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OFFICE OF THE
ATTORNEY GENERAL

May 23, 2011

Lawrence G. Wasden
Idaho Attorney General
Office of the Idaho Attorney General
700 W. Jefferson Street
Boise, ID 83720

Lawrence,

Thank you for taking the time to read my concerns about possible conflicts of interest and possible ethics concerns within Coeur d'Alene's City Government. The concerns I will outline for you have been brought to me by many of my constituents in District 4. I feel I must bring them to your attention. I will also forward a copy of this letter to my local prosecuting attorney.

We have two government entities involved in this matter; the local Urban Renewal Agency Lake City Development Corporation (LCDC – www.lcdc.org) and the Coeur d'Alene City Council.

The city council is preparing to vote on approving the McEuen Park plan (www.McEuenPark.com), an expansive urban renewal project, that as depicted, will change the character of downtown with a vast range of amenities, closes streets, reroutes traffic, includes an expensive underground parking garage, removes the 3rd Street boat launch & eliminates the American Legion ball field. The estimated cost for this plan is \$39 Million. The city council will soon be voting to approve the conceptual plan thus directing it to LCDC's control.

The concerns being raised by my constituents are conflicts of interest of several members involved in this project who will benefit directly; members of the Coeur d'Alene City Council, the planning commission and LCDC board.

I have read the Idaho Ethics in Government published by your office and sections of it certainly seem to apply in this matter. I am asking for your help in interpreting and applying these statutes here in my district. This project is very controversial, will be funded by the taxpayers and invests significant urban renewal monies.

I have included a map of the proposed project and on it you will see a diagram of the buildings surrounding the project and the relationship to the parties seen as benefiting from and having a conflict of interest.

- Mayor Sandy Bloem: Owns a corner building on the proposed entrance to the new project.
- Councilman Mike Kennedy: Mike's employer owns a half block adjacent to the project
- Brad Jordan: Chairman of the Planning and Zoning and member of the LCDC board is the owner of a building that sits on the corner of the proposed entrance to the new project.

- Councilman Al Hassell: Member of the LCDC board and city council member.
- Councilwoman Deanna Goodlander: Member of the LCDC board and city council member.
- Councilman John Brunning: Served on the McEuen Park project advisory board which planned the park.
- Miller Stauffer Architects: The firm that was awarded the contract to design the park also owns two new high-rise condo buildings facing the new project.

Below is a quote from the pamphlet on Idaho Ethics in Government:

“The purpose of the ethical statutes is to establish a ground floor for conduct by public officials. Proper analysis of ethical statutes should not be for “loopholes” or “technicalities” by which one can take advantage of government, the public, or other interested parties. If your analysis requires that you find a “loophole”, within Idaho’s ethical statutes, then your conduct is likely unethical. Ethics for public officials is also tricky for another reason.”

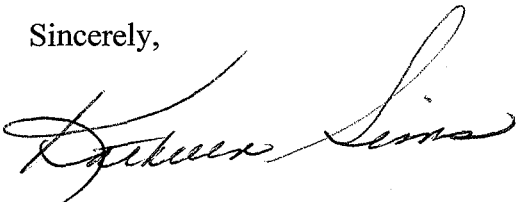
“Within the public service, there are often two courts: the traditional legal system and the court of public opinion. A win in one does not guarantee a win in the other. When determining the proper answer to any ethics determination, a public official should be mindful of the impact his/her decision may have both legally and publicly. Public officials, by trusteeship given them by the electorate, are held to a higher ethical standard.”

The controversy over this proposed plan has been further complicated by the fact that the public has been denied a vote. It is my understanding that the city council by law (Economic Development Act) is not required to put this project to a public vote and has insisted that it is actually illegal for them to do so. Given the potential conflicts of interest and vast expenditures this plan will entail I am getting numerous calls asking why this cannot go before the public for a vote. A public vote seems the only logical solution. I look to you for guidance in this area also.

Please review the enclosed map with the property owners highlighted.

I believe a thorough investigation of the conflicts of interest outlined here must be undertaken as soon as possible. I am available to discuss this by phone or in person.

Sincerely,



Representative Kathleen Sims
District 4
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Adjacent properties owned by influential people

Property owned by Mayor Bloem

Property owned by Brad Jordan

Property owned by
Miller Stauffer Architects

Property owned by
Mike Kennedy's employer

