

MINUTES/FLOOD RESPONSE COMMITTEE
Thursday, June 26, 1997 - 5:00 p.m.

Members present: Hafner, Bakken, Glassheim, Polovitz.

1. Matter of 50% damage rule as applied to community and city property.

Hafner stated that the entire downtown is in the flood plain and that many of the buildings are of lower value and would not qualify for building permits; he also noted that some of those are City buildings and asked if any City buildings do not qualify for permits. Ken Vein, city engineer, stated that the two major buildings they are working on did qualify - City Hall and Central High School, and that they are following same rules on 50% damage as any other buildings. He stated that not all of the buildings in the central business district have been inspected and have maps showing which buildings have been inspected and showing number of buildings that are substantially damaged and cannot rebuild unless flood proofed (difference between commercial and residential buildings). The committee asked if a buyout program for commercial properties had been discussed; Mr. Vein stated that when they were trying to take numbers through Congress did use valuations for commercial and residential structures to acquire enough funding for a buyout program, only thing missing was publicly owned buildings.

Glassheim stated that they need clearly defined procedure for appealing numbers, have buildings that are usable and need to tell owners how they can appeal the repair numbers and get those decided locally in determining the 50%; Mr. Vein stated those numbers are available. Mr. Vein stated to assist the property owners they hired the Corps of Engineers to do a damage assessment and if they don't agree with the damage assessment they can get contractor's estimate and compare it to what they can validate as fair market value and City will use that. He also stated they will try to get that information out.

Hafner stated this was discussed the other day and there was some attempt that they would refer some of these issues to the Congressional delegation so maybe some special rules could be applied for questions that they have. Polovitz stated he would ask the Tri-chairs to step up the investigation of a buyout program for businesses because now seeing them in limbo, waiting for a decision, but can't break the rules. Bakken stated that we don't have any funds, all funds allocated. Mr.

Vein stated that Mr. O'Leary will be putting together in the next couple months what would be available for second round, and that the tasking program forthcoming is going to be benefit in fitting this in with everything else.

Gary Christianson, River Forks Commission, stated that he had asked the City inspection department to address some questions the property owners had, and that he mailed that information to all the downtown property owners explaining how they could appeal some of that. He asked how City proved value and what contractor's esti-

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 2

mates they used to come up with comparison to prove eligibility for a building permit. Dan Mehls, M.A. Mortenson Co., stated that when they did valuation for city Hall they followed FEMA public assistance guidelines, that the cost to refurbish the building to pre-flood conditions compared to rebuilding costs to pre-flood condition, and if the refurbishment cost is more than 50% of building a new building then it's condemned, their estimates were 35% or less. Mr. Christianson stated it was his understanding that it's market value and not replacement cost. Mr. Mehls stated that the Public Assistance guidelines for FEMA, and would have to refer to FEMA.

A FEMA rep. from the Mitigation Div. reported there is a distinction between publicly owned buildings which are under 406 and this individual assistance which deals with housing, etc. and there are mitigation provisions in that program - if a building is substantially damaged and a pre-existing Code exists, that Code governs how that building is to be repaired and in this case Flood Insurance Program is a pre-existing Code that the City's flood damage prevention ordinance pursuant to that program, and so when repairs made under Public Assistance Program they have to bring up to Code, so City Hall could be flood-proofed if FEMA would pay for it if it were 50% damaged. He stated that applies to all publicly owned buildings including some buildings leased for commercial use, so mitigation would be paid for by FEMA at 90-10% match out of 406 Program. He stated that's different than privately owned buildings.

Jon Bonzer, 322 Belmont Road, stated he owned restaurant in down-town and cannot rebuild in downtown because he cannot get permit because every building he has looked at has over 50% damage, that building currently looking at is City-owned building, and has been trying for over a week to get permit and

cannot obtain a permit. The FEMA rep. stated that under the FEMA Public Assistance Program which pays for repair of damaged public facilities, mitigation is built into the grant (DSR) and if it is feasible to flood-proof this building either by raising floor or through variety of tech-niques and are working with the City to identify those. He stated that they have people in Mitigation Div. who are working with Tim Manz esp. on that issue to provide tech-nical advice to the City, not only for city-owned buildings but also for other commercial and residential structures that possibly could be retrofitted. He stated they are looking at whether feas-ible to do that and will have some options to pass on to the property owners. He also stated that there's nothing to say that the City couldn't take CDBG or other funding, if City determined priority to assist these businesses, then perhaps a grant could be considered, not only SBA.

Polovitz and Glassheim moved that the inspection department meet with business owners and FEMA representatives to review and explain guidelines. Motion carried.

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 3

2. Matter of review of acquisition and relocation program.

Hafner reported that this had been discussed briefly and that the mayor is going to call for a special meeting of the city council on Tuesday at 4:00 p.m. He asked if there were any com-ments re. this item.

Theresa Jean Ruddy, 711 North 5th Street, stated she is not in the flood plain but in the 500-year flood plain. She stated that according to the Corps of Engrs. that came out because she signed for voluntary demolition program to be considered for buyout, listed at 52.4%, with est. damages of \$25,890, that she is not eligile for refinancing because of two existing mortgages. She stated she has been turned down by FEMA and SBA, that she was told that her request was submitted to the ND Family Grant Program which is administered by FEMA and handled by State of North Dakota, and has been informed that it is 6 to 8 weeks minimally to be con-sidered for grant money because the State has not hired people to administer this program. She stated that she was told that property is of no value to the City and will not be bought out, and was denied building permit. She stated she needs help, and can't wait 6-8 weeks to

find out. She stated she has received FEMA relocation money and is renting a mobile home. She stated there are 31 people in the 500-year flood plain in the same situation, who have applied for demolition buyout, and that there are 179 other people who have applied, in excess of 200 in same situation, she is asking for help to get back in her home. She stated that if they have made decision and are not going to consider those in the gray area, then tell them where to go to get help. She asked committee to ask council to request Governor Shafer to get employees and start allocating those funds. She stated she wanted to thank Jim Campbell, Glassheim and Beyer who have listened.

There was some discussion and Bakken stated that there may be more than one way to address this, that the City doesn't have enough money to solve all our problems, but are going to have some other help; that Umcorp (?) has lot of building materials and products sitting in warehouses already and that Southern Baptist is going to have people come in and voluntarily fix homes, materials free and labor free, and thinks should have Tri-chairs or someone look into this and get listing of these people and get qualified for this program. He noted that the Mennonites come in and do extensive repair of buildings also.

Mary Carrigan, who lives on N. 5th Street, stated that if the city doesn't help residents first, what good is it to help business people. She stated there is lot of stress and anger because things

put off and go from committee meeting to committee meeting, and need to do something for residents. She stated that monies are being allocated and to do something for people who live here. It was noted by the committee that the money allocated so far has been **MINUTES/FLOOD RESPONSE COMMITTEE**

June 26, 1997 - Page 4

for residents, that council wants to help and will as soon as can, don't know what limitations are.

Moved by Polovitz and Glassheim that they form a subcommittee to immediately look into this matter to try to answer questions concerning people who are in the so-called "gray area" to determine what is possible and bring back to this committee to make decision. Motion carried. Polovitz and Glassheim volunteered for subcommittee as well as Mary Carrigan.

3. Matter of engineering agreement for emergency and permanent restoration of the drinking water system.

Charles Grotte, asst. dir. of public works, presented agreement with Advanced Engineering & Environmental Services, Inc. for restoring the water treatment distribution system, for both the emergency work and the continuing restoration work, same rates as prior agreements, and no max. because don't know scope of work. Moved by Glassheim and Bakken to approve the agreement with Advanced Engineering subject to review and approval by the city attorney. Motion carried.

3.1 Matter of engineering agreement for environmental abatement.

Mr. Grotte submitted agreement with Architects and Environmental Consultants for professional services for environmental abatement for four buildings, and will probably be expanded as they continue to work on other buildings. He stated that the multiplier charged against consultant fees is 1.33 x amount billed to architect by consultant, which is higher than usual, because consultants working in architects office using his equipment so does have some direct costs involved that normally would be covered by other multipliers. He noted that these costs FEMA reimbursable. Moved by Polovitz and Bakken to approve the agreement with Architects & Environmental Consultants, subject to review by the city attorney. Carried.

4. Matter of utility rates and temporary trailers in the Industrial Park.

Mr. Grotte reported that the Corps of Engrs. is in the process of constructing temporary housing trailer park in the Ind. Park and as a part of that, City will be charging FEMA the utility cost for those trailers through the Housing & Urban Development Office who will be managing that facility. He stated that due to the way the park was constructed, no meter was installed on the water lines and will be using est. quantity and would like recommendation from committee to approve rate of \$43.28 based on a family of four for all trailers in the park, would only bill for trailers there in a given month; that would be method of reimbursement. FEMA had asked for average rate for average family. Moved by Polovitz and Glassheim to approve the rate of \$43.28/mo. per trailer.

Joel Manske, Housing Auth., stated they are going to be managing trailers, that there are 180 people signed up to date, that first

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 5

phase of park is just over 200 units; that family will be paying utility bills (telephone, electricity, water and cable), but providing trailers free. He stated they will be meeting with FEMA to finalize management contract and identify process for occupying those units; and first families going into site next week.

Upon call for the question, the motion carried.

5. Matter of historical buildings that are damaged more than 50%

and whether they are in the buyout.

Hafner stated there are some buildings (ie., Uptown) that are considered historical and whether that designation would be in the way of their buyout.

Howard Swanson, city attorney, stated there were two points they needed to be aware of 1) that the City has not authorized acquisition of anything other than residential property, 2) regardless of what property they acquire they are obligated to follow through with State Historical Preservation Office on maintenance of historical buildings, whether it be mitigation efforts, relocating efforts or otherwise, depending upon extent of damage they may or may not be able to be salvaged. He stated that if State declares historical their role much greater than owner might anticipate. He stated there are a number of strings attached to historical buildings that may not necessarily allow the property owner full control or disposition of the building.

Committee questioned whether they can rebuild if 50% or more damage because building declared historical; Mr. Swanson stated that they probably can't rebuild in same form or location but historical interests do come into play, and would be a structure by structure determination depending on what State Historical Officer wants to do, He stated that in any acquisition, acquisition can't be finalized without approval by State Historical Society. He stated that he didn't think there was anything Tri-chairs or council could do about this, that this is a matter of compliance with federal law, not a local option. Mr. Swanson reported there will be a meeting next Wednesday of City staff, State staff and FEMA to go through issues such as environmental reviews, historical reviews, etc. and do walk-through of the entire program.

Moved by Glassheim and Polovitz to receive and file. Motion carried.

6. Matter of inviting Professor Kuiper from Winnipeg to Grand Forks to look at our situation in regards to flood protection.

Mr. Beach stated that the mayor had requested that he bring this up at last council meeting, that those who made trip to Winni-peg heard a panel discuss flood mitigation issues and were im-pressed by Professor Kuiper, a native of The Netherlands who immigrated to Canada a number of years ago and helped work on the

MINUTES/FLOOD RESPONSE COMMITTEE

July 26, 1997 - Page 6

Winnipeg diversion project. He is a hydrologist and on the Univer-sity of Manitoba faculty, and that it might be a good idea to invite him to Grand Forks to get some thoughts from him re. our flood mitigation situation. He stated that the Mayor had sug-gested that if in accord with this, to refer back to the mayor's office and she will make arrangements. He also stated that the city attorney had cautioned him that there might be problem in just bringing him down here re. paying him to do something like this.

Moved by Glassheim and Polovitz to refer this matter back to the mayor's office and request her to request him to visit us. Motion carried.

7. Matter of hiring advocates to work with the system.

Glassheim stated that council people get lot of questions from people in trouble, as well as others, and sometimes there are people who simply cannot maneuver this system by themselves, that there is enough confusion in 5 - 6 agencies to get help from them is a full-time job, and thinks the City should hire 10 people at decent wage for 2 months to be advocates for anybody who needs help in dealing with City people or in dealing with different agencies, and thinks City owes people to make sure get assistance they need. He stated his proposal is to authorize the immediate hiring of 10 advocates to help people through the system and do follow-up when not getting answers.

John O'Leary stated that Joel Manske, Housing Auth., runs program called Family Self-Sufficiency Program, that there are 5-6 staff people who have been doing that type of work, working with people in trailer courts, people in temporary housing, elderly and also accept referrals from churches and other organiza-tions in dealing with programs they don't understand.

He stated he wanted committee to know that program available.

Ed Connelly, FEMA operations mgr., stated that they will be putting together model program for this disaster and to use in other disasters; that they have done some demographic profiles based on number of applications they have received and that SBA has received, that they have more than 1600 applications state-wide from people over 70 yrs. of age with majority of those in Grand Forks, and are concerned that they may not get what may be entitled to and putting finishing touches to project they are going to be doing. He stated he doesn't have all details but program could be implemented within the next couple days and would be glad to brief them at next week's meeting. He stated he will be meeting with Joel Manske so as not to duplicate efforts. He stated they will do whatever it takes, don't know what best techniques going to be but have strong indications that they need to make extra effort, esp. among elderly population, that they are getting additional assistance (ie., State IFG grant program) which they might be entitled to, but need to complete SBA loan ap. He stated that they

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 7

they are addressing this and focusing on those who have already applied with FEMA to make sure that everyone in that population has applied and make sure complete all the steps. He stated their initial target is those who have applied, start with 70 and over to begin with and then expand beyond that. Glassheim stated he thought they need to address general population as well. Mr. Manske stated that his motivation was if they are going to manage trailer park that it becomes neighborhood and to provide some human resources, that survey was to identify what their needs were in regard to assistance but also with living in temporary trailer park (daycare, laundry services, playgrounds, transp. services, etc.)

Glassheim stated he wants some staff hired who are committed to people who have troubles and following through, have to have someone walk them through. Mr. Manske stated that Christi Stonecipher is catchall but is a referral agency and is referring to his office and they will resolve. Ms. Stonecipher stated would have to hire more people if want someone to walk through system.

A rep. from Congressman Pomeroy's Office, stated they have been working on this issue and Mr. Pomeroy working in D.C. trying to

get funding for the Red River Valley Community Action Agency Housing Counseling Program, because good share of these problems are housing related and do have some support and think have program up and running in couple weeks, have counselors working now but trying to get more assistance. He stated they have contacted American Arbitration Assn. and they want to come in and mediate between lender and borrower, bring in SBA to refinance, etc. deal with Flood Insurance, FEMA, lenders, etc. and this will be coming soon.

Mr. Schmisek stated that HUD consultants are doing a staffing plan for the Tri-chairs and other departments and would like to bring in as one proposal and should have for next Wednesday's meeting.

8. Matter of elimination of two-year tax exemption on new construction and memo from city auditor.

Hafner stated he would like to see recommendation on the wording that would allow the tax exemption to continue unless someone receives other kinds of incentives rather than blanket elimination of the exemption.

Mr. Swanson stated that State statutes on two-year tax exemption

allows local option on whether to exercise it and to what degree; that 1) they have to clearly certify to the County which structures qualify and which don't, and have to define benefits or incentives, that getting into that degree of judgment fraught with difficulty. Mr. Swanson stated that if they were to set up a district/area can limit exemption to given geographic area. Bakken stated that this was proposed because of lack of low income housing, now 600-700 houses short, and thinks that would be incentive, more incentive now than before the flood.

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 8

Moved by Polovitz and Glassheim that we recommend to council to totally eliminate the two-year tax exemption and separate issue with any buyout program and/or incentives attached to the buyout program. Motion carried.

9. Matter of engineering agreement with CPS to assist in flood restoration activities.

Al Grasser, asst. city engineer, submitted engineering agreement with CPS. to assist in some of their flood related activities, in applications for flood hazard mitigation, also in working with Corps of Engrs. on dike rehab and reseeding

projects. He stated this is similar to other contracts, scope of work not yet defined and hiring by the hour as extension of staff. Moved by Bakken and Polovitz to approve the agreement as presented. Motion carried.

10. Matter of consideration of bids for debris removal.

Mr. Grasser reported that the Corps has completed its debris removal and that bids for continuation of debris removal will be opened July 7 and would like to take to council that evening. Committee scheduled a meeting for 6:45 p.m. on July 7 to consider the bids.

The committee asked that schedule of pickup be publicized; Mr. Grasser stated they would be making multiple passes over a period of month and a half to two months.

11. Cost summary for refurbishing for City-owned buildings.

Dan Mehls, M.A.Mortenson, presented cost summary sheet to date for refurbishing of city-owned buildings, copy of each building and contractor, updated summary sheet. He stated they were not looking for any action, but take action next Wednesday to approve all contracts to date. He stated that it was their understanding that all or the majority of costs are FEMA eligible. He noted that they take competitive bids on all the work.

12. Consideration of bids for asbestos removal and elevators.

Mr. Mehls reported they took bids today that they would like action on and read their recommendations:

- a) North fire station for asbestos abatement, low bid \$5900, Horsley.
- b) Police Department asbestos abatement, \$44,327, NCS.
- c) Civic Auditorium asbestos abatement, \$128,200, Horsley.
- d) Senior Center asbestos abatement, \$34,000, Envirobate.
- e) Civic Auditorium refurbishment of elevator (2), \$31,000, Advanced Elevator.
- f) Parking Ramp refurbishment of elevator, Advanced Elevator, \$10,900.

Moved by Glassheim and Polovitz to accept the low bids as presented. Motion carried.

MINUTES/FLOOD RESPONSE COMMITTEE

June 26, 1997 - Page 9

13. Proposal to negotiate purchase of land to develop housing.

Mr. O'Leary reported that year and half ago a development corporation affiliated with NSP contacted the City re.

development of townhouses on University Avenue, the project would have been sponsored by NSP and developer was Sherman & Associates; that he contacted Sherman & Assoc. and they are still interested in doing 2-3 and 4 bedroom combination of rental units, min. of 136 and max. of 200 units; that they asked to do housing revenue bonds and use tax credits to help finance, that units funded within fair market value of today's rents, and believes we need this type of unit. He stated he visited with the Aerospace Science Foundation who owns property that was being proposed for this project last year, that there's total of 70 acres located along University Avenue just west of HiTech Park, and they indicated that their asking price was \$1.50 sq.ft. which is probably higher than fair market value. He stated that Sherman & Assoc. have this project ready to go and those units could be put in ground this year. He stated that 20 acres used for development of this complex, and cost to City would be \$5-6,000 per unit and would be in ballpark of what was discussed by committee as subsidy program for new construction. He noted these would be rental units at fair market rents (\$460 for 2 bedroom unit, \$500+ for 3-bedroom unit). It was noted that 20 acres for this project, some space for Park and balance of land could be used for owner-occupied townhouse that are affordable. He stated total cost approx. \$3 million. Bakken and Polovitz to continue negotiations with the Aerospace Science Foundation for purchase of the land. Motion carried.

Mr. O'Leary stated that City would buy the land with CDBG money, turn around and negotiate with Sherman & Associates on the amount of rental land they need. Sherman & Assoc. would hire professional manager to manage the property, profit would come from tax credits. He stated he will bring info. back to committee.

Tracy Doe, 807 Park Drive, asked if this were offered to local developers, never heard of this program before, and can do it here. Mr. O'Leary stated this program always been available - where for-profit corporation buys tax credits through Housing Revenue Bonds, program has been existence for years - 3 or 4 in town. The committee suggested that if they have a plan, to submit proposal.

14. Matter of bids for telephone system at water plant.

Charles Vein, Advanced Eng., reported they took quotes for telephone system at water plant, received three bids, and after review of bids and different options, recommended acceptance of bid of Reliance which is low bid that provides telephone equipment, Hansen Electric doing installation of conduit and

wiring.

He stated they are recommending going with Option 2 at cost of \$42,816, that City would have to pay another \$13,000 (over FEMA reimbursement). Mr. Schmisek reported difference in cost would come from Water Utility Fund. Moved by Bakken and Polovitz to

MINUTES/FLOOD RESPONSE COMMITTEE

July 26, 1997 - Page 10

accept bid of Reliance for Option 2 in the amount of \$42,816. Motion carried.

15. Comments re. permanent housing.

Bill Hoffman, recent emigrant from PA, 409 Petrolia St., stated they lost everything they have and are ready to start over, that there are lot of angry people in the city - at the City, flood, FEMA, SBA, etc., that the need for expediency is here, because anger leads to resolve which can take either negative or positive turn, and if takes negative turn, going to have lot of people leaving city, that they need homes and need them now, plead on behalf of his family and anyone else in his predicament. He stated they have been living on porch for 10 weeks, money from FEMA for housing is inadequate. He asked that they set committee aside and help them get housing, that he is waiting for FEMA mobile home, but is talking permanent housing that is adequate for their families.

Moved by Glassheim and Polovitz to adjourn; meeting adjourned at 7:00 p.m.

Alice Fontaine
City Clerk

Dated: 6/27/97.