

**THE CITY COUNCIL OF THE
FORKS, NORTH DAKOTA
16, 1997**

**PROCEEDINGS OF
CITY OF GRAND
Monday, June**

The city council of the city of Grand Forks, North Dakota met in its adjourned session in the council chambers in City Hall on Monday, June 16, 1997 at the hour of 7:00 p.m. with Mayor Owens presiding. Present at roll call were Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; absent: Council Member Hagness - 1; 1 seat vacant.

Mayor Owens announced that anyone wishing to speak to any item may do so by being recognized prior to a vote being taken on the matter.

**ADOPT ORDINANCE NO. 3648, RELATING TO
MEETINGS OF THE CITY COUNCIL**

An ordinance entitled "An ordinance amending Section 2-0101 of the Grand Forks City Code relating to meetings of the Grand Forks City Council", which had been introduced and passed on first reading on June 9, 1997, was presented and read for consideration on second reading.

Howard Swanson, city attorney, stated that the ordinance was written without a designated time, that this gives council flexibility to call its individual meeting time for any meeting and suggested they go to an open time.

Upon call for the question of adoption of this ordinance and upon roll vote the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the ordinance adopted.

APPROVE BILLS

Vendor Payment Listing No. 97-08, dated June 16, 1997 and totaling \$650,633.18, all having been audited by the city auditor for payment in accordance with Regulation No. 2, was presented and read.

It was moved by Council Member Hanson and seconded by Council Member Sande that these bills be allowed and that the city auditor be authorized to issue warrants in payment of the same. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried and the bills ordered paid.

**APPROVE REQUEST FROM SERTOMA CLUB FOR 4TH
OF JULY ACTIVITIES AND DUCK RACE**

Committee No. 2, Public Safety, reported having considered the request from Sertoma Club re. 4th of July activities and duck race, and recommended to approve closure of Point Bridge and of 3rd Street, and fireworks display contingent upon review of the plan by the fire

department.

It was moved by Council Member Glassheim and seconded by Council Member Sande that this recommendation be and is hereby approved. Carried 12 votes affirmative.

GRANT VARIANCE TO NOISE ORDINANCE FOR
CONSTRUCTION PROJECTS

Committee No. 2, Public Safety, reported having considered the request from Opp Construction for variance to noise ordinance for construction projects, and

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recommended to grant variance on city projects on major streets through this year's construction season.

It was moved by Council Member Glassheim and seconded by Council Member Sande that this recommendation be and is hereby approved. Carried 12 votes affirmative.

DECLARE POLICE DEPARTMENT VAN AS SURPLUS
PROPERTY

Committee No. 2, Public Safety, reported having considered the matter of surplus property in the police department, and recommended to declare the 1978 Ford van as surplus.

It was moved by Council Member Glassheim and seconded by Council Member Sande that this recommendation be and is hereby approved. Carried 12 votes affirmative.

ACCEPT AND APPROVE VARIOUS EASEMENTS FOR
SEWER PROJECT NO. 4461 AND WATERMAIN PROJECT
NO. 4462

Committee No. 3, Public Service, reported having considered the temporary construction easements and a permanent utility easement for Sewer Project No. 4461 and Watermain Project No. 4462, located on South 42nd Street between DeMers Avenue and 17th Avenue South and on 11th Avenue South between South 40th Street and South 42nd Street, and recommended to accept and approve the easements.

It was moved by Council Member Beyer and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 12 votes affirmative.

DECLARE APPLIANCES AND SCRAP METAL AT LANDFILL
AS SURPLUS PROPERTY AND OFFER FOR SALE

Committee No. 3, Public Service, reported having considered the matter of appliances and scrap metal, and recommended to declare the appliances and scrap metal as surplus and authorize sale.

It was moved by Council Member Beyer and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 12 votes affirmative.

ALLOW ISSUANCE OF CONTRACTOR'S LICENSE UPON
APPEAL, SUBJECT TO CONDITIONS

Committee No. 3, Public Service, reported having considered the matter of appeal to denial of contractor's license, and recommended to allow issuance of contractor's license to John Ridgeway contingent upon meeting bonding and insurance requirements and contingent upon submitting references to the city attorney.

It was moved by Council Member Beyer and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 12 votes affirmative.

APPROVE CHANGE ORDERS ON SOUTH WASHINGTON
STREET RECONSTRUCTION PROJECT, PROJECT NO.
4225

Committee No. 3, Public Service, reported having considered the matter of change orders on South Washington Street reconstruction project, and recommended to approve the change orders committing to the project and extending completion date to next year.

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It was moved by Council Member Beyer and seconded by Council Member Klave that this recommendation be and is hereby approved. Carried 12 votes affirmative.

APPROVE 1997 ND STATE AID FOR PUBLIC
TRANSIT GRANT

The Bus Committee reported having considered the matter of approval of 1997 North Dakota State Aid for Public Transit Grant, and recommended approval of 1997 North Dakota State Aid for Public Transit Grant in the amount of \$42,019, and authorization of City officials to execute and sign all proper documents.

It was moved by Council Member Sande and seconded by Council Member Hanson that this recommendation be and is hereby approved. Carried 12 votes affirmative.

APPROVE 1998 DBE GOAL FOR PUBLIC TRANSPORTATION
DEPARTMENT

The Bus Committee reported having considered the matter of approval of 1998 Disadvantaged Business Enterprise (DBE) goal for the Public Transportation Department, and recommended approval of 1998 Disadvantaged Business enterprise (DBE) goal for the Public Transportation Department of 10%.

It was moved by Council Member Sande and seconded by Council Member Hanson that this recommendation be and is hereby approved. Carried 12 votes affirmative.

CONTINUE MATTER OF FINAL PLAT OF PERKINS
FOURTH ADDITION TO JUNE 23, 1997

The Planning and Zoning Commission reported having considered the matter of the request from Pribula Engineering and Surveying on behalf of Hampton Corporation, Inc., for final approval of a plat of Perkins Fourth Addition to the city of Grand Forks, ND lying within a portion of the Northeast Quarter of Section 20, Township 151 North, Range 50 West of the 5th Principal Meridian (located east of South 34th Street between 36th and 40th Avenue South), and recommended tabling and continuing the public hearing until June 23, 1997.

It was moved by Council Member Polovitz and seconded by Council Member Beach that this recommendation be and is hereby approved. Carried 12 votes affirmative.

DENY REQUEST TO AMEND ZONING MAP TO INCLUDE
WITHIN SUN LAND WEST PUD, CONCEPT DEVELOPMENT
PLAN, AMENDMENT NO. 1, ALL OF SUN LAND WEST
FIRST, SECOND AND THIRD RESUBDIVISIONS, LOTS
13 AND 14, BLOCK 1, AND ALL OF BLOCK 2, RYDELL-
WEST SUBDIVISION, INCL. VACATED STREETS ADJ.

The Planning and Zoning Commission reported having considered the matter of the request from Dan Schmaltz on behalf of Sun Land West LLC and the UND Foundation for preliminary approval of an ordinance to amend the zoning map to exclude from Sun Land West PUD (Planned Unit Development), Concept Development Plan and to exclude from the B-3 (General Business) District and to include within Sun Land West PUD (Planned Unit Development), Concept Development Plan, Amendment No. 1, all of Sun Land West First, Second and Third Resubdivisions, Lots 13 and 14, Block 1 and all of Block 2, Rydell-West Subdivision, Grand Forks, North Dakota, including vacated streets adjacent thereto, area of substantial change lies between a line 130 feet north of and parallel with 7th Avenue North to 12th Avenue North and between North 51st Street and North 55th Street), and recommended to deny the ordinance amending the zoning map.

It was moved by Council Member Polovitz and seconded by Council Member Beach that this recommendation be and is hereby approved.

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Dan Schmaltz, representing Sun Land West, reported he had submitted proposal to rezone the a portion of their property from R-1, R-2 and R-M to R-5 which allows leasing of lots rather than sale, that existing zoning allows for manufactured housing, that the difference between existing zoning and proposed zoning is permanent foundation, and market they are trying to serve can't hit that market when add in cost of foundation, garage and lot cost. He stated that R-5 Zone would require tie-down on concrete block and they would tie to pier, and net effect is that houses would look like any other single-family subdivision. He stated this was approved on preliminary basis a year ago and because of neighbor- hood concerns, they withdrew their request; that one of the changes they have made is larger buffer area, larger park area and larger

lots. He stated their request was denied by Planning and Zoning on June 4, that it was emotional decision rather than one made on merits, that decision should be based on safety, health and welfare concerns, only issue should have been safety and welfare issue, and because of those concerns were asking for reconsideration. He stated that if this were approved, they could address housing shortage and could have 200+ lots ready by September 1. Mr. Schmaltz reviewed costs of foundation, \$10,000 vs. pier \$2,000, that tenant would rent lot, and could get into house for \$45,000. Council Member Hafner expressed concern what area would look like in 10-15 years. Mr. Schmaltz stated that Planning staff recommended approval to the Planning Commission on June 4.

Heather Steffl, 565 North 51st Street, in Richard's West Subdivision where this development is located, stated that she and 25 of her neighbors did attend the Planning Commission meeting on June 4, that at issue is not the manufactured housing which is allowed in the R-1, R-2 and R-M zoning districts on permanent lots with garages, that current zoning allows for nice, aesthetic neighborhoods, middle income, that their concern is about vision and long range plan for their subdivision. She stated they currently have two mobile home parks in their subdivision and density is big issue, there are no specifications that houses would be facing streets, etc. and what they are trying to impress upon council is that their displaced neighbors have some housing options available to them something like home-owner situation, and impress upon council value of their subdivision, which remained dry during the flood and City needs to look at developing to the west, looking for vision of what neighborhood could be and potential in area which could use long range planning and not a quick fix for housing shortfall. Mrs. Steffl stated that she and neighbors have been in constant contact working on zoning changes for several years, but not formally appointed as spokesperson, looking for people who can put roots down in their community.

Earl Strinden stated that the University of North Dakota Foundation has 14 acres immediately east of North 55th Street and immediately adjacent to the commercial property on US Highway 2, and is suggesting that this area is proper area for this type of housing. He stated they are concerned about housing for students, etc., are concerned that if don't have adequate housing, enrollments drop and if enrollments drop, not only bad for the University and its future, but directly relates to city of Grand Forks. He stated their interest in this is 1) want property to be utilized, would like to sell it; and 2) that utilization of that property would fill a need in the community. He stated if prevent permanent displacement of residents from this community, need housing and need competition, and best way to keep prices down and to given consumers quality is competition.

Jerry Waletzko, 4806 6th Avenue North, stated he lives in four-plex, here to speak for single-family home owners and against the density of another manufactured housing park. He stated difference in cost between renting and buying is very little (approx. \$100/mo.), and suggested that if City is helping people, to buy down value of lots so people could get into lots at same price that Mr. Schmaltz is trying to do in manufactured home.

Upon call for the question and upon voice vote, the motion carried 12 votes

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affirmative.

TABLE REQUEST TO AMEND ZONING MAP TO INCLUDE
WITHIN GATEWAY COMMONS PUD, CONCEPT DEVELOPMENT
PLAN, AMENDMENT NO. 2, WITH SUBSTANTIAL CHANGES
TO LOT 1, BLOCK 1, AIRPORT 3RD RESUB., INCL.
SURPLUS HIGHWAY NO. 2 R/W, TO JUNE 23, 1997

The Planning and Zoning Commission reported having considered the matter of request from Roger Mattern on behalf of Sherman Associates, Inc. for preliminary approval of an ordinance amending the zoning map to exclude from Gateway Commons PUD (Planned Unit Development) Concept Development Plan, Amendment Number 1, and to include within Gateway Commons PUD (Planned Unit Development), Concept Development Plan, Amendment No. 2, with substantial changes pertaining to Lot 1, Block 1, Airport 3rd Resubdivision, Grand Forks, North Dakota, including surplus Highway No. 2 right of way (located east of North 51st Street between Gateway Drive and 12th Avenue North), and recommended denial of the ordinance amending the zoning map.

It was moved by Council Member Polovitz and seconded by Council Member Beach that this recommendation be and is hereby approved.

The acting city auditor reported that it had been requested by the applicant to table this matter to June 23, 1997.

It was moved by Council Member Polovitz and seconded by Council Member Beach to table this matter to June 23, 1997. Carried 12 votes affirmative.

APPROVE PROCEDURES FOR CONTRACTING FOR
FLOOD RECOVERY CONSTRUCTION

The Flood Response Committee reported having considered the matter of flood recovery construction contracting procedures: Document No. 7311 - Procedures.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Carried 12 votes affirmative.

AUTHORIZE CONSULTING ENGINEER TO NEGOTIATE
WITH CONTRACTORS FOR CONTINUING EMERGENCY
WORK AT WATER PLANT

The Flood Response Committee reported having considered the matter of continuing emergency work on water plant, and recommended that this is a continuing emergency and that Advanced Engineering proceed to negotiate with the contractors.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR FLOOD ASSISTANCE, WASTEWATER SYSTEM, PROJECT
NO. 4627

The Flood Response Committee reported having considered the matter of engineering agreement for 1997 Flood Assistance, Wastewater System (Emergency), Project No. 4627, and recommended that we authorize entering into the engineering agreement with Webster, Foster & Weston, contingent upon review of the agreement by the

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city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR FLOOD ASSISTANCE, WATER SYSTEM, PROJECT
NO. 4627

The Flood Response Committee reported having considered the matter of engineering agreement for 1997 Flood Assistance, Water System (Emergency), Project No. 4627, and recommended that we authorize entering into the engineering agreement with Webster, Foster & Weston, contingent upon review of the agreement by the city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR FLOOD ASSISTANCE, WASTEWATER COLLECTION
SYSTEM (RESTORATION), PROJECT NO. 4654

The Flood Response Committee reported having considered the matter of engineering agreement for 1997 Flood Assistance, Wastewater Collection System (Restoration), Project No. 4654, and recommended that we authorize entering into the engineering agreement with Webster, Foster & Weston, contingent upon review of the agreement by the city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR FLOOD ASSISTANCE, WASTEWATER LIFT STATION
(RESTORATION), PROJECT NO. 4654

The Flood Response Committee reported having considered the matter of engineering agreement for 1997 Flood Assistance, Wastewater Lift Station (Restoration), Project No. 4654, and recommended that we authorize entering into the engineering agreement with Webster, Foster & Weston, contingent upon review of the agreement by the city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR WATER SYSTEM MASTER PLANNING

The Flood Response Committee reported having considered the matter of engineering agreement for water system master planning, and recommended that we authorize

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entering into an engineering agreement with Advanced Engineering & Environmental Services, Inc. contingent upon review by the city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE ENTERING INTO ENGINEERING AGREEMENT
FOR STREET CONDITION EVALUATION

The Flood Response Committee reported having considered the matter of engineering agreement for street condition evaluation, and recommended that we authorize entering into the engineering agreement with Advanced Engineering, contingent upon review of the agreement by the city attorney.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE PURCHASE OF 4-PLEXES BY HOUSING
AUTHORITY

The Flood Response Committee reported having considered the matter of

purchase of 4-plexes by Housing Authority, and recommended to authorize Housing Authority to purchase and rehab three 4-plexes at 1110, 1114 and 1118 22nd Avenue South to be used as rental housing for low income families, funding for acquisition and rehabilitation in the amount of \$283,000 from CDBG and/or HOME Program funds.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

AUTHORIZE PURCHASE OF PROPERTY AT 702
WALNUT STREET

The Flood Response Committee reported having considered the matter of purchase of property at 702 Walnut Street, and recommended to authorize Housing Authority to acquire and demolish blighted property at 702 Walnut Street at a cost of \$82,000, with property to be used as in-fill housing.

It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the motion carried.

EXPRESS INTEREST IN WORKING WITH NORTH
DAKOTA CONSENSUS COUNCIL IN CREATING VIEWS
OF CITY'S FUTURE

The Flood Response Committee reported having considered the matter of proposal from North Dakota Consensus Council to hold public meetings for planning during recovery period, and recommended that we express interest of Grand Forks in working with the North Dakota Consensus Council in creating views of our future.

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It was moved by Council Member Glassheim and seconded by Council Member Bakken that this recommendation be and is hereby approved. Carried 12 votes affirmative.

APPROVE DELAY IN THE AURORA BUILDING PROJECT
FOR ONE BUILDING SEASON

The Events Center Core Committee reported having considered the matter of The Aurora project time-table, and recommended that the building project be delayed at least one building season and that we entertain a revised programming time-table from the construction manager by July 31.

It was moved by Council Member Beach and seconded by Council Member Hamerlik that this recommendation be and is hereby approved. Carried 12

votes affirmative.

APPOINT COUNCIL MEMBER BEYER TO PUBLIC
SAFETY COMMITTEE

Mayor Owens announced the change in membership of the Public Safety and Public Service Committees as Council Member Beyer will be moving from the Public Service Committee to the Public Safety Committee. It was moved by Council Member Babinchak and seconded by Council Member Carpenter that this change be approved. Carried 12 votes affirmative.

REPORT ON FLOOD DISASTER FUNDS

Mayor Owens announced that the City has received the first installment of the flood disaster money, that we need to be very frugal in how that money spent and show HUD that we are people who are creative and moving ahead in addressing needs of the people.

Mayor Owens thanked Tony Hernandez, HUD, and his staff: Evie Mininger who is on Mr. Hernandez' staff in Denver; David Polochek, Office of General Counsel at HUD in Washington and that his expertise is primarily in relocation; Diane Lindsey, asst. general counsel from HUD in Denver; and Lynn Swanson, program manager with HUD, The Office of Planning and Development in Denver.

Mayor Owens also welcomed people from FEMA and SBA in Washington, and thanked them for their assistance.

Mayor Owens announced that she will be attending the U.S. Conference of Mayors on Friday.

Council Member Glassheim asked what process would be in use of the \$50 Million that was received. John O'Leary reported that they have already submitted an overall statement of our needs for the city of Grand Forks, which involves \$600 Million, and that this includes infrastructure, housing, etc. He stated that the next step is to determine those needs that are immediately necessary to be addressed, and Tri-chairs are in the process of putting together a listing for review by the Flood Response Committee along with some recommendations of things that need to be addressed this fall and things that need to be done in the spring.

Dr. Calvin Fercho, Fargo, stated that he is property owner and taxpayer in Grand Forks, owns 24-unit apartment building at 412 Alpha Avenue, that his property lies between proposed dike alignment and the river, and that he is waiting to be told whether to rebuild or wait for buyout. He also stated there has been some vandalism to his property, and would like to have his property protected while waiting for an answer. He stated he can go either way but have to have decision.

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TABLE MATTER OF ELIMINATION OF TWO-YEAR TAX
EXEMPTION ON NEW CONSTRUCTION TO JUNE 23, 1997

Mr. Swanson advised that the council voted at its meeting on June 9 to reconsider its previous action which defeated the motion to eliminate the two-year tax exemption on new construction after June 10; and that this motion was again before the council.

It was moved by Council Member Hafner and seconded by Council Member Babinchak to table to June 23, 1997. Carried 12 votes affirmative.

ADOPT RESOLUTION AUTHORIZING ENTERING INTO
AGREEMENT TO ESTABLISH SHORT-TERM EMERGENCY
LINE OF CREDIT FOR FISCAL NEEDS OF THE CITY

Mr. Swanson reported that this afternoon Mayor Owens issued an executive order under the disaster and emergency provisions of the City Code authorizing the city auditor to enter into an agreement on behalf of the City with the North Dakota Industrial Commission and the Bank of North Dakota establishing a short-term emergency line of credit not to exceed \$25 Million, the order further authorizes the city auditor to draw funds from that line of credit as may be necessary and convenient for the fiscal needs of the City. He stated this occurred following an offer and discussions with Governor Schafer; that the North Dakota Industrial Commission is meeting later this week to act upon this request and that the request is likely to be approved subject to further negotiations. He stated that in discussions with General Sagsveen, they agreed upon language for a resolution for this council to authorize that would essentially mirror the language of the Mayor's order; that this is in anticipation of receipt of various federal funds from various agencies that will be forthcoming, that this is an emergency type issue, not a typical line of credit that the State can or will make available to the community or the community can take advantage of.

Council Member Sande introduced the following resolution: Document No. 7312 - Resolution.

It was moved by Council Member Sande and seconded by Council Member Bakken to adopt the resolution authorizing entering into an agreement establishing a line of credit with the State Industrial Commission and the Bank of North Dakota, and further authorizing the city auditor to draw funds as may be reasonably necessary or convenient for the fiscal needs of the community. Upon roll call the following voted "aye": Council Members Beach, Polovitz, Hamerlik, Hanson, Glassheim, Carpenter, Sande, Klave, Beyer, Babinchak, Bakken, Hafner - 12; voting "nay": none. Mayor Owens declared the resolution adopted.

COUNCIL MEMBER CARPENTER EXCUSED

MATTER OF FEMA REGULATIONS RE. REBUILDING
PROPERTY, AND EXCEPTIONS.

John Dickinson, 416 Walnut Place, addressed the council stating that FEMA regulations, 44CFR part 60.6 b and c carry provisions for exceptions from the FEMA regulation that new construction has to be up out of the flood plain, that all of the utilities have to be up out of the flood plain, that these regulations have so many contradictions in them, that to comply with these regulations would need to get his first floor up out of the flood plain but loses basement which cuts his house in half and then would have to put addition on to his house for his furnace, electrical

panel, washer, dryer and water heater, that regulations not workable in Grand Forks. He said that it states that when regulations present severe hardship or result in gross inequity for particular, that there are provisions for exceptions. He stated that regulations turn out to him and

those in his neighborhood to be worse disaster than the flood because they put

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them in a state of limbo, that they can't comply with the regulations, and financially impossible. He stated that he wanted to present this to the council because according to the national flood people in Bismarck, it is city council's responsibility to proceed with exceptions.

Council Member Bakken stated that the SBA has some relocation program that may fit the situation he is in and suggested he check with them.

Mayor Owens stated that these are issues that will be addressed now that they have some programs in place.

REFER VARIOUS ITEMS TO COMMITTEE/COUNCIL

Various items were presented to the council for referral to committee:

- 1) Council Member Sande presented the matter of the question of the possibility of getting an exception to the 50% damage rule from FEMA; this matter was referred to the Flood Response Committee.
- 2) Council Member Beyer requested listing of council members and committees on which they serve.

COUNCIL MEMBER CARPENTER REPORTED BACK

- 3) Council Member Beach presented the matter of the City's purchasing Sun Land West lots for housing development under sponsorship of the City; this matter was referred to the Tri-chairs and/or the Flood Response Committee for consideration.
- 4) Council Member Beach presented the matter of downsizing of the council, however he would like to discuss with the city attorney before making further comments.
- 5) Council Member Polovitz urged council to throw away dike concept on buyout program and to consider buyout of property in areas located far from the dike but have substantial damage.
- 6) Council Member Polovitz presented matter of condition of streets, streets haven't been swept (debris and gravel), mowing isn't being done, damage to boulevards being taken care under DSR's but would like to see that speeded up.
- 7) Council Member Hamerlik stated that he has been considering buyout program and that City limiting itself; and as move forward need to revisit procedure in which going about in small areas, thinks there are other ways that could be done.
- 8) Council Member Hanson presented the matter of price gouging by contractors, residents being overcharged for work. Mr. Swanson advised that the State does not have statutory law on price gouging nor does the City have ordinances on price-gouging, that they do have the authority to adopt an ordinance re. price gouging but not foolproof nor iron-clad but

his office will provide drafts and information to the council; however, if they are going to adopt such an ordinance will need resources to provide enforcement, which involves his office, inspection office and perhaps the community relations office.

9) Council Member Glassheim requesting listing of numbers of houses damaged 50% or more in 100-year flood zone, number of houses damaged 50% or more outside flood zone, number of rental units that cannot be occupied, etc. and would like information from Planning and Zoning a list of potential building areas and number of lots, owners, etc.

10) Council Member Glassheim stated that there seemed to be an important issue about how buyouts would be treated in terms of cost/benefit ratio, whether City bought house with CDBG funds, that down the road that would be treated as cost to Corps project, that Corps didn't treat it that way in original report but consultant said it would be treated that way; also if City buys something out with CDBG funds and destroys it, would that reduce benefit of a future diking project; and would like definitive opinion from the Corps in writing or start process of getting response to those questions.

11) Council Member presented matter of filling vacancy on council; Council Member Beach stated they would like to defer for week or two and would like to review

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findings reached in 1993. It was noted that the public has opportunity to proceed with presenting petitions.

12) Council Member Carpenter presented the matter of apartment shortage and asked for determination of whether there are developers that can put up apartment housing quickly or whether City can do it; the matter was referred to the Flood Response Committee.

13) Council Member Carpenter presented the matter of child care, that there should be evaluation of situation to determine if need to acquire or put up building that will provide space for child care facility. Mayor Owens stated that they have addressed this through Greater Grand Forks Flood Relief Funds, that was number one priority, that First American Bank has stepped in and come forth for us; that they have two people on-line to get these up and running, one is giving \$150,000, some funding has already been committed and may get additional funding. Council Member Carpenter stated he would like to see addressed; it was noted that Mr. Swanson has figures.

14) The matter of scheduling meeting re. making decision on flood protection plans was discussed; the council will meet as committee of the whole on Thursday, June 19, at 5:00 p.m. Reps. of the Corps will be in attendance. The Flood Response Committee will meet on the 19th following the Committee of the Whole meeting.

REPORT ON STATUS OF ACQUISITION PROGRAM

Mr. Swanson reported on status of Acquisition Program, that he is nearing his final review of all documents with respect to the Program, whether it be funded under the FEMA hazard mitigation grant program (Section 404) or whether funded under CDBG funds or other funds. He stated that Joel Manske, Housing Authority, has been working on some product which he had provided to him and that they will be meeting to review. He stated that there are a number of issues with regard to whether the acquisition should be based upon any project, whether it be a dike, diversion otherwise and will have a specific recommendation and specific comments

with respect to that.

Mr. Swanson reported that HUD representatives here at his request; FEMA general counsel has provided him with a great deal of information, and are reviewing specific proposals contained within the acquisition plan that has been approved, as well as the application which will be forwarded to the State of North Dakota sometime this week. He stated that he anticipates that they will be providing the council with both oral and written comments with respect to both issues relating to acquisition and the Uniform Relocation Act. He thanked them for being here.

MATTER OF LIAISON TO GOVERNOR'S OFFICE

Mr. Swanson reported that Gen. Sagsveen has been called back to active duty by the Governor and has been identified him as liaison to the his office, he will be stationing himself in Grand Forks 3 days a week and housed in conference room across from the council chambers; he will provide schedule and is open to any meetings council would like for him to attend or any conferences council would like for him to be involved in; and he is planning to go to Winnipeg this Wednesday with their delegation.

ADJOURN TO CLOSED SESSION

Mr. Swanson stated he has two matters of pending and threatened litigation that he would like to discuss with the council tonight, and if council is of the opinion, he would request they adjourn this meeting to a closed session under NDCC 4404-19.1 to discuss the litigation matters. It was moved by Council Member Hafner and seconded by Council Member Beyer that we adjourn to a closed session. Carried 12 votes affirmative.

14961

June 16,

1997

AUTHORIZE URBAN DEVELOPMENT OFFICE TO
APPLY FOR FUNDING FROM SMALL CITIES
ALLOCATION OF CDBG FUNDS FOR RENTAL
REHAB. ASSISTANCE

John O'Leary, director of Urban Development, reported that he had been negotiating with the Office of Intergovernmental Assistance to obtain some CDBG money out of the Small Cities allocation, that normally the City is not eligible for those funds, but that he received a call from Rich Grey informing him that something between \$1 Million and \$5 Million would probably be available and allocated to the City of Grand Forks. He reported that this money which is out of 1996 funds, doesn't carry with it the same regulations that some of the other CDBG money has under the supplemental appropriation and that it is his recommendation that they apply for the money, that it be set aside to assist landlords who have had their apartments damaged by the flood in rehabbing those units and getting back on line as quickly as possible. He also recommended that they structure the program to be identical to the old Rental Rehab Program that the City successfully ran for 8 or 9 years. He stated that under the program the applicant has a choice between a deferred loan

where no payment would be made on principal or interest for 10 years or start payments immediately with 40% of the project cost as a grant and 60% a no-interest loan. He stated that the only addition to the program would be that the apartment must be physically damaged because of the flood, and would include damaged refrigerators because of power loss, otherwise, would have to have been wet inside the apartment. He also reported that if the council approved this tonight the Office of Intergovernmental Assistance would start the review and public hearing process and make money available in 7 to 10 days. He reviewed regulations under the former Rental Rehab Program, that there would be no cap on the program, would be on a dollar for dollar match, and 50% of the units need to be low and moderate benefit.

It was moved by Council Member Glassheim and seconded by Council Member Polovitz to approve the recommendation.

Mr. O'Leary stated that to be eligible, rental units would have had to be wet. He also stated that funds could be used for buyouts, but difficult to use supplemental funds for this purpose, and this would be better use of the funds.

Council Member Beach asked to be excused from voting in the event he might avail himself of the program. It was moved by Council Member Babinchak and seconded by Council Member Klave to excuse Council Member Beach from voting on this matter. Carried 11 votes affirmative.

Upon call for the question and upon voice vote, the motion carried 11 votes affirmative; Council Member Beach abstaining.

ADJOURN

It was moved by Council Member Sande and seconded by Council Member Klave that we do now adjourn until Monday, June 23, 1997 at 7:00 p.m. Carried 13 votes affirmative.

Respectfully submitted,

Candi Stjern
Acting Deputy City Auditor

Approved:

Patricia A. Owens, Mayor