

**MARCH 1, 1977**

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Pursuant to a call by the Mayor the City Council of the City of Idaho Falls met in special session in the Bonneville Hotel on the 1<sup>st</sup> day of March, 1977, at 12:00 o'clock noon, for the purpose of presenting and considering the Community Development Fund program for 1977, as well as any other business which might be appropriately presented. There were present at said meeting: Mayor S. Eddie Pedersen, Councilmen Paul Hovey, Tom Campbell, Jim Freeman, Mel Erickson and Gil Karst. Absent: Councilman Ralph Wood. Also present: Roy C. Barnes, City Clerk; Arthur Smith, City Attorney; John Evans, City Controller; Don Lloyd, Public Works Director; Rod Gilchrist, Building Administrator. Also present, as observers, were the following: Sue Peet, Federal CPD Financial Analyst Representative, Pat Brown, Idaho Falls Housing Authority Director, Elaine Rhead from the Office of the Building Administrator, League of Women Representatives, Doris Hill, Mary Lou Marshall, Linda Milam, Karen Robbins and Rebecca Willis; and citizen's representatives Janice Perez, Cecil Perez, Elbert Willis and Ruth Champion.

The Mayor asked Councilman Karst, as Chairman of the Fiscal Committee, to conduct this portion of the meeting having to do with Community Development Funds. Karst, in turn, invited Building Administrator Gilchrist to render a progress report, particularly pertaining to hearings conducted by the Citizen's Advisory Committee. Gilchrist first presented the following which represented the original C.D. funds application for 1977:

**COMMUNITY DEVELOPMENT FUNDS APPLICATION - 1977**

1.	Multi-purpose Park & Drainage Project in Melbourne Park Addition Engineering Design	\$ 20,000
2.	Mini-plaza Park at "B" St. & Park Ave. - Construction, Phase Two	20,000
3.	Fremont Avenue Water & Sewer Lines - Construction	10,000
4.	Capital Avenue Green Belt Park - Construction & Landscaping (to be matched by BOR Funds)	85,000
5.	Fremont Avenue Street Construction (local share of State-Federal project)	100,000
6.	South Capital Avenue Street Construction and Design	100,000
7.	Storm Drainage Project, Phase I - North Bel-Aire Design & Construction	70,000
8.	Pocket Park, Bel-Aire Area - Property Acquisition and Development	20,000
9.	Ramp for Handicapped & Elderly at Civic Auditorium - Construction	10,000
10.	Housing:	
	Rehabilitation	115,000
	Acquisition	10,000
	Local Housing Administration	10,000
11.	Senior Citizens Center - Survey, Study & Acquisition	50,000
12.	Program Administration	8,000
	Total	\$628,000
	Unallocated	50,000
	Total 1977 Funds	\$678,000

Next, Gilchrist presented certain programs that had been disallowed and, as a result, recommendations from the Citizens Advisory Committee for fund re-allocation, as follows:

**PROGRAMS DISALLOWED**

1.	South Capital Avenue Construction	\$100,000
2.	Multi-purpose Area – Melbourne Park – Design	20,000
3.	Park & B Street Plaza – Construction	<u>20,000</u>
	Total:	\$140,000

**CITIZENS ADVISORY COMMITTEE’S RECOMMEND  
REALLOCATION OF FUNDS**

Russell Freeman Park Area – Sewer & Water Laterals	\$ 40,000
Senior Citizens Center (Additional)	50,000
Land Bank (Property Acquisition for Low-income Housing Russell Freeman Park Area)	27,000
Bel-Aire Drainage Program (Additional)	<u>23,000</u>
	Total: \$ 140,000

Next, a printed report was presented with reference to hold-over funds to be re-programmed, together with recommended re-allocation of said funds, as follows:

**FUNDS TO BE RE-PROGRAMMED**

Local Housing Administration	\$ 23,000
Health & Social Services	21,600
1976 Local Option	<u>16,000</u>
	Total: \$ 60,600

**RECOMMENDED RE-ALLOCATION**

Neighborhood Center	\$ 21,600
Local Housing Authority – Acquisition	23,000
Bel-Aire Drainage	<u>16,000</u>
	Total: \$ 60,600

Finally, Gilchrist presented a proposed revision of a 1977 C.D. Funds application, as follows:

**PROPOSED REVISION OF 1977 APPLICATION**

1.	Local Housing Authority	\$158,000
	Rehabilitation	\$115,000
	Administration	10,000
	Acquisition	33,000
2.	Capital Avenue Green-Belt – Development (To be matched by B.O.R.)	85,000
3.	Neighborhood Center	21,600
4.	Pocket Park – Bel Aire Area – Acquisition and Development	20,000
5.	Reconstruction of Streets – Bel-Aire area (1 <sup>st</sup> Phase, Design & Construction of Storm Drainage Project)	109,000
6.	Fremont Avenue Sewer & Water Mains – Completion of Project	10,000
7.	Fremont Avenue Street Construction – Local Share	100,000
8.	Ramp for Handicapped and Elderly – Civic Auditorium	10,000
9.	Senior Citizens Center – Survey and Acquisition	100,000

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| 10. | Sewer and Water Laterals – Russell Freeman Park Neighborhood            | 40,000 |
| 11. | Land Bank (Acquisition of Property) – Russell Freeman Park Neighborhood | 27,000 |

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12.	Program Administration		8,000
13.	Unallocated		<u>50,000</u>
		Total	\$738,000
		1977 CDBG	678,000
		Reprogrammed	60,600
			\$738,600

One of the major recommendations from the Advisory Committee, according to Gilchrist, was that the Fremont Street construction allocation be deleted and used elsewhere. He said this recommendation was based upon certain correspondence with the HUD office, suggesting that this was a highly questionable area. Karst noted in this connection, that if this were re-allocated to street improvement within a so called impoverished area, such as Presto, Elmore or Canyon, it would be poor planning to improve the streets without first improving the underground utilities. Public Works Director Lloyd concurred. He said some of those water lines, as an example, are 40 years old and are only 4" in size. In answer to a question by Councilman Hovey, Lloyd said street improvements of this nature would normally be financed through an L.I.D. He said a recent estimate revealed that such a street improvement, excluding utilities, would cost about \$19.00 per front foot and therefore, even without provisions for utilities, \$100,000 would only improve about three blocks. Councilman Freeman voiced an opinion to the effect that such action would be a bad precedent. He said it would be difficult to justify having certain streets improved at no cost to property owners whereas others, perhaps even close by, be subject to assessment for a similar improvement. Hovey warned against ear-marking impoverished area as pertains to street improvement. He said that such an allocation, even though it would technically be for the benefit of a so-called impoverished area, might benefit a wealthy landlord. As an example, continued Hovey, using the Bel Aire Addition for purposes of illustration, he said he would estimate that no more than 50% of said area is owned by the residents and the other 50% is owned by absentee landlords. He said a more logical approach, in his opinion, would be to re-allocate the funds in question to the Senior Citizen's Center which, at least, would not create a conflict of interest. He said the Federal Government has certain rules and regulations that are designed for large cities and are not realistic for a city the size of Idaho Falls. Hovey continued by saying that the only way he would condone allocation for street improvements would be by creation of a street improvement L.I.D. with C.D. fund participation. Karst commented to the effect that, normally, street improvements of this nature are not financed from the Street Fund but, rather, by the creation of an L.I.D.

The Fremont Avenue Street improvement discussion prompted the Council to turn, for a moment, to the Anderson-Lewisville Project which was a recipient, in part, of C.D. funds. Karst read an excerpt of a letter from Mr. Charles Holley, Director of the H.U.D. office in Boise, dated February 26<sup>th</sup>, 1977, as follows:

**Urgent Needs**

Not approvable. Our review of the contract between the City of Idaho Falls and the Idaho State Highway Department for the Anderson-Lewisville intersection was dated November 1, 1971. This contract made years in advance of the CDBG urgent needs submission would appear to negate your assurance for urgent needs. From the contract in file, it would appear that this activity is a routine maintenance and/or construction of an arterial street obligation for a project that should have been paid out of City general funds. Additionally, this

contract would indicate that CDBG funds have been expended for a City obligation made prior to HUD's approval and release of funds.

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Please provide an explanation, inducing justification of urgent needs, for this activity that was contracted for more than three years prior to the CDBC grant agreement.

Karst said the City, in the case of Anderson-Lewisville, acted in good faith and, in fact, with the approval of the H.U.D. office at the time but that, subsequently, an audit was made and, because the H.U.D. office at the time but that, subsequently, an audit was made and, because the H.U.D. office only had available a 1971 cooperative agreement between the City and the State, having to do with design and not construction, considered the project as a pre-existing condition not qualifying as an urgent need. In the interim period, continued Karst, as recently as 1975, a construction contract had been executed. Nevertheless, concluded Karst, this should be construed as a potential claim against the City and might necessitate the City defending itself in court.

In answer to a question by Karst, Lloyd said the City does have a cooperative agreement with the County on Fremont Avenue but this, also, has only to do with design and would not be used to implement construction. Lloyd said such an agreement is used only as a guide. Karst said he would certainly wish to avoid, in years to come, a similar controversy on Fremont Avenue as has arisen on Anderson-Lewisville. In answer to a question by Karst, Gilchrist said that if the foregoing revised application were submitted, and if the Fremont Avenue allocation were disallowed, the City's total C.D. application would be reduced by that amount, inasmuch as there is not time for consideration of further amendments. There appeared to be general Council agreement that little would be gained by including the Fremont allocation in the amount of \$100,000 with only a vague hope that it would be approved. In the absence of further comment, it was moved by Councilman Hovey, that items 6, 7, and 10, totaling \$150,000, be deleted from the foregoing C.D. fund application and re-allocated as follows:

\$ 50,000 to the Senior Citizens Center - (Item #9)  
\$100,000 to the Bel-Aire Project - (Item #5)

This motion died for want of a second.

It was then moved by Councilman Karst, seconded by Campbell, that the foregoing application be submitted as presented and recommended. Roll call as follows: Ayes, Councilman Karst; No, Councilmen Erickson, Hovey, Campbell, and Freeman. The Mayor noted that this motion was defeated.

It was then moved, again, by Councilman Hovey, seconded by Erickson, that items #6, 7, and 10 be deleted and re-allocated as follows:

\$ 50,000 to Item #9.  
\$100,000 to Item #5.

Gilchrist recommended, prior to a roll call vote on the preceding motion, that consideration also be given to deleting Item #11 in the amount of \$27,000 which would be used to acquire property within the Russell Freeman Park area. Gilchrist reasoned that it would be an exercise in futility to acquire land in said area where no provision was being made, at least through C.D. funds, for sewer and water laterals in said area. This led to some general discussion on the matter. It was the opinion of some Councilmen that one needn't be dependant on the other and that there was some merit in acquiring land, as indicated, whether or not there were immediate plans and funding for installing sewer and water laterals. At this time Councilman Erickson withdrew his second to the preceding motion made by Councilman Hovey. It was moved by Councilman Campbell, seconded by Freeman,

that Item #7, providing for Fremont Avenue construction and Item #6 providing for Fremont Avenue sewer and water mains be deleted and reallocated as follows:

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\$100,000 to Item #5 - (Bel-Aire Project)  
\$ 10,000 to Item #9 - (Senior Citizens Center)

Roll call as follows: Ayes, Councilmen Hovey, Campbell, Freeman, Erickson; No, Councilman Karst; carried.

It was moved by Councilman Karst, seconded by Erickson, that the revised 1977 C.D. application, as amended by the preceding action, be approved and the Mayor be authorized to sign said application. Roll call as follows: Ayes, 5; No, none; carried.

Referring back to the earlier discussion relative to the Anderson-Lewisville controversy as indicated by the HUD letter, recognizing that there might be a claim filed against the City in this regard, it was moved by Councilman Karst, seconded by Freeman, that the City Attorney be authorized and directed to take whatever action deemed necessary and appropriate to defend the City against said claim, if filed. Roll call as follows: Ayes, 5; No, none, carried.

There being no further business, it was moved by Councilman Freeman, seconded by Hovey, that the meeting adjourn at 2:10 P.M., carried.

ATTEST: s/ Roy C. Barnes  
CITY CLERK

s/ S. Eddie Pedersen  
MAYOR

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