000
Catholic Family Services	\$50,000
Center for Innovation & Bus. Devp.	\$29,100
Community Christian Reformed Church	\$4,050
Community Violence Intervention C.	\$30,000
Dakota Science Center	\$20,000
EGF Campbell Library	\$16,000
EGF Education Foundation	\$50,000
EGF Senior Citizens Center	\$12,000
First Lutheran Church	\$10,000
Good Samaritan Church	\$50,000
GF Schools/Summer Performing Arts	\$2,000
Grand Forks Christian Schools	\$25,000
Grand Forks Foundation for Ed.	\$50,000
Grand Forks Master Chorale	\$5,500
Grand Forks Mission	\$50,000
GF Public School Dist. #1	\$10,000
Grand Forks Youth Committee	\$10,000
GGF Community Theatre	\$25,000
GGF Immediate Aid	\$10,000
GGF Senior Citizens Assoc.	\$12,000
GGF Symphony Orchestra	\$10,000
Heritage Foundation	\$2,000
Independent School District #595	\$50,000
L.I.S.T.E.N. Inc.	\$20,000
Lutheran Social Services	\$10,000
Noah's Ark Child Care Center	\$10,000
North Valley Arts Council	\$50,000
Northern Lights Council, Boy Scout	\$10,000
Options Interstate Resource Center	\$50,000
Pine to Prairie Girl Scout Council	\$20,755
Prairie Harvest Human Services	\$50,000
Red River Valley Community Action	\$10,000
River Heights Lutheran Pre-School	\$14,000
St. Anne's Guest Home	\$39,500
St. Mary's School & Preschool	\$50,000
St. Michael's Childrens Center	\$15,700

St. Michael's Elementary School	\$25,000
Sacred heart Schools	\$25,000
Sunflake Pre-school	\$6,800
Third Street Clinic	\$23,500
Tri-Valley Opportunity Council, Inc.	\$13,076
UND Alumni Association & Found	\$25,000
UND, Conflict Resolution Center	\$15,000
United Day Nursery, Inc.	\$50,000
United Way of Grand Forks	\$20,000
University Children's Center	\$4,250
University of North Dakota	\$5,000
Valley Memorial Homes	\$50,000
Village Family Service Center	\$60,000
YMCA	\$50,000
Total	\$1,332,231

Misc. Donations: The exact amount of donations is extremely difficult to document considering the variety of sources and recipients. By referring to the GGF Relief Fund, the '97 Relief Fund and the Flood Clearinghouse, as well as contacting local organizations such as The United Way, the value of \$5 million represents a very liberal amount of donations that went directly from individual sources to families and organizations. Some of the organizations included are Lutheran Disaster Response, Catholic Family Services, United Way, United Methodist Committee on Relief and Lutheran Social Services.

Low Interest Loan Assistance

<u>Loan Assistance</u>	
SBA (5634 LOANS)	\$155,126,200
State Bank of North Dakota Secured	\$ 4,300,000
State Bank of North Dakota Utilized	\$
TOTAL	\$159,426,200
Per capita increased debt from these loans (based on population of 52,500)	\$3036
Per family (Based on average family of 4)	\$12,144