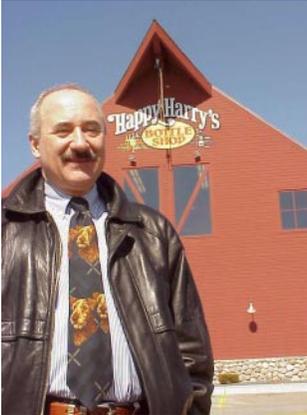


Mind Your Business...

North Dakota Entrepreneur Embraces Disaster-Resistance Measures



Hal Gershman says the '97 flood taught him a lot about living and working with a river.

Hal Gershman is a quick study in the classroom of natural disasters.

When the raging Red River of the North flooded Grand Forks, North Dakota, in 1997, Gershman was a victim twice—at his house and at one of his several business properties.

The disaster taught him valuable lessons about floods. In the spring of 2000, when he was ready to build a new liquor store in Fargo, a city 75 miles south of Grand Forks and also on the Red River, Gershman applied the same disaster-resistance principles he'd already learned from the '97 flood—elevate, elevate, elevate.

In June 2000, his hunch was proven right when torrential rains deluged Fargo, flooding many parts of the city. Gershman's new store, under construction at the time, was not affected by the surface flooding on nearby streets. His only surprise was being exposed to a rainstorm-induced flood instead of one caused by a swollen river.

"The flooding from that rain was a shock," Gershman said. "I think everyone was surprised that it didn't drain off quickly. But when I heard

about it, I had no doubt in my mind that my site was going to be dry."

Gershman, 56, joins a growing number of progressive business owners throughout the country who are taking preventive action before disasters strike to better protect their property, inventory and business viability.

Lessons Learned

His disaster-resistance outlook is one of the best outcomes of the Grand Forks flood—an otherwise devastating event that seriously affected better than 90 percent of the city's 50,000 residents and cost more than \$1 billion in public and private money for the recovery.

There, among his two liquor stores and two hotels, just one liquor warehouse was damaged when nearly 2 feet of water got inside. At that same property, floodwaters came within 6 inches of the store's front door. Had the store flooded too, Gershman estimates that he would have lost about \$100,000 in inventory alone.

So when the Grand Forks flood recovery began, Gershman decided to build a new liquor



Elevating this building site in Fargo helped save Gershman's store from flood damage when a summer storm dumped a whopping 7 inches of rain in about seven hours.



Gershman raised the ground before he built this shopping plaza to better protect his investment and his tenants from future floods.

store and a 13,681-square-foot retail complex on a different site. This time, though, he added extra measures to reduce the chances that his investment would be impacted by another possible flood.

“We hauled in a lot of dirt to first raise the base of the entire site,” Gershman said. “That raised the new store and adjoining plaza five feet above the ground level. Elevating saves a property from flood exposure and sets off your project in a much more beautiful way. Also, it helps your drainage. We drain off very quickly now.”

In Fargo, drainage is a problem because the city is virtually void of the natural elevations that facilitate runoff. Even though city government has invested heavily in disaster-resistance measures such as dikes, stormwater retention basins and drainage channels—all with the common goal of controlling water—Gershman still wanted to add his own protection as well.

“That place (store site) was a small island when the flood hit,” Gershman said. “The corner it sits on is naturally higher than elsewhere in that part of the city. But that’s not good enough. We took it up higher yet.”

There, too, he brought in extra dirt to raise the site about 2½ feet before constructing the 12,500-square-foot building. The site is not required by city building codes to be elevated because it is not in a special flood hazard area.

Additionally, a sloped parking lot guides water away from the building and into a couple of large ground-level drains. Around the building, sloped landscaping also directs water away from the structure.

The improvements only added about \$20,000 to the overall project cost of \$2 million. Gershman considers that investment to be “a steal” in the long run.

“I amortize that cost over a period of time, either the mortgage period or the life span of the building,” said Gershman. “Either way, I feel it was a great investment because my property looks so much better and I also have the peace of mind that if there is an event, my store will be dry because I’m high enough.”

At the Grand Forks plaza property, home to nine commercial tenants plus his 10,610-square-foot store, the costs associated with the elevation totaled about \$25,000 of the \$2.5 million project. When he applied the expense to the size of the entire property, Gershman said, the elevation cost came to less than 50 cents a square foot.

Gershman acknowledges that he would have been required by Grand Forks' floodplain ordinances to elevate the new property because it is in a special flood hazard area. But by the time building permits were required, he had already decided on his own to elevate.



The plaza elevation, visible from this back corner, can be effective against floods and attractive, too.

"I would have done it anyway," Gershman said. "We didn't know yet what the requirement was and I just said, 'We have to do this to get it up out of the floodplain.'"

And as a landlord, Gershman had even more at stake there than just protecting his own store.

"Had I not elevated the property, it would have been a very significant problem to get tenants," Gershman said. "The fact that I did it eliminated that part of the discussion. What if I had not done it and they asked the question? What would I have said?"

It's an answer Gershman won't ever have to think about. He says he'll never again build without disaster-resistant measures.

"To mitigate, to have peace of mind and to improve the visibility of my property—why wouldn't I do that? It's a one-time expense that keeps giving back."