

MINUTES/FLOOD RESPONSE COMMITTEE
Wednesday, July 30, 1997 - 5:00 p.m.

I. Members present: Hafner, Bakken, Polovitz.

II. Matter of Mortenson update (bids for flood-related projects).

Tom Nonweiler, M.A.Mortenson, reviewed bids received for various projects:

a) Mechanical and Electrical Work in City Hall.

Mr. Nonweiler reported they received 3 bids on Category #4, Mechanical, and low base bid was \$281,466 and Alt. bid which is a mitigation alternate and includes moving existing mechanical/ electrical room in lower level of building to second level of old building (directly up from where it is and what is now a con-ference room) and needs to go to full council, and also presenta-tion to Fema whether grant eligible for reimbursement under mitiga-tion program, and doesn't know if they have determined that; alter-nate has been accepted and not granted Fema funding, City would be responsible, total \$70,000 (fire alarm panels, main switch gear, the four boilers, circulations pumps, and temperature controls, etc. It was noted that building changes and mitigation projects need to go before full council for approval. Mr. Schmisek stated that when do mitigation projects, dealing with Fema and not guaranteed they will be covered, but want council to be aware, and it seems sensible time to do these things.

Moved by Bakken and Polovitz to accept bid of Air Mechanical, Inc. in the amount of \$281,466.00 plus Alternate E-2 in the amount of \$16,130.00. Motion carried.

Mr. Nonweiler reported in conjunction with Air Mechanical's bid they submitted three voluntary alternates, two of which they would like to recommend award for scheduling consideration, quick ship add amounts of components of air distribution system, Alt. #1, add \$2,615 and Alt #3 add \$3,300; that in effort to reoccupy building, that's good option from scheduling standpoint. Moved by Bakken and Polovitz to approve Voluntary Alternates #1 and #3 as presented. Motion carried.

b) Electrical Work:

Mr. Nonweiler reported three bids received, and recommended award to Ron's Electric, Inc. at \$133,500 base bid, with Alt. E-1 in the amount of \$29,900 to move up one level and E-2 in the amount of \$5,432. It was moved by Polovitz and

Bakken to accept bid of Ron's Electric plus alternates E-1 and E-1 as recommended. Motion carried.

c) Systems furniture for City Hall.

Mr. Nonweiler reported that they would like to negotiate solely with Gaffaney's for the supply of that equipment on the basis that Gaffaney's is regional Steel Case supplier, that they have salvaged all of the upper Steel Case components from the flooded areas, have talked to Gaffaney's and know approx. original value of the furniture when installed, would negotiate fair escala-

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tion for time that's expired and use what's been salvaged. It was so moved by Polovitz and Bakken. Motion carried.

III. Matter of sidewalk, driveway and berm restoration.

John Thompson, traffic engineer, presented draft of property damage repair policy for review and approval and listing of damaged property reported (damage that occurred during debris removal, sandbag removal and flood fight) totaling \$30,850. He stated that Mr. Schmisek had reported they have \$50,000 budgeted; and are not funded by DSR's at this time as not damaged by flood waters. Moved by Bakken and Polovitz to approve policy as presented and listing of repairs to date. Motion carried.

IV. Matter of Phase IA update.

Joel Manske, director of Housing Auth., reported that several weeks ago this committee reviewed and approved an application for an extension of Phase I of the buyout program, that this is funded through Dept. of Fema at State level specifically for hazard miti-gation purposes and Mr. Swanson outlined an area that this group approved, starting at 8th Avenue South to Belmont Court area, that they did preliminary approval of the application with Fema and identified units that were included within that parameter, and Fema reps. helped to define that application, and learned today that this application is due and will be looked at next Thursday by Fema at State level, that there is a sizable amount of money available and appears to be more than requesting. He stated that they need to look at and review (Fema requires packaging these in units or groups of 50 or less) and in order to receive top priority with Fema for funding, 50% of those units have to be substantially damaged. He stated that as they look at area on Olson Drive and Elmwood those units not substantially

damaged, and most likely would not be funded by this round of hazard mitigation funding; that he and Mr. Swanson made decision that they shouldn't be included if have negative impact on the application but should try to maximize amount of money could capture through the program, and made revision to what this group approved and removed those properties, although included one in Belmont Coulee. He reported they left Lincoln School area as previously approved, and Elks Condo building still included, and picked up number of units in Riverside Park area that are substantially damaged in the flood-plain and appear to be great candidates for this program. Mr. Manske stated that it should be noted that even if get fully funded, it's \$9.4 million federal share and total buyout is \$12.5 million, should we get funded for total amount requested, could then choose whether or not to buyout all the homes identified with mitigation program at later date. He stated they are recommending a change to what was previously approved to include Riverside Park. Mr. Manske stated that what determines our ability to capture more hazard mitigation funds is future use of the land; and at some point going to want to stop expansion of the floodway with hazard mitigation funds with hope to redevelop some of those areas.

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Bakken questioned Central Park area and that this may be time to address that area.

A Fema rep. reported that there were a number of structures in Central Park area that were approved in Phase I application, ones still there scattered and not in contiguous groups. He stated there was a question re. funding, and hazard mitigation grant funds are based on the total amount of individual assistance funds and public assistance funds and take that total and add 15%; that the damage survey reports are done under public assistance program and that amount is growing; that he was told by the State that there was approx. \$24 million available for the hazard mitigation pro-gram. He noted that other cities also applying for funding. He stated that State making decision on priority basis. Mr. Manske stated they were advised not to over-apply; and application very competitive and adequate and meet guidelines.

Moved by Bakken and Polovitz to approve submittal of application for additional funding for buyout program as previously approved, with change to include Riverside Park area. Motion carried.

V. Matter of drinking water system construction contracts.

Charles Vein, Advanced Engineering, reported that he had requested approval approx. six weeks ago to move ahead with negotiations with contractors currently working at the water plant, that they received approval from Fema to go ahead and award to the three contractors, general contractor is Innes Construction, mechanical contractor is Lunseth Plumbing & Heating, and electrical contractor is Hanson Electric of Bemidji, Inc., all based on time and materials basis plus allowable 15% markup for materials and equipment. He stated they have zero dollar contract and as each of the DSR's are approved, will issue work directive and change added to the contract amount, each will have a cap. Moved by Polovitz and Bakken to award contracts as presented. Motion carried.

VI. Matter of FEMA update.

Steve Pratt, Fema, stated that in discussion re. hazard mitigation program and buyouts, the State is entity that prioritizes projects, and that it was stated homes that were not substantially damaged could not be eligible for those funds, and explained that homes that are not substantially damaged can be looked at for use of the hazard mitigation program, the catch is that when group of homes where 50% or more are substantially damaged, don't have to do Benefit/Cost analysis because know is cost effective, but when get group of homes where less than 50% are in that substantial damage category, State can still look, but Fema look at and do Benefit/Cost analysis, have done this is couple areas already, so can apply and compete for those funds if choose to do that.

He presented general information; have had 24,241 residents

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register for Fema disaster assistance and \$41 million has been disbursed in housing program and about \$151.6 million in Small Business Adm. loans, for total of \$191 million. He reported they have had 499 families provided with travel trailers, currently have 434 living in travel trailers and 43 families in manufactured homes. He didn't know how many are ready and how many applied for but would get information for committee. He also noted that if there is another round of mitigation funding, could apply and could be looked at under different criteria. Information.

VII. Matter of voluntary relocation program.

Moved by Polovitz and Bakken to hold for an additional week. Motion carried.

VIII. Other business:

1) Al Grasser reported that in the redevelopment phase to provide 200 housing units, in order to expedite have put together aggressive schedule, some approvals may go through public service and some through this committee. Committee asked that they be kept abreast of actions.

2) Matter of acquisition of land for southside development.

Mr. O'Leary reported that last week Mayor's Comm. on Housing made three recommendations for City's consideration: 1) general recommendation that they support and encourage developments that City sponsoring in Richard's West Subdivision; 2) recommended that the City consider extending infrastructure south of the city to open up additional lands for future residential developments, one of things that hamstrung the housing development in that part of town is the cost of infrastructure, extending sewer and water into that area has made lots pricey and also limited development; 3) that the City proceed with the acquisition of land on the south side of town for a large residential development; and thinks City has considered in the past. He stated that 1) the support of units in Richard's West is appreciated by everybody; secondly, the city engineering department is currently putting together cost estimates, and in next few days will be completing cost matrix which would tie into this request. He stated they have lot of issues to consider right now: voluntary acquisition of houses outside the 100-year flood plain, the issues in central business district, the issue of relocating houses, and this one as well, the acquisition of land and extension of infrastructure on the south side, and get to be mutually exclusive because there is a limited amount of money available, and Tri-chairs are in the process of preparing a cost matrix, which would show what needs are and do some cost estimates for each of those needs, and strategy of how those needs addressed and paid for. He stated that for extension of infrastructure on southside is to get estimates on how much that would be for various locations in each of the quadrants, three or four sections that could be involved and each have different price tag; that council needs to look at price tag and compare with cost/benefit, how many

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lots that would open up and potential savings to future development. He stated that the third proposal is the acquisition/purchase of land on the southside of Grand Forks, there are a number of parcels available that would tie in with a major southend development, Tri-chairs are requesting authorization to proceed with negotiations with property owners, final approval would be up to the Flood Response Committee and to the city council; and further, recommending that the chair of the Flood Response Committee work with the Tri-chairs on the negotiations of the purchase of that land, take option on the land and come back to committee with price and purchase option for consideration by the council. Polovitz asked that if City purchased land, who would develop. Mr. O'Leary stated that City could develop, put in infrastructure, and sell lots; or run through for-profit or non-profit corporation and have them be sponsoring agent to develop the infrastructure. He stated he could see it partnering up with voucher system for those looking for lots, esp. those who lost their houses. He stated advantage is City using resources available, develop lots at a favorable price. He stated they are putting 200-250 houses on the market but taking 500-600 off. He stated they may want to allocate 20-30 lots to home builder who you could subordinate your position to the bank, they could build houses on these lots and sell them; would have flexibility on dictating value of what those lots would be; reduces overhead and developer's risk.

Bakken questioned whether City going to have enough money to do everything, and City needs as well; and also downtown. Mr. O'Leary stated that's concern, and probably not enough money; should be building somewhere between 75-100 each year to accommodate normal growth; City going to have shortage of lots and that will drive up prices; and incentive to put houses back on market is one way to replace some that were lost; need to keep affordable lots on the market, and believes City going to get another round of funds, believes funding available for downtown cleanup. He reported he has talked to EDA re. additional funding. It was noted that goal of the City is affordable housing.

Moved by Bakken and Polovitz to recommend approval and further that the chairman of the committee be involved in negotiations for purchase of the land. After further discussion and upon call for the question, the motion carried.

3) Mr. Grasser gave update on flood mitigation funds, the State has set priority of buyouts using flood hazard mitigation

funds and therefore the flood hazard mitigation project submittals are somewhat on hold, the State is going to concentrate on buyouts and then accept applications for flood hazard mitigations until October 1, go through and rate on state-wide basis, that flapgate type projects probably won't receive funding to build them this year, so are going back through flapgate project submittals and

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trying to prioritize projects and come back with proposal to see if want to fund some of those locally. Mr. Grasser stated that Fema process is if start action before receiving approval, that basically disqualifies project. Committee asked for clarification and rationale for that rule.

3) Matter of construction manager for housing development. Mr. O'Leary reported that at council briefing earlier this week he talked about need for construction management company in association with construction of housing, and have an unsolicited proposal from Mortenson's to provide those services. He reported that this project could involve \$20-25 million and lot of houses and could be 30 different contractors on site at one time, and while houses being constructed, infrastructure being installed, etc., that this department involved in projects on much smaller scale and was logistical nightmare; visited with the council re. pro-curing services of Mortenson or someone else, have gotten some feed-back and some individuals would like to see this put out on bid and go through formal bid process (interviews, etc.); either way acceptable to HUD and funding sources using to pay for this; that we are already under contract with Mortenson and could amend their contract, and that is most expedient way.

Committee stated they would like to see bid out on fast-track. Mr. O'Leary stated that will take longer, as they can amend Mortenson's existing contract and put in scope of work; that if put out an RFP, need to develop that, give reasonable amount of time to respond, set up interview process, set up committee to interview, and do selection, and draw up contract. He stated that there are 2-3 companies locally who could do work.

Polovitz moved that we issue request for proposals to provide construction management services to Grand Forks for the construction of new homes.

Mr. O'Leary stated two weeks was way to long to wait; that they are ready with Grand Forks Homes to issue contracts for the construction of first group of houses, and construction manager should be on board to issue those contracts (bonds, insurance, scheduling, inspections, punchlists and coordination of work between contractors, etc.) It was noted proposal was for \$2,000 per house.

The motion died for lack of a second. It was then moved by Bakken and Hafner to amend contract with M.A. Mortenson for construction management services. Motion carried; Polovitz voted no.

Moved by Bakken and Polovitz to adjourn; meeting adjourned at 6:05 p.m.

Alice Fontaine, City Clerk

Dated: 7/30/97.