RESOLUTION NO. _87-02_

APPROVING REDEVELOPMENT PLAN FOR
CENTER CITY REDEVELOPMENT PROJECT NO. 7
(CBD SOUTH)

WHEREAS, pursuant to provisions of Sec. 13-20 of the Tennessee Code Annotated, as amended, Knoxville's Community Development Corporation has prepared and referred to the Board of Commissioners of Knoxville's Community Development Corporation and to the City Council of Knoxville for review and consideration a Redevelopment Plan for Center City Redevelopment Project No. 7 (CBD South); and

WHEREAS, the City Council of Knoxville has directed Knoxville's Community Development Corporation to hold a public hearing for the purpose of determining the necessity for the adoption of the Plan, said public hearing having been held on January 5, 1987; and

WHEREAS, Knoxville's Community Development Corporation is committed to the goal of revitalizing the central business district of the City of Knoxville by eliminating blight and deterioration, and by stimulating and encouraging maximum land uses in accordance with the Center City General Redevelopment Plan approved in July, 1974.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's Community Development Corporation that the Redevelopment Plan for Center City Redevelopment Project No. 7 conforms to the overall goals and objectives of the City of Knoxville and said Plan is hereby in all respects approved;

BE IT FURTHER RESOLVED that the Secretary is hereby directed to file a certified copy of said Redevelopment Plan with the Minutes of this meeting.
RESOLUTION NO. 89-31

RESOLUTION OF THE BOARD OF COMMISSIONERS
OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AMENDING REDEVELOPMENT PLAN:
CENTER CITY REDEVELOPMENT PROJECT NO. 7 (CBD-SOUTH)

WHEREAS, by Resolution No. 87-02, adopted by the Board of Commissioners of
Knoxville's Community Development Corporation (KCDC) on January 12, 1987, and by
Resolution No. R-19-87, adopted by the City Council, City of Knoxville, on
February 10, 1987, a Redevelopment Plan for Center City Redevelopment Project No. 7 (CBD-South) was approved; and

WHEREAS, the Board of Commissioners of KCDC has determined that the
inclusion of certain property located within the project boundary of said
approved Redevelopment Plan is no longer considered necessary in order to meet
the stated objectives of Center City Redevelopment Project No. 7 (CBD-South); and

WHEREAS, since adoption of said Redevelopment Plan certain documents
referenced in said Redevelopment Plan, namely the 1974 Center City General
Redevelopment Plan and KCDC's Minority and Female Business Enterprise Policy,
have been updated and/or revised.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Knoxville's
Community Development Corporation that:

1. The following described property be excluded from the project boundary of
Center City Redevelopment Project No. 7 (CBD-South):

Block 1, Parcels 1, 2 and 3, as designated on the Property
Acquisition Map, Redevelopment Plan for Center City
Redevelopment Project No. 7 (CBD-South), located on southwest
corner of Hill Avenue and Locust Street.

2. All references in said Redevelopment Plan to the "1974 Center City General
Redevelopment Plan" and to KCDC's "Minority and Female Business Enterprise
Policy" are hereby amended to reference the "Downtown Knoxville Plan" and "KCDC's
Small Business Enterprise Policy", respectively.
RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KNOXVILLE TO AMEND THE REDEVELOPMENT PLAN FOR CENTER CITY REDEVELOPMENT PROJECT NO. 7 (CBD-SOUTH)

RESOLUTION NO: R-110-89
REQUESTED BY: KCDC
PREPARED BY: Law
APPROVED AS TO FORM AND CORRECTNESS: Director of Law
FINANCIAL IMPACT STATEMENT: Director of Finance
APPROVED: 5-16-89
APPROVED AS AN EMERGENCY MEASURE: NA
MINUTE BOOK 53 PAGE

WHEREAS, by Resolution No. 87-02, adopted by the Board of Commissioners of Knoxville's Community Development Corporation (KCDC) on January 12, 1987, and by Resolution No. R-19-87, adopted by the City Council of the City of Knoxville on February 10, 1987, a Redevelopment Plan for Center City Redevelopment Project No. 7 (CBD-South) was approved; and

WHEREAS, the Board of Commissioners of KCDC has determined that the inclusion of certain property located within the project boundary of said approved Redevelopment Plan is no longer considered necessary in order to meet the stated objectives of Center City Redevelopment Project No. 7 (CBD-South); and
WHEREAS, since adoption of said Redevelopment Plan

   certain documents referenced in said Redevelopment Plan, namely
   the 1974 Center City General Redevelopment Plan and KCDC's
   Minority and Female Business Enterprise Policy, have been updated
   and/or revised.

NOW, THEREFORE, BE IT RESOLVED by the City Council of

   the City of Knoxville as follows:

   SECTION 1: It is hereby found and determined that the
   inclusion of the following described property in the
   Redevelopment Project Boundary, Center City Redevelopment Project
   No. 7 (CBD-South), is not necessary in order to meet the stated
   objectives of said Redevelopment Plan:

   Block 1, Parcels 1, 2 and 3, as designated
   on the Property Acquisition Map,
   Redevelopment Plan for Center City
   Redevelopment Project No. 7 (CBD-South),
   located on the southwest corner of Hill
   Avenue and Locust Street.

   SECTION 2: The property described in Section 1 is
   hereby deleted from the Project Boundary of Center City
   Redevelopment Project No. 7 (CBD-South), and the Redevelopment
   Plan is hereby amended accordingly.

   SECTION 3: The said Redevelopment Plan is further
   amended by replacing all references in the said Redevelopment
   Plan to the "1974 Center City General Redevelopment Plan" with
references to the "Downtown Knoxville Plan;" and is further amended by replacing all references to KCDC's "Minority and Female Business Enterprise Policy" with references to "KCDC's Small Business Enterprise Policy."

SECTION 4: This resolution shall take effect upon its passage, the welfare of the City requiring it.

[Signature]
Presiding Officer of the Council

[Signature]
Recorder
RESOLUTION

A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE APPROVING REDEVELOPMENT PLAN FOR CENTER CITY REDEVELOPMENT PROJECT NO. 7 (CBD SOUTH).

RESOLUTION NO: R-19-87
REQUESTED BY: KCDC
PREPARED BY: Law
APPROVED AS TO FORM AND CORRECTNESS: Director of Law
FINANCIAL IMPACT STATEMENT:

Director of Finance

APPROVED: 2-10-87
APPROVED AS AN EMERGENCY MEASURE: NA
MINUTE BOOK 51 PAGE

WHEREAS, pursuant to provisions of Section 13-20 of the Tennessee Code Annotated, as amended, Knoxville's Community Development Corporation proposes to undertake a redevelopment project identified as Center City Redevelopment Project No. 7 (CBD South) which project is generally bounded by Church Avenue on the north, Main and Cumberland Avenues on the south, Walnut Street on the west, Gay and Central Streets on the east; also an area lying south of Main Avenue, between Walnut and Locust Streets; also a portion of land lying south of Hill Avenue on the west side of Locust Street; and

WHEREAS, the City of Knoxville has adopted the 1974 Center City General Redevelopment Plan wherein the stated goals and the scope
of the City's plans for improvement urge the elimination and
prevention of blight and deterioration and the stimulation and
couragement of the maximum use and benefit of land within the
Central Business District; and

WHEREAS, there has been prepared and referred to the City
Council for review and consideration a Redevelopment Plan for the
project area, which Plan has been the subject of a public hearing held
on January 5, 1987, and has received approval of the Board of
Commissioners of Knoxville's Community Development Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
KNOXVILLE:

SECTION 1: It is hereby found and determined that the
Project Area heretofore mentioned is a blighted area within the
meaning of Section 13-20-201 et seq., of the Tennessee Code Annotated,
as amended.

SECTION 2: It is hereby found and determined that the
Redevelopment Plan for Center City Redevelopment Project No. 7
conforms with the 1974 Center City General Redevelopment Plan of the
City of Knoxville.

SECTION 3: It is hereby found and determined that the
Redevelopment Plan for Center City Redevelopment Project No. 7 will
afford maximum opportunity, consistent with the sound needs of the
City of Knoxville as a whole, for the renewal of the project area and
the further revitalization of the Central Business District.
SECTION 4: Accordingly, the Redevelopment Plan for Center City Redevelopment Project No. 7 CBD South, is hereby approved, and the Recorder be and is hereby directed to file a copy of said Redevelopment Plan with the Minutes of this meeting.

SECTION 5: This Resolution shall take effect from and after its passage, the welfare of the City requiring it.

Kyle C. Rentmeester  
Presiding Officer of the Council

Cindy A. Mitchell  
Recorder
INTRODUCTION

"The face of Knoxville has been changing at a rapid pace during the past several years. New office buildings are being built, restaurants and shopping centers are opening, structures are being renovated, and major area thoroughfares are being improved. All this activity has created dramatic changes in the Knoxville skyline."

Economic Overview
Metropolitan Planning Commission
1986 Edition

Moreover, our City has received national recognition as a quality place in which to live. As downtown Knoxville strives to regain its regional prominence and activity, a new pride and dedication are evident. With the continued investment of both public and private resources, and with the support of the entire community, we are focusing on a new era for Knoxville.

The framework for the rebirth of the Central City was formulated in 1974 when the Center City General Redevelopment Plan was approved. This comprehensive, long-range development concept envisioned the successful revitalization of the Center City through progressive, logical and reasonable developmental increments.

Since the 1974 Plan was approved, six redevelopment projects have been initiated and implemented. These projects and resulting developments include:

-1-
No. 1 - "TVA Project"
TVA Twin Towers

No. 2 - "East-West Mall Project"
Hilton Hotel
City Center Parking Garage
Center Square I & II (under construction)
Customs House restoration

No. 3 - "Summit Hill Project"
Summit Hill Drive
Summer Place Office Building
Parking Garage
Old City Hall restoration
Summit Towers
Walnut Square (not yet completed)
Immaculate Conception Church Rectory
Quality Inn & Parking Facility
Wendy's renovation
Knoxville Fire Department Headquarters
Wall Avenue improvement
Various commercial expansions and improvements,
    mini-parks, landscaping and lighting features

No. 4 - "Lower Second Creek Project"
Public Park and recreational areas
State Office Building
Restoration of 7 Victorian houses
Holiday Inn and Parking Garage
Restoration of L&N Complex and Foundry Building
Convention Center
Sunsphere
U. S. Pavilion
Amphitheatre
Improvements to Candy Factory
Improvements to Henley Street, Main/Cumberland Avenues
    and Miller's Garage
Second Creek flood control

No. 5 - "State Street Garage Project"
Parking Garage

No. 6 - "Riverview Tower Project"
Riverview Office Building and Plaza
Parking Garage
Renovation of Andrew Johnson Office Building
Pedestrian Crosswalk
As a result of these and other downtown betterments, a "circle of quality" surrounding the proposed project area has emerged. In keeping with our earlier commitment to create a better environment, and to encourage and accommodate new opportunities for further revitalization, Center City Redevelopment Project No. 7 represents the continuing effort of Knoxville's public-private partnership toward achieving our stated goal for a prosperous, vital, dynamic growing Center City.
PROJECT AREA
AND
EXISTING CONDITIONS

The proposed project boundary encompasses seven and one-half blocks (approximately 14+ acres) in the central core, generally bounded by Church Avenue on the North, Main and Cumberland Avenues on the South, Walnut Street on the West, Gay and Central Streets on the East; also an area lying South of Main Avenue, between Walnut and Locust Streets; also a portion of land lying South of Hill Avenue on the West side of Locust Street. The project area has been delineated so as to provide comprehensive planning of the total area, followed by an orderly implementation of phased development.

With the exception of a few scattered improvements, the area is characterized by under-utilization and inappropriate land uses. A blighting influence affects a number of historically and architecturally significant buildings as well as planned restoration and preservation efforts in the area. Proper development of the area in accordance with adopted objectives is prevented due to inadequate lot sizes and layouts, diverse ownership and sporadic improvements. These, and other factors, severely limit the area's ability to reach its economic potential.

There are a total of 63 parcels of land within the project area, utilized primarily by office and parking functions. Several buildings are presently vacant and in deteriorating condition. Surface parking lots represent a dominant land use in the project area. On the basis of observed deficiencies, the project area is determined to be a blighted area within the meaning of Section 13-20-201 et seq, Tennessee Code Annotated. This
finding is further supported by data contained in various studies and reports and by the continuing decline and history of portions of the project area.
## PROJECT AREA STATISTICS

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NOTE: Block 5 also anticipates possible acquisition of a severance. See Acquisition Map.

## STRUCTURES

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*to be acquired
PLAN OBJECTIVES
REQUIREMENTS AND PROCEDURES

I. Statement of Redevelopment Objectives

It is important to recognize that the groundwork for community growth and improvement has been carefully laid in a deliberate fashion over a number of years. In 1974, a commitment was made to advance Knoxville to the point of achieving the optimum in economic development by affording maximum opportunity for the revitalization of the Central City in a manner compatible with the sound needs of the City as a whole.

The Center City General Redevelopment Plan, approved by Knoxville City Council in July, 1974, identifies nine major goals which serve as the basis for fulfilling that commitment. While this proposed Plan for Center City Redevelopment Project No. 7 is consistent with those goals, it is important to note that a comprehensive re-evaluation and update of the General Redevelopment Plan is being conducted at this time; therefore this Project Plan will be monitored to insure continued compliance with the City's future overall goals.

The following specific Plan objectives are established for the implementation of Center City Redevelopment Project No. 7, to be known as CBD-South Project:

1. Advancing the goals and objectives of the 1974 Center City General Redevelopment Plan;

2. Elimination of conditions of blight and blighting influences, inadequate lot sizes, incompatible and inappropriate land uses;

3. Provision for assemblage of land into larger tracts to permit better and more intensive utilization of
downtown property;

4. Promoting the vitality of the downtown retail, residential, commercial, banking and office functions;

5. Strengthening the relationship between architecturally/historically significant improvements and new development potential;

6. Providing development opportunity for private investment, thereby creating job opportunities;

7. Providing parking facilities, and improving circulation among the major activity and business functions in the core area;

8. Augmenting the pedestrian linkage; creating a richer cultural environment; increasing the "people-user" potential in downtown Knoxville;

9. Furtherance of the beautification and general improvement of the Center City;

10. Substantially expanding the property tax yield, and maximizing the potential of other economic return to the City.

II. Zoning and Land Use

The "Zoning Ordinance for Knoxville, Tennessee", incorporated herein by reference, provides that the C-2 Central Business District, "with complementary office, medical, civic, residential, and historical areas, forms the Metropolitan Center for commercial, financial, professional, governmental, and cultural activities". The land uses permitted within the present C-2 zone of the project area are appropriate in order to accommodate such development and improvements as are requisite to achieving the specific Plan Objectives for the project.

Accordingly, the redevelopment of the CBD-South Project area shall conform in all respects with the "Zoning Ordinance for Knoxville, Tennessee", as well as other adopted local objectives relating to appropriate land uses and improved traffic, public transportation, public
utilities, cultural, recreational and community facilities and other public improvements and needs. Specific uses for each disposition tract will be designated as a result of the review of Proposals for Development. KCDC approval of a Plan(s) for Development, and Council's subsequent funding authorizations will have the effect of incorporating the designated reuse and specific project expenditures and financing methods into this Plan, and will permit the necessary acquisition of property to achieve the stated objectives of Center City Redevelopment Project No. 7.

The following excerpt from the Knoxville Zoning Ordinance represents those permitted and prohibited land uses, as well as general building requirements and standards, which are applicable to a C-2 Zone District:

Uses Permitted:

1. Retail store, sales and display rooms and shops.
2. Offices.
3. Hotels and motels.
4. Financial institutions.
5. Eating and drinking establishments.
6. Personal service establishments.
8. Commercial and job printing.
9. Establishments offering repair services on items brought in by customers.
10. Amusement and recreation establishments.
11. Wholesaling from sample stocks only, provided that no manufacturing or storage for distribution shall be permitted on the premises.
12. Business schools, studios, vocational schools not involving processes of light or heavy industrial nature.
13. Laboratories and establishments for production and repair of jewelry, eye glasses, hearing aids, and prosthetic appliances.


15. Churches.

16. Public buildings and lands other than elementary or high schools.

17. Parking garages (including the servicing of automobiles) and parking lots.


19. Outdoor advertising as regulated in the Zoning Ordinance for Knoxville, Tennessee.

20. Other uses and structures which are customarily accessory and clearly incidental to permitted or permissible uses and structures and are not of a nature prohibited under "Prohibited Uses and Structures".

21. Any other store or shop for retail trade or for rendering personal, professional, or business service which does not produce more noise, odor, dust, vibration, blast or traffic than those enumerated above.

22. Dwelling units.

Uses Prohibited

1. Gasoline service stations, repair garages.

2. Manufacturing, except for production of products for sale at retail on the premises or as involved in production of jewelry, eye glasses, hearing aids, and prosthetic appliances.

3. Service or repair of gasoline or diesel motors.

4. Warehousing and storage except as necessary to a permitted principal use.

5. Storage of goods except in completely enclosed buildings.

6. Elementary or high schools, public or private.
7. All uses and structures not of a nature specifically permitted herein.

8. Any use which the Planning Commission upon appeal and after investigating similar uses elsewhere, shall find to be potentially noxious, dangerous, or offensive to adjacent occupancies in the same or neighboring districts or to those who pass on public ways, by reason of odor, smoke, noise, glare, fumes, gas, vibration, threat of fire or explosion, emission of particulate matter, interference with radio or television reception, or radiation, or likely for other reasons to be incompatible with the character of the district.

Area Regulations

The following requirements shall apply to all uses permitted in this district:

1. **Front Yard:**
   
   There shall be a first story setback for all buildings on vehicular streets of not less than five (5) feet.

2. **Side and Rear Yard:**
   
   There are no specified side or rear yard requirements.

3. **Maximum Lot Coverage:**

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Height Regulations

Unlimited.

Off-street Parking

None required.

Off-street Loading and Unloading Requirements

As regulated in the Zoning Ordinance for Knoxville, Tennessee.
III. Land Disposition Plan

Upon submittal, review and approval of an acceptable Development Plan as determined to be in the best interest of the City of Knoxville, land will be replatted as may be necessary to allow the approved development to proceed. It is anticipated that, in order to maximize development opportunity, it may be necessary to close certain rights-of-way. Any replatting and/or right-of-way closings will require the official action of Metropolitan Planning Commission and/or Knoxville City Council.

IV. Redeveloper's Obligations

KCDC review and approval of final architectural and/or development plans for all improvements within the project area shall be required before disposition of project land. The land in the area shall be disposed of by sale or lease to redeveloper(s) (public and private) for improvements and/or redevelopment in accordance with the provisions and intent of this Plan and any special conditions contained in contracts with Knoxville's Community Development Corporation.

In disposing of land in the project area, KCDC, in its contracts, deeds or other instruments of conveyance, shall include such terms and conditions as in the judgment of KCDC shall be necessary or advisable to insure redevelopment of the project area and its use thereafter in accordance with the intent of this Redevelopment Plan, and to prevent recurrence of the conditions of blight in the area. In all instances, the improvements to be constructed in the project area shall be consistent and in compliance with all applicable local codes and ordinances, as well as
such other requirements as may be set forth by the City of Knoxville and/or KCDC.

Specifically, all contracts, deeds and other instruments of conveyance, in addition to the inclusion of such terms and conditions as KCDC may find desirable in order to support the objectives of this Plan, shall obligate the purchasers of land in the project area, and their successors in interest, to:

(1) Devote the parcels so acquired by them only to the uses and controls as specified in this Redevelopment Plan and the approved Development Plan(s);

(2) Prosecute diligently the construction of the improvements agreed upon in the disposition documents, and to begin and complete such improvements within a reasonable time as shall be determined;

(3) Make no changes, additions or alterations in approved development plans without prior approval of KCDC;

(4) Reassign no contract rights, nor resell, nor otherwise transfer the land or any interest therein, prior to the completion of the improvements thereon without the prior approval of KCDC, and not to speculate in or with respect to such unimproved land. This provision shall not apply to Mortgagee(s) or Trustee(s) under a Mortgage or Deed of Trust or other similar security interest for the purpose of securing financing for the approved improvements;

(5) Effect or execute no agreement, lease, conveyance or other instrument whereby any parcel(s) so acquired under this plan are restricted upon the basis of race, religion, color or national origin. This obligation
applies to sale, lease and/or occupancy thereof, and is to be effective without limitation as to time;

(6) Affirmatively seek opportunities to contract with minority and female businesses, as defined in KCDC's Minority and Female Business Enterprise Policy, for the performance of at least 14 and 6 percent respectively of the work to be initiated and completed on land purchased or leased from KCDC. The following language is extracted from that Minority & Female Business Enterprise Policy as it relates to redevelopment project activity:

"B. Each KCDC redevelopment plan will state, as a requirement for purchase or lease of any land from KCDC within a redevelopment area, that any selected developer must take affirmative actions to contract with minority and female businesses for the performance of approximately 14 and 6 percent respectively of the work to be initiated and completed on land purchased or leased from KCDC.

C. KCDC's redevelopment policy shall state that prior to the sale of land, and as part of the developer's final proposal, the developer must submit a written Minority and Female Business Enterprise Plan together with other required documents. Said Plan shall consist of a statement, on a form prescribed by KCDC, listing anticipated involvement of minority and female businesses as part of the project, as well as a supporting statement describing outreach efforts by the developer toward such businesses. Any such plan which anticipates involvement of minority and female businesses below KCDC policy goals must also contain a detailed statement explaining that a greater involvement of such businesses is not, in the opinion of the developer possible or feasible, or that the developer does not intend to use any subcontractors to do the work. Any final redevelopment proposal submitted without a completed Minority and Female Business Enterprise Plan as described herein shall be
rejected as non-responsive to KCDC requirements.

D. The Redevelopment Department will be responsible for monitoring compliance with these requirements."

Upon the proper completion of improvements, KCDC will provide certification to the owner/developer which shall conclusively represent a determination that the covenants, with respect to the completion of improvements, have been satisfied and that their existence is terminated. The requirements of this Plan, together with all restrictions and covenants imposed upon project land, shall be enforceable injunctively or by any other legal means, beginning with the adoption of this Plan and until all Plan requirements, restrictions and covenants have been fulfilled.

KCDC, on behalf of the City of Knoxville, shall be the beneficiary of all redevelopment covenants or obligations, and (in addition to other appropriate public agencies) shall be entitled to represent the interest and act on behalf of the City in enforcing these and any other covenants and obligations as to the redevelopment and continued use of the project area in accordance with this Plan. It is further intended that KCDC be authorized to retain such rights and remedies as it shall find necessary or desirable in order to protect its interest and that of the City of Knoxville, including the right and power to retake or recapture by the reversion of title to project area property or any part thereof.
LAND ACQUISITION AND RELOCATION PLAN

A total of 58 parcels of property are proposed for possible acquisition. Public acquisition will be carried out in stages, as development requires. Occupant displacement will also be carefully staged, according to the correlative acquisition schedule and in a manner which will minimize any hardship on those 99 businesses which may be relocated. See attached Acquisition Map, Owner, and Occupant Listings. It should be pointed out that this plan represents the maximum acquisition and relocation scenario. Public acquisition will not be undertaken on any property which is not required in order to meet Plan Objectives, or which can otherwise be developed/improved in compliance with those objectives and with the approved Development Plan(s).

Upon approval of a developer's proposal which is sufficiently complete to provide a reasonable assurance that the developer can and will complete the development, and upon City Council approval of necessary funding for the proposed development, KCDC will begin acquiring those properties which are determined to be necessary to the proposed development. It is intended that those businesses currently functioning in the project area which are to be displaced will not be required to move until such time as the land is required to allow the redevelopment to proceed. In the event a property owner wishes to sell or a business desires to move prior to such need, however, KCDC shall be empowered to purchase and to cause the relocation and subsequent demolition of structures and to provide for an appropriate interim use.

In order to achieve the stated objectives of the Plan, the
following techniques and policies will be pursued:

A. Acquisition, Relocation & Clearance.

Identification of real property which may be acquired is indicated on the Acquisition Map, and the Owner and Occupant Listings which follow this section. Property will be acquired and cleared as necessary to allow an orderly redevelopment of the project area, following approval of a specific development plan as provided herein.

1. The Land Acquisition Policy, as approved by the Board of Commissioners of Knoxville's Community Development Corporation sets forth procedures which are followed in all locally financed projects administered by the Agency. KCDC will:

- Make every reasonable effort to acquire real property expeditiously through negotiated agreements;

- Pay just compensation for all property interests acquired and conduct acquisition activities in a manner which minimizes hardship to owners and tenants and which promotes public confidence in the land acquisition practices;

- Assure consistent and fair treatment to all owners and tenants.

To that end, KCDC shall:

a. Provide the owner and tenant of property to be acquired with an official written notice of its intent to acquire the real property. Such notice shall be given as soon as feasible after the approval to acquire the property, but prior to the date on which negotiations to acquire the property are initiated. The Notice of Intent to Acquire shall include (or be accompanied by) a statement of explanation of the acquisition procedures, including condemnation, and shall explain the principal rights and options
of the owner and/or tenant.

b. All property interests to be acquired shall be appraised independently by two competent professional appraisers in private practice, which appraisals shall then be reviewed by a competent professional appraiser. No appraiser shall have any interest, financial or otherwise, in the property to be acquired.

c. Each appraiser, including the review appraiser, shall make an on-site inspection of the property to be acquired and shall give the owner or his designated representative an opportunity to accompany him during the inspection of the property. The name(s) of the individual(s) who accompanied the appraiser shall be denoted on each appraisal report.

d. The review appraiser shall determine the acceptability and adequacy of the appraisal reports and shall require any corrections or further documentation as may be deemed necessary.

e. After the review appraiser finds the appraisal reports acceptable and proper, he shall present to KCDC his report indicating opinion of the fair market value for the property to be acquired. Said value shall not be lower than the lowest appraisal or higher than the highest appraisal. "Fair market value" shall be defined, in general, as "what a willing buyer is willing to pay, but is under no compulsion to do so, and what a willing seller is willing to sell for, but is under no compulsion to sell".

f. Following acceptance of the review appraiser's recommendation, KCDC shall verify that the appraisers and the review appraiser have performed in a competent manner in accordance with applicable
law, and shall then establish a fair market value (just compensation) for each identified property interest to be acquired.

   g. Initiation of negotiations for the acquisition of property shall be commenced with each owner of a separately held compensable interest as soon as practicable after the fair market value of interest has been established.

   h. The basic negotiation procedures which shall be followed are:

   (1) A written offer to the owner to acquire his property, delivered in person; or if the owner (or his representative) is not available, may be mailed by certified or registered mail.

   (2) The offer shall include the full purchase price and a statement explaining the basis for the amount established as just compensation for all interests in the property. It shall properly identify the property and shall include any other necessary information pertinent to the offer and to the acquisition of the property.

   (3) The owner shall be advised that the normal closing costs, including title search and preparation of the deed, will be paid by KCDC. He shall also be advised that he is not required to pay a sales commission; however, all loans, liens, and outstanding taxes on the property must be satisfied prior to or at the time of settlement.

   (4) KCDC shall make every reasonable effort to discuss the offer to purchase with the owner, to explain the procedures fully, and shall give the owner a reasonable length of time to respond to the offer.

   (5) If the owner presents evidence indicating the need of further review or revision in the fair market value as established, KCDC shall require the appraisers to update their appraisals or shall obtain a new appraisal.
i. Before instituting a condemnation proceeding, KCDC shall make a diligent, conscientious effort to induce the owner to accept the established fair market value for his property. A final offer to acquire the property shall be made in writing to the owner or his representative, and a reasonable time allowed for acceptance.

j. No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty days prior to the date on which possession will be required. The owner-occupant or tenant shall further be advised of all property management policies which relate to their occupancy.

k. Real property acquisition activities shall be coordinated with relocation activities to ensure that those persons displaced shall not suffer disproportionate injuries as a result of programs designed for the benefit of the public as a whole.

NOTE: In the event that federal funding should be received for the benefit of the project, or any part thereof, KCDC shall comply with all applicable regulations, procedures and actions as required by such grants or funding.

2. KCDC's Relocation Policy, prepared in accordance with state and local laws, serves as a guideline to be consistently followed and implemented throughout the relocation phase of the CBD-South Project. Further, if the project, or any part thereof, should receive federal funding, thus requiring compliance with additional or other guidelines, all applicable regulations will be adhered to.
The relocation activities for the CBD-South Redevelopment Project shall be carried out in such a manner:

- To insure, to the maximum extent possible the prompt and equitable relocation and re-establishment of persons, businesses and non-profit organizations displaced as a result of project activities;

- To provide relocation assistance without regard to race, creed, color, sex or national origin;

- To provide relocation assistance in a fair manner so that no displacee shall suffer disproportionate injuries as a result of the project.

In order to formulate this relocation plan and to establish the feasibility of assisting all who may be displaced by the project, an initial survey of project occupants and possible resources has been conducted by KCDC. That survey indicates that adequate resources are, and will be available to meet the needs of all displacees.

Upon approval of the Redevelopment Plan, a KCDC representative will personally contact each business to be displaced and will explain the relocation program and will discuss and determine any special needs of the displacee. The assigned staff representative will assist businesses in finding a suitable and acceptable replacement location and will follow through on any special needs or assistance determined necessary or helpful. Every effort will be made to minimize the hardships of relocation and re-establishment of business. Under local policy, actual reasonable moving expenses will be paid for the relocation of all movable items according to the adopted policy. KCDC staff will assist the displacee in filing the required claims and in obtaining documentation necessary to the payment of claims.
All businesses who are displaced from property as a direct result of the acquisition of that property may be eligible for relocation assistance and payments. Eligibility is established if the business lawfully occupies the property to be acquired at the time negotiations begin for the purchase of the property; however, if a business begins occupancy of the property after negotiations have begun for its purchase, that occupant will not be eligible for assistance or payments. Property owners and tenants will be so advised in the "Notice of Intent to Acquire" which will be delivered prior to the initiation of negotiations for acquisition. Normal periods of "Notice to Vacate" will be given to all occupants following acquisition of property.

As mentioned earlier in this Plan, if special project funding is received which requires implementation of other than local policies, KCDC will comply with applicable regulations relative to all relocation matters.

B. Interim Use of Project Land.

It shall be the intent of this Redevelopment Plan to continue current uses until such time as a development proposal materializes, and until the need for development is imminent. If, however, a property owner wishes to sell, or an occupant wishes to relocate prior to the scheduled need, KCDC may purchase the property and provide for an appropriate interim use.
KCDC is mindful of the needs of the present occupants within the project area who may be displaced, and will make every effort to minimize the hardships to those displacees. Accordingly, the purchase of properties and the displacement of occupants will be scheduled and coordinated in such a manner to accommodate, to the maximum extent possible, those special needs which may require extraordinary assistance.
# PROPERTY OWNERS

<table>
<thead>
<tr>
<th>BLOCK</th>
<th>OWNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Biddle, James M.</td>
</tr>
</tbody>
</table>
| 2     | Allright Parking  
*First Baptist Church |
| 3     | *Knoxville Academy of Medicine  
Forum Building General Partnership  
Appalachian National Life Insurance Company  
Ely, Myron Ray  
Main Street Law Office Partnership  
Gilpin-McGhee-Tyson & Duggan  
First Baptist Church  
Wright, Wayne E., et al  
Sproles, Karen A. |
| 4     | Valley Fidelity Bank  
*Knoxville Heritage  
Kraemer, Al |
| 5     | Foley, John M., Bowers, Jack W., Bell, James W., Attorneys  
Hickman, Mary E.  
McGuire Inv. Group #18  
Volunteers of America  
Kendrick, William R.  
Turley, John L. & Anne R.  
Levitt, Jr., Joseph J.  
Combs, Jr., Lewis A. & Beamer, Jr., Rufus W.  
Owen, Jim D. & Edwards, Robert C.  
Stephens, Mark E. & Lynette, D.  
Trant, Douglas A. & Cooper, Patty L.  
Jones, II, E. Denton  
McKinney, Harold Dale  
Shouse, Edward D.  
Turley & Company  
*St. John's Episcopal Church (severance may be required) |

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<table>
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| 6     | Creswell, J. Bruce & Pauline C.  
Cumberland Trust Company  
H. L. Dulin & Co.  
Trial Lawyers Institute, Inc.  
Allright Realty Co.  
Briley, Jr., C. H., Jeffords, Jr., John C. & Douglas C.  
Testerman, Ben H.  
Gilpin-Duggan Properties, Inc.  
Seals, Roy L.  
Bubanks, Jr., James C. & Juanita  
Third National Bank (Bank of Knoxville) |
| 7     | *Knoxville News Sentinel Company  
Scates, William & Davenport, Joseph R.  
Cook, Edward J. & Long, Anna Mae  
Gilpin, Isabella Tyson  
Gilpin, McGhee Tyson  
McGhee Properties  
Cumberland Trust Company  
Averbuch, Ada  
Lane, Jr., Walter R., et al  
English, Robert & Guess, Joe  
Brenizer, Jr., Addison, et al |
| 8     | Downtown Development Corporation, Inc.  
City of Knoxville  
Hicks, W. Glenn Cecil  
Capper Engraving Company, Inc.  
B & N Corporation, Inc. |

Ownership source: Knox County Property Tax Records

*Not to be acquired.
## OCCUPANTS

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<td>Vacant</td>
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| 2     | *First Baptist Church  
                Allright Parking |
| 3     | Hodges, Doughty & Carson, Attorneys  
                Allright Parking  
                The Lunchbox  
                O'Neil, Parker & Williamson, Attorneys  
                *Knoxville Academy of Medicine  
                Safety Park  
                East Tennessee Title Insurance, Inc.  
                Ely, Wright & Walling, Attorneys |
| 4     | *M. S. McClellan Company  
                *Bijou Theatre  
                *Knoxville Heritage  
                *Jubilee Community Arts  
                *Metrotec  
                *Bijou Theatrical Academy  
                *Sidewalk Dance Theatre  
                *Bistro  
                Gateway Bookstore  
                Safety Park  
                Trailways Bus Station & Food Service  
                Kraemer Enterprises  
                Volunteer Bonding Company  
                Appalachian National Life Insurance Company |
| 5     | Winston, Winston, Winston, Optometrists  
                Sandy & Dandy's Lounge  
                Letter Shop  
                Ross & Fowler, Architects  
                Volunteers of America  
                McCarty, Holsapple, McCarty, Architects  
                Telemarketing Communications of Knoxville  
                Whittle Communications  
                Pryor, Flynn & Priest, Attorneys  
                Cherry, Bekaert & Holland, CPAs |

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5 (cont'd)
Hickman, James E., CPA
Foley, Bowers & Bell, Attorneys
*St. John's Episcopal Church
Beamer & Combs, Attorneys
Everette, Dale Alan, Attorney
Owen & Edwards, Attorneys
Mollenhour, Michael J., Attorney
Trant, Douglas A., Attorney
Kalt, S.
Smith, C.
Jones, E. Denton, II & Associates
Black, Robert C., Optometrist
Brown, James E.
Teague Realty Company
Liberty Bonding Company

6
Ball & Dunn, Attorneys
Liebowitz & Cohen, Attorneys
Johnson & Johnson, Attorneys
Monceret, Arthur T., Attorney
Cremins, William S., Attorney
Gilreath and Associates, Attorneys
Allright Parking
Ticor Title Insurance Company
Interior Associates, Inc.
Estrada, Malcolm R., Interior Design
Allen & Associates, Architects
Humberd, James C., Attorney
Acme Finance Company
Hatmaker, T. J. & Associates
Chesterfield Finance Company
McPhetridge, James L., CPA
Trotter, Jr., Gilford T.
McCasland, Sr., Kenneth D., Attorney
Amburn, Charles V., Attorney
Bell, Gene & Associates, Attorneys
Sanders, Charles, Attorney
Thompson, Craig, Attorney
Cook, David, Attorney
Clements, Jr., Hal, Attorney
Real Estate Service Company
Franks, Don G., Public Accountant
Rutherford, Mark, CPA
Maitlen, Gerant J., Attorney
Privette, Thomas, Attorney
6 (cont'd)
Miller, Ted Ray
Therapeutic Hypnosis of America, Inc.
CPI, Parking
Morrison, Morrison, Tyree & Dickerson, Attorneys
Safety Park (office)
United Shoe Repair
JLBS Laboratory
Clancy Optical Company
Sanitary Laundry & Cleaning
Nichols Printing Company
Office Supply & Equipment, Inc.
Beltone of Knoxville
Farragut Diner
Buttonwood Cafe

7
*Knoxville News Sentinel
*Knoxville Journal
Flower Pot
Allright Park
Guess, English & Robinson, Attorneys
New England Financial Service
New England Mutual Life Insurance Company
Kressin, Stivers & Erickson
City Finance Company
Knoxville Symphony Society
Garos' Famous Hot Dogs
Dagwoods, Too
Houser, Wayne K., Attorney
Wall, Deborah, Attorney
Blazer Financial Service
Lion's Den, Hair Styling
Sir Speedy Printing

8
Safety Parking
Appalachian National Life (warehouse)
KUB Parking

*Not to be acquired.
PROPERTY MANAGEMENT

Recognizing the significance of cultural resources existing within the Central City, preliminary examination and assessments of the project area have been performed. It shall be the intent of this Plan to coordinate and phase redevelopment activities to the greatest extent possible in order to conduct archaeological investigations in several areas which have been identified as having high potential for the presence of significant subsurface features.

In accordance with redevelopment and construction schedules, it is anticipated that certain properties may be under management at various times in the redevelopment project 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 the Relocation Plan, relocation and demolition activities will be staged in a manner determined most beneficial to the project and as demanded by proposed redevelopment schedules. Only such maintenance as may be required for the health and safety of persons lawfully remaining in occupancy will be undertaken. KCDC does not anticipate that it will be necessary to employ security personnel to ensure protection of the site property. The property manager will make frequent tours of the acquired properties in order to keep himself informed of the condition of such properties. A rent schedule will be established for property which is to be occupied after acquisition.
PROCEDURE FOR PLAN CHANGES

KCDC and the City of Knoxville jointly recognize that in the course of executing an approved Redevelopment Plan, changes in such Plan may be warranted. Most of these changes are of such nature that City review and approval are unnecessary; however, some changes may affect the basis upon which KCDC Board of Commissioners and City Council originally approved the project and therefore must be reviewed and approved by KCDC and the City prior to implementation. Accordingly, KCDC Board of Commissioners and City Council review and approval of Redevelopment Plan changes are required when the proposed changes affect the categories specified below, except where otherwise provided:

(1) **Boundary changes.** A proposed change in the boundaries of the project area;

(2) **Budgetary changes.** An estimated total project budget is outlined in the project Financing Plan. KCDC, at its discretion, may amend the amounts budgeted for itemized expenditures within the total amount of the budget as established for the execution of each developmental component of the Plan. In the event that either an increase in the project budget authorization or a revised method of financing is required, such increase and/or revision must receive the specific approval and authorization of the Knoxville City Council;

(3) **Changes in basic project objectives.** It is the City's intent to permit KCDC maximum flexibility in adjusting the Redevelopment Plan without seeking prior approval in cases where basic redevelopment project
objectives are not affected. However, the proposed addition or deletion of
a basic project objective or any proposed change that would substantially
affect the degree to which a basic objective would be achieved must be
reviewed and approved by KCDC and the City.
FINANCING PLAN

The objectives of the Financing Plan for Center City Redevelopment Project No. 7 are as follows:

1. To provide for the use of interim and long-term financing instruments to assure sound, timely project funding;

2. To provide for phased property acquisitions, disposal and redevelopment in order to minimize residual project cost;

3. To provide for a reasonable estimate of planned project expenditures in order to fulfill the total goals of the project;

4. To identify potential revenue streams which will retire all interim and long-term debt issued for project activities;

5. To elect the option of utilizing tax increment funding techniques as outlined and authorized in Section 13-20-205, Tennessee Code Annotated, as amended.

Possible Funding Sources

Due to the recent changes in federal taxation statutes and the complexity of the overall objectives of this revitalization effort, it may be necessary to use a variety of funding techniques and instruments for accomplishing project objectives. Some of the potential instruments and funding sources are as follows:

1. Short-term taxable debt instruments of the City of Knoxville or its authorized instrumentalities.

2. Short and/or long-term (not to exceed 15 years), tax exempt, revenue/general obligation instruments of the City of Knoxville or its authorized instrumentalities. Revenue/General Obligation Bonds (15 year maturity) are anticipated to be
used for financing parking structures and any other public improvements which may be authorized by City Council.

3. Short and/or long term (not to exceed 15 years), tax exempt, qualified redevelopment instruments of the City of Knoxville or its authorized instrumentalities, which may include tax increment debt as provided for in Section 13-20-205, Tennessee Code Annotated, as amended.

The potential redevelopment within the project area can be expected to generate a tax increment in excess of $500,000. Based on current interest and tax rates, that increment will support a 15 year Tax Increment Bond Issue of $5,000,000. This estimate is based upon the following reasoning:

<table>
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<tr>
<td>Beginning assessment</td>
<td>6,671,664</td>
<td>6,671,664</td>
<td>6,671,664</td>
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<tr>
<td>Adjusted assessment</td>
<td>19,200,000</td>
<td>19,200,000</td>
<td>19,200,000</td>
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<tr>
<td>Increase</td>
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<td>$12,528,336</td>
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<tr>
<td>Current Net Tax Rates</td>
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<td>$2.00</td>
<td>$4.60</td>
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<td>Taxes due on beginning assessment</td>
<td>173,463.00</td>
<td>133,433.00</td>
<td>306,896.00</td>
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<tr>
<td>Taxes due on adjusted assessment</td>
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<td>883,200.00</td>
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<tr>
<td>Increase</td>
<td>$325,737.00</td>
<td>$250,567.00</td>
<td>$576,304.00</td>
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**NOTE:** Beginning assessed value is based on an appraised value of $16,679,160. Adjusted assessed value is based on an appraised value of $48,000,000 (minimal estimate).
Possible Sources of Debt Repayment

Revenue streams which have been identified as possible sources of debt repayment for project components contemplated by the redevelopment plan are as follows:

- Land disposition proceeds, including possible air right interests (atop parking garages);
- Revenues from governmentally-owned revenue producing enterprise activities such as parking facilities;
- Interim use rents or leases;
- Increase in real property tax revenues within the redevelopment project area attributable to the increase in assessed value of new/improved developments (tax increment);
- Increase in other tax revenue streams, both within and outside the project area, generated as a result of "spin-off" activity and the overall economic development stimulated by the redevelopment project.

Other Revenues

This Financing Plan does not include, but is not intended to preclude, the possibility of securing grants, gifts or other revenues from public or private sources not indicated herein. Any such potential revenue sources will be considered in context of appropriateness, availability and effect on total project cost and proposed development.

Accountability

KCDC shall be accountable for the proper expenditure of all funds, and for securing fair and independent audits of project activities carried out under this Plan.
Financing Authorization

Upon selection and approval of each project proposal for redevelopment, a specific project budget will be developed, and appropriate financing technique(s) associated with such project shall be authorized by the Council of the City of Knoxville prior to issuance of any interim or permanent debt instruments. Each specific project component shall specify the method of repayment available and anticipated to retire all debt instruments to be authorized and issued.

While various components of the project may require a variety of funding techniques, it is anticipated that the "full faith and credit" of the City of Knoxville will be used as additional underlying or exclusive security for all debt instruments issued by the City or an authorized instrumentality on an interim or long-term basis.

Appraisals and Reports

In the execution of project expenditures, KCDC shall have the discretion to amend the project expenditure (line-item) budget as approved by City Council for each project component; provided however, such amendments shall require the affirmative consent of the KCDC Board of Commissioners. In the event funds in excess of financing authorization limit for each project component or total project cost are required, consent of the City Council shall be required before additional funds can be secured, committed or expended.

KCDC shall keep City Council apprised of redevelopment activities through periodic reports as progress dictates, or as Council may request. The project financial status and projections shall also be provided.
TOTAL PROJECT COST ESTIMATES

Administration:  
  Appraisals, Titles, Legal services,  
  Property management, KCDC Administration, etc.  

Land Assembly:  
  Acquisition, relocation, demolition  
  and asphalt removal  

Site Preparation:  
  Engineering, surveys, platting,  
  archaeological, etc.  

Public Improvements/Infrastructure  

Parking Structures  

Interest and Finance Cost  

Total Project Cost Estimate  

$ 595,000.  

16,010,000.  

75,000.  

1,500,000.  

7,500,000.  

2,320,000.  

$28,000,000.  

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