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# HALLS/FOUNTAIN CITY SHOPPER-NEWS

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## HPUD tops stimulus funding

\$6 million 'free'

By Sandra Clark

Hallsdale-Powell Utility District aimed for the moon and landed with \$21.6 million in federal stimulus money. The announcement came last week from Gov. Phil Bredesen. Funding is through the state Department of Environment and Conservation.

"This means a lower cost to complete projects that we had already identified as necessary," said president and CEO Darren Cardwell. "Our staff worked hard from the beginning to obtain this funding for Hallsdale-Powell. All of the projects were in our capital plan and were truly shovel-ready, with engineering already complete."

HPUD was the only Knox-based utility with projects funded.

More than \$6 million is classified as "principal forgiveness." It is essentially a grant that does not have to be repaid. The balance is loaned through the state revolving fund at interest rates lower than could be obtained in the private market.

Bredesen said 10 communities and three utility districts statewide were in the first tier of funding. Additional funding is expected. EPA provided \$77 million in Recovery Act funding that the state was not required to match.

The city of Maynardville will receive \$1.32 million for the installation of automatic read meters and sewer system videotaping, cleaning and mapping. This project will be funded with a 20-year, \$792,000 loan with an interest rate of 1.44 percent and \$528,000 in principal forgiveness.

HPUD projects are:

- \$12.15 million for wastewater system improvements consisting of a Willow Creek interceptor replacement project, North Fork interceptor replacement project, Sanitary Sewer rehabilitation Phase II project and Brickey-McCloud School outdoor classroom and stormwater mitigation. This project will be funded with a 20-year, \$7.29 million loan with an interest rate of 2.52 percent and \$4.86 million in principal forgiveness.

- \$2.82 million for water meter connection changeover projects and automatic radio meter replacements. This project will be funded with a 20-year, \$1.69 million loan with an interest rate of 2.52 percent and \$1.13 in principal forgiveness.

- \$6.3 million increase to an existing 20-year loan, with an interest rate of 0.82 percent, for increasing the capacity of the Beaver Creek wastewater treatment plant from 5.6 million gallons per day to 9.7 million gallons per day.

## AROUND THE NEIGHBORHOOD

### Watermelon cutting at Halls Senior Center

A watermelon cutting, hosted by a multiplicity of County Commissioners, will be held 6:30 to 8 p.m. Tuesday, Aug. 11, at the Halls Senior Center on Crippen Road. The community is invited to attend and share any concerns or ask questions. Representatives from the codes and water quality departments will be present to answer questions as well. See Sandra Clark's column on page A-4 for more information.



April Babka and Titan demonstrate a jump at the Sternenlit Farms in Corryton.

SEE PAGE 3 FOR FULL STORY

## Murphy, PBA chair, sued by Feds

By Larry Van Guilder

John Murphy, who chairs the Knoxville/Knox County's Public Building Authority (PBA), faces a court date in Nashville on charges of violating federal fair housing laws.

Murphy Development LLC is the target of a civil complaint brought by the U.S. Department of Justice alleging numerous violations of the Fair Housing Act and Title III of the Americans with Disabilities Act. According to a complaint filed March 17, 2009, in U.S. District Court in Nashville, Murphy Development LLC is solely owned by PBA chair John A. Murphy and his son, Paul Murphy III.

The March filing amends a complaint filed on Sept. 29, 2008, which charged Murphy Development with violations at apartment complexes in the Tennessee cities of Clarksville, Columbia, Goodlettsville, Hermitage, Mount Juliet, Springfield and Nashville. The amendment adds 14 complexes to the list, including eight located in Knoxville. The developers received low-income housing tax credits (LIHTC) for each of the 21 properties, built between 1998 and 2006.

The LIHTC program became law in 1986. For projects which qualify, developers may receive tax credits (a dollar-for-dollar reduction in tax liability) for up to 10 years. The developer may also sell the credits to other investors.



Lyon's Den in North Knoxville is among eight area apartment complexes named in a federal complaint against Murphy Development LLC. Photo by Ruth White

Limited liability companies are the most common business structure for developing low income multi-family dwellings.

The names of 23 limited liability companies and limited partnerships appear as defendants on the 20-page March complaint. At least 21 are linked to Murphy Development LLC by a common business address or addresses. In addition to John and Paul Murphy, Morristown Realtor Adren S. Greene is named as a member or shareholder in four of the companies.

The complaint alleges violations of U.S. Code Title 42, Section 3604(f) which makes it unlawful to "discriminate in the sale or rental, or to otherwise make unavailable or deny, a dwelling to any buyer or renter because of a handicap of that buyer or renter, a person residing in or intending to reside in that dwelling after it is so sold, rented, or made available; or any person associated with that buyer or renter." The defendants are accused of a "pattern or practice of resistance to the full enjoyment of rights granted by the Fair Housing Act."

Dwellings covered under Title 42 must have wheelchair accessible entrances and exits; accessible light switches, thermostats and electrical outlets; and kitchens and bathrooms which permit maneuverability by a wheelchair-bound individual. The September complaint cited entrance routes to the apartments too steep for wheelchair use, exterior door knobs difficult to operate for persons with disabilities, and stairways which could prove dangerous to visually impaired persons.

On Dec. 9, 2008, in an odd twist, Metro Nashville government gave final approval to an ordinance accepting a \$110,000 contribution from Murphy Development for "purposes of transportation infrastructure improvements in the Swiss Avenue area." Swiss View and Swiss Ridge Apartments, both located on Swiss Avenue, are named in the complaint.

According to records in the U.S. District Court clerk's office in Nashville, the defendants are represented by five attorneys. Among those named is Chris Heagerty, Knox County Election Commission chair and a member of the law firm Hodges, Doughty and Carson.

### Murphy Development response

In response to our request for comment from John Murphy on this week's story, we received this faxed message:

STATEMENT BY MURPHY DEVELOPMENT:

Murphy Development is proud to provide housing to thousands of families across the state of Tennessee and proud of the number of people we employ through the design, construction and management of these communities.

We have hired architects, engineers and construction firms that have contractually committed to meet all applicable federal, state and local standards. While it is alleged that there are design flaws present at some of our communities, we would also like to point out that in over 10 years of owning and managing apartment communities, we have not received even one tenant complaint related to the accessibility of our apartments. We plan to correct design flaws that are brought to light through this process and will continue in our commitment to providing accessible, affordable housing.

Knoxville apartment complexes named in the complaint are River View Park, Sutherland View, Lyon's Den, Dunhill, West Vista Ridge, Cassell Ridge, Cassell View and Sutherland Park.

A pretrial hearing has been set for Nov. 2, 2009. A bench trial is scheduled for Dec. 1.

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