

Jackson/ Depot

Redevelopment & Urban Renewal Plan



Center City Redevelopment Project #10

KNOXVILLE CITY GOVERNMENT

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INTRODUCTION

The area surrounding Jackson and Depot Avenues once constituted a thriving commercial district adjacent to downtown Knoxville. As Knoxville became a significant transportation and warehousing center in the latter part of the nineteenth century, this area once heralded Knoxville's bright future with a busy railroad terminal, large warehouses and industrial buildings. During the twentieth century, however, the area steadily suffered a decline as a commercial district, leaving empty and dilapidated buildings to serve as a blighted entrance to downtown Knoxville.

In recent years, a number of businesses and residents have taken the initiative to renovate a few of the historical buildings in the area, but these businesses and homes remain interspersed among many vacant structures. The area has not been able to achieve its full potential as a unique historic district because of continued blighted conditions, inadequate parking and needed infrastructure improvements. In order to implement the revitalization of the district, the Knoxville City Council adopted a resolution on December 11, 2001, as modified on July 9, 2002, requesting Knoxville's Community Development Corporation ("KCDC") to develop a redevelopment and urban renewal plan for the Jackson Avenue/Depot Redevelopment District. Responding to that request, KCDC has prepared this plan and has submitted it as both a redevelopment plan under Section 13-20-203(B) of the Tennessee Code Annotated and an urban renewal plan under Section 13-20-211 of the Tennessee Code Annotated.

This redevelopment and urban renewal plan should help the City achieve its goal of redeveloping the Jackson Avenue/Depot Street area for several reasons. First, the adoption of the plan will highlight the importance that the City places on the redevelopment of the area and will hopefully encourage both existing and prospective property owners to pursue actively creative approaches to the improvement of properties in the area. Second, the adoption of a redevelopment plan allows the City to utilize the experience of KCDC in connection with the coordination and implementation of redevelopment efforts in the area. Third, the adoption of a redevelopment plan gives KCDC the authority to mitigate blight through the acquisition of blighted properties when necessary. Finally, the adoption of a redevelopment and urban renewal plan gives the City and

KCDC broader authority under state law to make expenditures in the redevelopment and urban renewal area for costs related to the rehabilitation of existing structures.

The ultimate goal of this redevelopment plan is to promote the growth of existing businesses in the redevelopment area while encouraging a broad spectrum of new occupants. Building on the area's existing strengths while facilitating new development is critical to the district's ultimate success. When this plan is fully implemented, the Jackson and Depot Avenue area will hopefully reclaim its past as a vibrant economic force in the Knoxville community.

PROJECT AREA BOUNDARY AND EXISTING CONDITIONS

The proposed redevelopment and urban renewal area encompasses an area that is generally bordered by Magnolia Avenue on the north, North Central Avenue on the east, Broadway on the west and the southern boundaries of the parcels on south side of Jackson Avenue on the south. The area also includes certain parcels on Gay Street north of Summit Hill Drive and parcels on the north side of Vine Avenue to Broadway. A boundary map depicting the redevelopment area is attached to this plan as Exhibit A, and a list of the property owners in the area according to the real estate records of Knox County is attached to this plan as Exhibit B.

The redevelopment area presently consists of mixed uses, including retail, light industrial, restaurants, residential and service businesses. A number of the properties in the area have been redeveloped and/or are occupied by active businesses, but these properties are interspersed among properties that are dilapidated or obsolete. Significant efforts to redevelop properties in the area for residential uses are also being made, but a number of other buildings that could be redeveloped for residential use remain blighted and dilapidated.

The redevelopment area clearly is eligible to be a redevelopment project within the meaning of Section 13-20-202(a) of the Tennessee Code Annotated. Based on physical inspections of the area conducted by KCDC, the redevelopment area is blighted due to dilapidation of a number of the buildings throughout the redevelopment area. Much of the land use in the area is also deleterious because of vacant buildings or inappropriate land uses. The redevelopment area also clearly qualifies as an urban renewal project within the meaning of Section 13-20-212(a) of the Tennessee Code Annotated because the area, based upon physical inspection by KCDC, is blighted, deteriorated and deteriorating.

PLAN OBJECTIVES

The primary objectives of this redevelopment and urban renewal plan are:

- * To facilitate the redevelopment of the area with mixed land uses, including commercial, light manufacturing, office, cultural and residential uses.
- * To protect the unique architectural and historic character of the redevelopment district.
- * To provide adequate parking and promote vehicular and pedestrian circulation within the redevelopment district and between the district and surrounding areas.
- * To eliminate conditions of blight and blighting influences and incompatible and inappropriate land uses.

RELATIONSHIP TO LOCAL OBJECTIVES

Appropriate Land Uses

The appropriate land uses for the redevelopment area are commercial, office, retail, light industrial, arts, and residential uses. Such land uses will complement the existing businesses and residences in the redevelopment district and the uses of surrounding areas, including downtown Knoxville. A major local objective, as evidenced by recent redevelopment efforts in the Market Square area and the implementation of the City's CityLife Initiative, a residential incentive program, is to promote economic development in the downtown area and to encourage residential development to support downtown businesses. The mixed-use redevelopment of Jackson and Depot Avenue area will complement the redevelopment activities in the Market Square area by encouraging the creation of additional housing and by offering downtown visitors additional activities in the downtown area.

The zoning in the area should reflect this mixed use redevelopment. A significant portion of the redevelopment area is presently zoned for industrial use. While light manufacturing should continue to be encouraged, a more appropriate zoning for the entire area is needed, which recognizes and encourages mixed uses. KCDC intends to take steps to secure the proper zoning for the area to encourage redevelopment proposals for the appropriate uses. Mixed-use development is consistent with the most recent one-year plan adopted by the Metropolitan Planning Commission.

Another important local objective as it relates to land use is to preserve historic structures. Knoxville has a large inventory of historic structures that should be preserved to enhance the character of the community. Many of those structures are located in this redevelopment area. The City has strongly emphasized the need to preserve historical structures with its redevelopment efforts in the Market Square area and in other parts of Knoxville. The historic significance of the area makes it appropriate to consider a historic overlay district for at least a portion of the area, and KCDC will actively pursue such zoning in connection with the redevelopment. This classification would not regulate the actual uses of the property but would serve to protect the exterior appearance of the buildings, thus assuring their continuing architectural integrity.

Improved Traffic and Public Transportation

Redevelopment of the proposed redevelopment area will also serve to improve the flow of traffic between the center of downtown Knoxville, the project area and adjoining neighborhoods. Downtown Knoxville is the hub of the area's public transportation network, with trolleys serving the City center and with bus lines connecting the City with other parts of Knoxville. Transit improvements under the redevelopment plan should strive to incorporate the area into downtown Knoxville's transportation network and to improve traffic flow through the area, including pedestrian and cyclist traffic. Public improvements in the area should also facilitate access between the redevelopment area and the newly improved World's Fair Park, thereby providing visitors to the City an additional venue for shopping and sightseeing.

The State of Tennessee has proposed the rebuilding of the Gay Street viaduct, which is a vital link between portions of the redevelopment area and the heart of downtown Knoxville. Attempts should be made to work with the State in determining the design and scope of the viaduct reconstruction, including the height of the bridge, to accommodate the railroad lines without adversely affecting traffic and pedestrians in particular. Every effort should be made for the design of the Gay Street viaduct, as well as the design of any improvements that are eventually made to the Broadway viaduct, to be consistent with the architectural character of the redevelopment area. As improvements are eventually made to the interstate highway that is adjacent to the area, the City and KCDC should also work with the State to develop plans that will not adversely affect the integrity of the redevelopment area.

The redevelopment area is divided by a large railway area. As the City considers the viability of a light rail system to help serve the downtown area, the use of this railway area as part of such a light rail system should be considered. Public improvements in the area should be made that would not impede the development of such a light rail system. Nine Counties One Vision has recently commissioned a task force to evaluate a light rail system, and redevelopment efforts should take into account the recommendations of that task force to the extent feasible. Efforts should also be made to establish a greenway bike and walking path through the district, increasing alternative access to the district and adjacent neighborhoods.

Adequate parking for the redevelopment area must be created to provide for residents, visitors to the area, and businesses. A primary impediment to development in such areas has been a lack of adequate, safe parking. Potential locations for parking areas, including possible parking structures, include vacant property along both sides of Jackson Avenue and property adjacent to the project area at the northwest corner of Summit and Gay Street. The use of on-street parking should also be maximized.

In the redevelopment process, emphasis will be placed on the creation of streetscapes to provide green spaces along the City streets in the area. Attractive and safe thoroughfares are critical to attracting businesses and visitors to the area. Efforts will be made to work with the owner of the railroad lines that dissect the redevelopment area to provide landscaping that will minimize the visual impact of the railroad lines.

Public Utilities

Public utilities are already available in the redevelopment area. However, utility improvements may be necessary to promote development. Utility lines may also need to be relocated to promote redevelopment. Underground utilities should be utilized to the extent it is economically feasible to do so.

Recreational and Community Facilities

Although it is not anticipated that any public recreational or community buildings will be constructed in the redevelopment area, the redevelopment of the area is critical to the support of other public facilities. Redevelopment of this area will support the recently opened Knoxville Convention Center, which is the largest community facility built in the City. Visitors to the Convention Center will be attracted to both the Market Square area that is already being redevelopment and the redeveloped areas along Jackson and Depot Avenues that are the subject of this plan. A vibrant and active downtown area should also help in attracting conventions to the Convention Center.

As was discussed above, as part of the redevelopment of this area, every effort should be made to connect the area to the City's greenway system. This would promote recreational

opportunities for the City's residents and encourage visits to the area. As the redevelopment proceeds, efforts will also be made to include small park areas as part of the redevelopment.

Other Public Improvements

The City is actively considering the construction an intermodal facility between Gay Street and State Street that may include a cinema. The redevelopment of this area, particularly for residential uses, would complement that intermodal facility.

REDEVELOPMENT PROCESS

Although the redevelopment area as a whole is clearly blighted based upon physical inspections by KCDC, certain buildings in the redevelopment area are already redeveloped and contain active businesses. Therefore, the initial step in the redevelopment process would be for KCDC to compile a list of the properties in the redevelopment area that need to be redeveloped to achieve the goals of this plan and a list of the properties that have already been redeveloped. It is KCDC's intent to foster existing uses of the properties and not to interfere with owners who are already using their properties for productive uses. Therefore, no further development activity will be required of properties that are not blighted and are being utilized. KCDC expects to have a definitive list of the blighted properties in the redevelopment area within 60 days of the approval of this plan by the City, and KCDC intends to make the list of such properties available to the public on KCDC's website at that time.

Blighted properties would include any properties that meet the definition of "blighted areas" within the meaning of Section 13-20-201 of the Tennessee Code Annotated. "Blighted areas" as defined in that statute as areas buildings or improvements which by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community. Dilapidation, for purposes of this statute, means extreme deterioration and decay due to lack of repairs to and care of the area.

Once KCDC has identified the specific blighted properties, KCDC anticipates requesting redevelopment proposals from existing owners of those properties that are found to be blighted. The request for proposals would be issued within 60 days of when KCDC has identified the specific blighted properties in the area. KCDC will request each existing owner of a blighted property to submit to KCDC a redevelopment proposal specifying the intentions of each owner for redevelopment of that owner's property. Each proposal should include, in detail, descriptions of the intended use of the property, the improvements to be made to the property, a proposed budget for the cost of improvements, and a timetable for construction. In addition, each owner must demonstrate in

its proposal its financial ability to complete any proposed redevelopment project, including evidence of the availability of funds to complete the project. The proposals from property owners must be submitted within 90 days from the date proposals are requested.

KCDC will establish an advisory board to be comprised of persons representing, to the extent practicable, the interests described in Section 13-20-208 of the Tennessee Code Annotated. The advisory board will examine the proposals of owners of blighted properties. The advisory board will advise KCDC in determining whether a proposal is consistent with this plan, whether the proposal is feasible and whether the intended use of the blighted properties are compatible with the land uses of the redevelopment district and with the historic character of the district. The advisory board may discuss a property owner's redevelopment proposal with the property owner in whatever fashion the advisory board deems appropriate, and the property owner may resubmit a redevelopment proposal to KCDC based on such discussions. However, the final action on any redevelopment proposal by a property owner will be by KCDC.

If a property owner whose property has been identified as blighted by KCDC does not agree with such determination, that property owner may ask the advisory board to consider whether the property is blighted. In such a case, the advisory board will be asked to make a recommendation to KCDC's Board of Commissioners as to whether a particular property is blighted. KCDC's Board of Commissioners will then make a final determination as to whether a particular property is blighted, and the property owner will have 90 days from such determination to submit a proposal if such property owner's property is determined to be blighted.

If an owner's proposal to renovate its property is approved by KCDC, KCDC and the owner will enter into a development agreement under which the owner will agree to develop its property as described in its proposal as approved by KCDC. In the event that any such owner fails to renovate its property in accordance with its development agreement, KCDC may elect to acquire such property and make it available for redevelopment.

If an owner submits a redevelopment proposal, and KCDC does not approve the redevelopment proposal, KCDC shall notify the owner in writing, specifying the reason or reasons why KCDC did not approve the redevelopment proposal. The owner shall have 60 days from receipt

of the notification to submit a revised redevelopment proposal responding to the reasons specified in the notification.

If an owner of a blighted property fails to submit a redevelopment proposal, fails to receive approval of its redevelopment proposal or fails to redevelop its property in compliance with its proposal, KCDC intends to solicit proposals to redevelop such owner's property. Responses to such proposals shall also be submitted to the advisory board for its review and will be submitted to KCDC for approval. KCDC will enter into a development agreement with any person whose proposal is approved by KCDC to ensure compliance with the redevelopment proposal.

While KCDC is soliciting proposals to redevelop blighted properties, KCDC will also seek proposals from existing property owners in the area who do not have blighted properties but who want to redevelop their properties. Any such proposals should specifically identify what assistance is requested of KCDC and/or the City to facilitate the redevelopment. If financial assistance is requested, such financial assistance should be consistent with the financing alternatives discussed under the section "FINANCING PLAN." KCDC would encourage existing property owners to submit such proposals.

During the redevelopment process, KCDC will also work with the City to facilitate the infrastructure improvements that will be necessary to support the redevelopment efforts. In particular, KCDC intends to work with the City to identify and construct adequate public parking in the area to support the redeveloped area. KCDC also intends to work with the City to implement needed infrastructure improvements, such as streetscapes and landscaping, to enhance the area and to promote traffic and pedestrian flow.

RELOCATION OF RESIDENCES AND BUSINESSES

It is not anticipated that any residences or businesses will need to be relocated as a result of this redevelopment and urban renewal plan. However, if any residents or businesses need to be temporarily or permanently displaced to permit redevelopment of the district, KCDC will assist such residents with relocation benefits and payments. In any case, KCDC will comply with its own relocation policies and City ordinances with respect to relocation.

In the event that any businesses must be permanently relocated or temporarily displaced during the redevelopment of the area, KCDC will use its best efforts to assist those businesses in identifying suitable replacement space in the area in close proximity to the area they currently occupy. Any such relocations will be conducted in accordance with applicable policies.

LAND ACQUISITION AND DISPOSITION PLAN

The only properties that KCDC anticipates will be acquired under this plan are: (1) blighted properties for which the owners have elected not to submit proposals in accordance with this plan, (2) properties that the owners have elected to convey to KCDC, (3) properties for which proposals were rejected for noncompliance with this plan and (4) such other property as KCDC may need to acquire to reduce blight, blighting factors or the causes of blight, as permitted by Section 13-20-202(a)(2) of the Tennessee Code Annotated. KCDC intends to request funding from the City to acquire such properties.

Properties identified for acquisition will be obtained through negotiation if possible. KCDC will acquire property in the redevelopment area by condemnation only if negotiations to acquire the property are unsuccessful. Any condemnation of properties shall be in compliance with state law and KCDC's acquisition policies, and the owners of any property acquired shall receive fair market value for their properties.

Properties acquired by KCDC will be disposed of in accordance with state law and specifically Tennessee Code Annotated Sections 13-20-204 and 13-20-210. As provided in those statutes, KCDC may dispose of any acquired property at such value as KCDC determines such property should be made available in order that it may be redeveloped for the purposes set forth in the plan. Any such dispositions will be made subject to such restrictions and covenants as KCDC deems necessary to (a) ensure completion of the redevelopment project after the transfer, (b) maintain the quality of the redevelopment area, and (c) ensure the continued maintenance of the properties in the area.

PROCEDURE FOR PLAN AMENDMENTS

In the course of implementing this redevelopment plan, amendments to this plan may be warranted. Any amendments to this plan will only be adopted by City Council after a public hearing is conducted in the same manner as the hearing was conducted prior to the adoption of this plan. Notice of any proposed amendments will be given to all property owners within the project area pursuant to the requirements of state law.

PROPERTY MANAGEMENT

Due to the construction schedules, it is anticipated that certain properties may be under management by KCDC at various times during the redevelopment process in the redevelopment area. Although the primary objectives of the property management activity will be to minimize the length of occupancy of property after acquisition and to relocate occupants as quickly and efficiently as possible into appropriate accommodations in accordance with this plan, relocation and construction activities will be staged in a manner determined most beneficial to the project. Only such maintenance as may be required for the health and safety of persons lawfully remaining in occupancy will be undertaken with respect to acquired properties. A rent schedule will be established by KCDC for any property which is to be occupied after acquisition.

FINANCING PLAN

Neither KCDC nor the City expect to fund the cost of private redevelopment projects within the redevelopment project. Both property owners and developers of projects within the redevelopment area will be expected to demonstrate the financial ability to undertake and complete any private redevelopment project. Although neither KCDC nor the City expects to pay the direct cost of private redevelopment projects, KCDC and the City can assist property owners and developers in connection with redevelopment projects through various means, and KCDC would encourage property owners and developers who submit proposals to specifically identify what public assistance may be needed in connection with their redevelopment projects.

The assistance provided by KCDC and/or the City can take a number of forms. Specifically, KCDC and/or the City can pay the cost of public improvements, such as utility, street and sidewalk improvements, that may be needed in connection with a redevelopment project. The City may also facilitate in-lieu-of-tax agreements through its industrial development board to provide targeted tax incentives for developments which are deemed essential to the redevelopment and renewal of the area. The City may also assist property owners in realizing the benefits of being located in the City's empowerment zone and in utilizing other tax incentives, such as historic tax credits. Depending on the nature of proposed redevelopment, the City and/or KCDC may also consider the acquisition of facade easements for historical structures for fair compensation.

KCDC also intends to work with the City to promote the redevelopment area as an identifiable district that can be marketed as a destination for both residents and visitors. An appropriate name (for example, "The Depot Loft District") needs to be utilized to develop recognition of the area. Appropriate signage identifying the area should be installed, and the area should be promoted in visitor information materials.

The implementation of the public improvements, particularly the public parking, will also require the support of the City. KCDC intends to work with the City and the Central Business Improvement District to develop a financing plan to permit the construction of such improvements. To the extent the City incurs debt to finance any public improvements, increased property and sales taxes from the redevelopment area should help pay a portion of the debt service relating to that debt.

KCDC does not anticipate, however, using tax increment financing as part of this redevelopment plan, and no tax increment provision is therefore included in this plan.