

MINUTES/URBAN DEVELOPMENT COMMITTEE
Wednesday, September 10, 1997 - 4:00 p.m.

Members present: Beach, Polovitz.

1. Matter of lot sold by Habitat and use of funds.

Eliot Glassheim rep. Habitat for Humanities, reported he had sent letter to John month ago, that \$10,000 in CDBG funds were given to Habitat to buy lot in Richard's West, that they purchased lot for \$10,000, and that lot was large and deep lot, not suitable for them, too large, and they sold the lot for \$19,000+, and they need to know process - whether give back \$10,000 or total. He stated they would like to have funds re-allocated; that they would return \$10,000 to CDBG and would like funds re-allocated under the CDBG Supplemental funds so that they could use for new construction. He noted that the original \$10,000 allocated 3-4 years ago, lot 220' deep on 51st Street off 5th or 6th Ave.N., east of trailer court. he stated that when they purchased the lot they promised to put something in to fit the neighborhood, considered duplex but driveways, etc. too expensive, and so they held this, doing one a year. They sold the lot for \$19,500.

Terry Hanson, Urban Development, stated these funds do not allow for new construction, that this is program income and would have to use for original use or return to city; proposing to give back to City and ask City to re-allocate out of CDBG funds for new construction; this will go back as program income, go to an eligible activity with old regulations attached. He also noted that they would only have to return the original \$10,000 (he will check with HUD), and re-allocate from Supplemental Funds which has waiver for use for new construction. Mr. Glassheim stated the funds would be used to purchase construction materials.

Committee asked to hear both proposals before taking any action.

2. Matter of lots for Habitat for 1998.

Mr. Glassheim stated they were requesting two lots in Congressional 1st or 2nd Resubdivision to build Habitat houses for next year; that they have raised other monies so have enough for two houses if get volunteers; that request from Habitat is for two lots for next year. Mr. Hanson stated that all lots in those sub-divisions not committed but all lots developed for this year are committed. Mr. Glassheim stated they usually build 1,000 sq.ft. houses, appraised out at

\$75,000+ and sale price includes only cost of materials, not cost of land, free labor, no interest on money and no profit; Joel Manske, Housing Authority, stated their houses cost approx. \$90,000, and the proposal would fit Congressional First Resub.

Moved by Polovitz and Beach to return the original \$10,000 to the CDBG Program and that we re-allocate \$10,000 for Habitat for Humanities from the Supplemental Program funds for the purpose of new construction of single family homes. Motion carried.

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Moved by Polovitz and Beach that we approve the conveyance of two lots in the Congressional First Resubdivision to Habitat for Humanities and that two lots be picked in conjunction with Office of Urban Development, with houses to be built in 1998. Motion carried.

3. Proposal from Dakota Science Center for assistance.

Vera Uyehara, Executive Director, and Dr. Jenny Ettlign, vice president Board of Directors of Dakota Science Center, were present. Mrs. Uyehara stated they were here to gather some information; that as a result of the flood they lost physical facilities, several exhibits and office in Lincoln Golf Course Club House, are in the process of looking for temporary and permanent locations; and in packets submitted had proposal for property at 124 South 4th Street (Simmons Adv. property) and drawing of Center as they envision property, and are pursuing that. She stated they had two questions: building 77% damaged because of the quality of interior work as opposed to structural damage, and property supposedly on the dry side of the dike and proximity of railroad; that they want to ask committee's consideration on how to get building permit. She stated that the other issue is acquisition of additional property in half block (Parking Authority and County). She noted that the Parking Authority is inactive so cannot discuss with them; that the placement of their building on those lots - downtown re-imagining, working with that committee and want to be closer to some of the northend families and children, and thinks downtown is place to be. She stated that the other issues is that they have made grant application to US Department of Education, 5-year grant, \$4.5 million to develop education and recreational software through Center, schools,

Heritage Society, number of school districts and libraries across state; know within next week or two. If successful in their grant application would hire 10 people within six months. She stated that the City supported them in their previous grants, and that they have progressed farther than ever before.

Terry Hanson stated that until the Urban Land Institute study done (ULI will make presentation shortly), and council makes final decision on future of downtown, would be premature to take this under consideration; that if start finding ways to work around that, could re-construct whole downtown; that City does have tenant in downtown mall who also needs space, that City going to have to relocate out of those premises under Uniform Relocation Act. He stated that if City has space available, committed to finding Community Violence Intervention Center space.

Mrs. Uyehara stated that the Brainy Bunch not running because of space, funding, staffing, etc., are doing evaluation of that program; Boss Program will be running.

It was noted that building permits issued only if building damaged

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less than 50% or perhaps historical structure; and is not an option. Mrs. Uyehara asked if they could rebuild on land, new building floodproofed. She stated they were not expending any money on options, interest in whole half block and that they gave ULI copy of the plan. She stated they would like the land, haven't started capital campaign for new building, and don't have Phase 2 started. Polovitz stated he likes concept, there has been discussion about children's museum, museum about flood and perhaps combine the two and piggy-back onto their project and make children-related; nothing in flood specifically for children. Mrs. Uyehara stated that the River Center concept for flood museum more adult oriented, located in same block, thought could complement each other.

Committee noted that they are waiting on two key events: status of grant and ULI recommendation or combination of that with other recommendations; thinks downtown picture will clarify itself within next few weeks.

Mrs. Uyehara stated they are still trying to find short-short term as well as short-term and long term space (lost 5,000

sq.ft. and with 13 staff - need 6-7,000 sq.ft.), they are using barn in Thompson for storage. There was some discussion re. space in Industrial park building which is 18,000 sq.ft. Mrs. Uyehara stated that they have some funds to use but not enough to purchase building and if can't get building permit; if City were to buy Simmons out and donate property, use relocatable. It was also noted that Noah's Ark will be on line in January and they will be going more public this week, clarify as to those eligible (assist those who lost facility in flood).

Moved by Polovitz and Beach to refer this matter to the Tri-chairs and to Flood Response for their September 18 agenda. Motion carried.

4. Select architect for downtown business incubator building.

Terry Hanson, reported there has been some discussion to build commercial building to entice downtown businesses - incubator building; that in order to move ahead possible tenants, First National Bank, Brady's, want concept. He stated they did RFP for architect for concept/planning stage and selected Johnson/Lafen on hourly range not to exceed \$10,000, and asked for authorization to sign contract for that. It was so moved by Polovitz and Beach. Motion carried. (comm. only)

5. Matter of proposal for cooperative housing.

Joel Manske, Housing Authority, reported their office received letter from Steve Hess and K.C. Inman, Reimagining Downtown, Resources Subcommittee, re. cooperative housing project, and read letter requesting support for a cooperative housing project for Grand Forks by Homestead Cooperatives and requesting \$25,000 in seed **MINUTES/URBAN DEVELOPMENT COMMITTEE**

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funds for Homestead Housing Center who will match with \$70,000 and start the project. He reported that Mr. O'Leary feels this money could be provided, is an eligible use of CDBTG money, as loan, and if approve, make contingent upon approval from HUD as cooperative venture.

Committee stated they would like to know more about this before acting on it, and suggested that they have rep. of Homestead Cooperative make presentation to the committee. Held until next meeting.

6. Information - Management of Fema trailer park.

Mr. Manske reported that they made decision not to manage FEMA trailer park; risk in physical inventory (that Fema will not

provide snow removal, no shelters on trailers, no insulated skirting, etc.) and concerned about involvement in managing that inventory, State managing entity and they are going to do RFP and manage privately. He stated this was Housing Authority decision, and they will bring that information to Flood Response.

It was noted by committee that when they have problem out there, they will come to the City on how to resolve. Mr. Manske stated this will enhance need for community center, they will do more out-reach and intercepting problems, will have community meetings, etc.

Mr. Hanson stated that former county commission is on their Board that County has very strong enforcement and Housing Authority can review that. Information only.

Moved by Polovitz and Beach to adjourn; meeting adjourned at 5:35 p.m.

Alice Fontaine
City Clerk

Dated: 9/11/97.