

DOWNTOWN NORTH I-275 CORRIDOR

REDEVELOPMENT & URBAN RENEWAL PLAN



KNOXVILLE, TENNESSEE

FEBRUARY, 2007

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*Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan
Knoxville, Tennessee*

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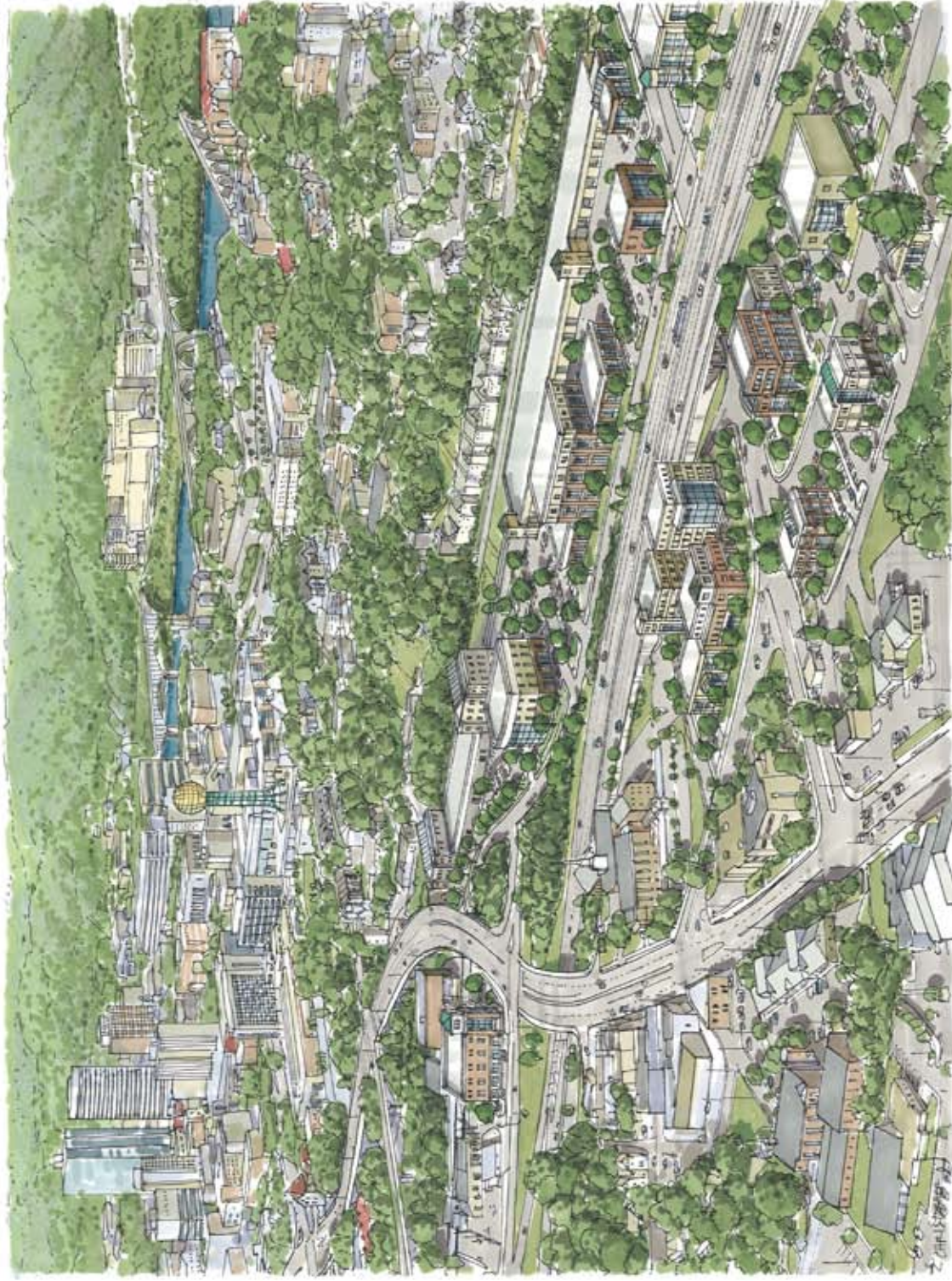
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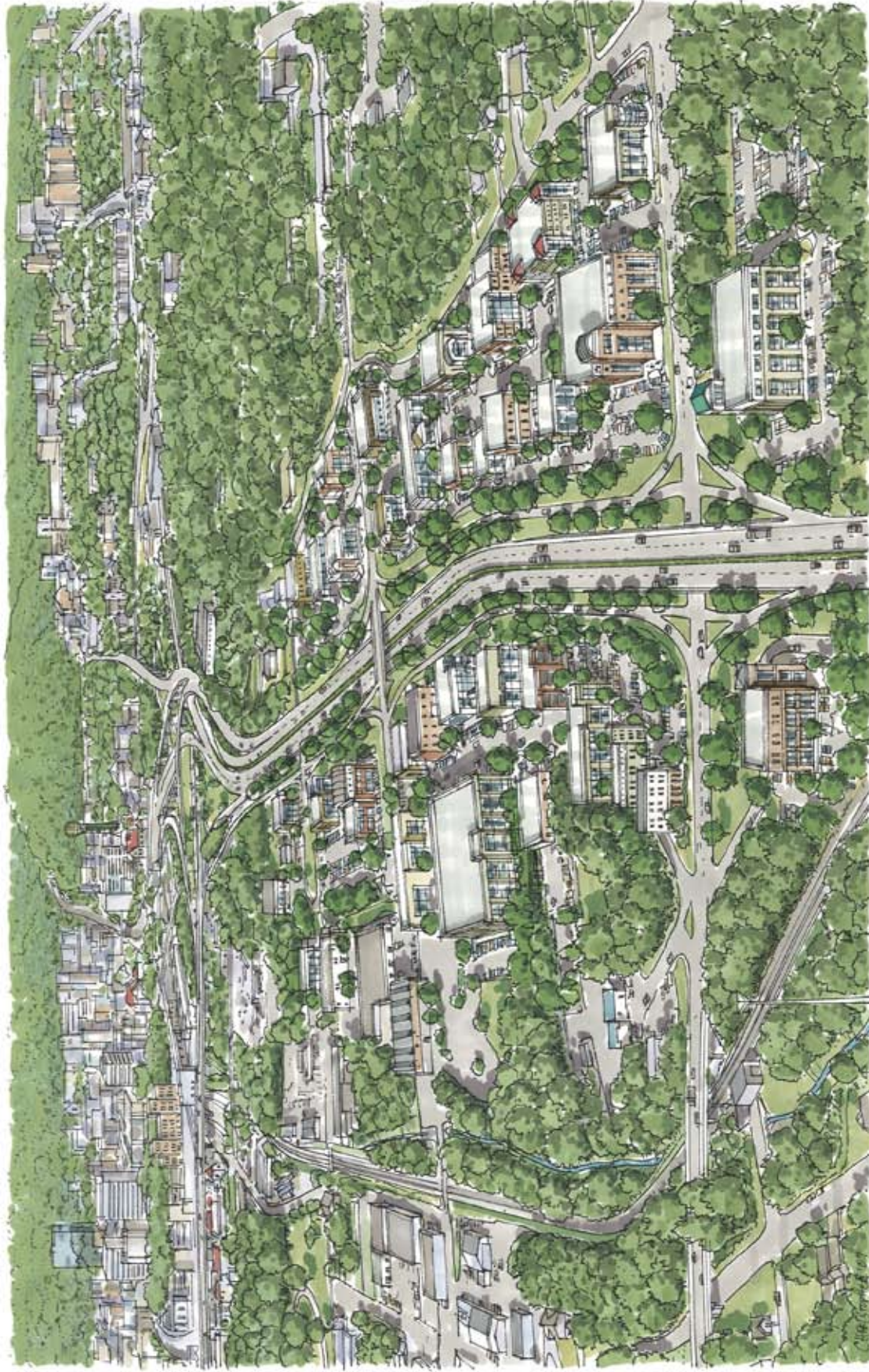
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I. INTRODUCTION

The Plan Vision

The concepts, which are presented in this redevelopment and urban renewal plan, are based on two recent documents of the Knoxville-Knox County Metropolitan Planning Commission: (1) The I-275/North Central Street Corridor Study (February 2007), and (2) The Broadway-Central-Emory Place Small Area Plan (draft: February 2007).

The purposes associated with those documents are to foster:

- ♦ Economic development, particularly on the older, often vacant, industrial properties.
- ♦ Conservation of historic resources, especially the adjacent old North and Fourth & Gill neighborhoods, and the turn-of-the last century resources in the Broadway and Central area.
- ♦ Improved multi-modal transportation, including a new access road along I-275, sidewalks and bicycle facilities.
- ♦ New land use opportunities on underutilized and vacant properties, offering mixed use development.
- ♦ Enhancement of environmental and recreational systems (that is, the green infrastructure), including a Second Creek greenway.

The year is 2015 and the redevelopment of the old I-275 industrial district is virtually complete. The Sysco Corporation, which became the pioneer in revitalizing the old rail yards, continues to serve the Southern Appalachian region in food distribution. Additional firms have been attracted to the corridor because of its economic advantages: improved interstate access, availability of rail, high visibility and a pool of talented employees. The corridor—once a blighted hodge-podge of underutilized land—has been transformed into one of Knoxville’s most successful business parks.

The new frontage roads have solved access problems and provide an attractive entrance for the corporations which call I-275 home. Well designed and nicely shaped landscaped buildings form an attractive gateway into Downtown.

Lonsdale, Lincoln Park and Old North Knoxville residents find the Second Creek Greenway a good place to jog and bike as they head to World's Fair Park and the waterfront. Aquatic life thrives in Second Creek again because the city's water quality programs have proven to be very effective.

The economic development has stimulated improvements in nearby neighborhoods and along Central Avenue. Employees and neighborhood folks frequent the same restaurants and shops.

The investment in retail, residential and office uses that enhanced Downtown during the early 21st century has continued across I-40, creating a "Downtown North" with Emory Place and Broadway Central at its core. Hundreds of people now live in the area's townhouses, condominiums and apartments supporting new shops and restaurants.

Private investment has surpassed several hundred million dollars in the last decade. The transformation of the once obsolete industrial area and commercial strips is acclaimed to be remarkable. Downtown North and the I-275 Corridor have become significant assets within the "Heart of Knoxville."¹

I-275 Corridor History

In the early 20th century, this corridor was a major center of Knoxville's commerce. Foundries, textile mills and railroad maintenance facilities provided employment to thousands. None of those enterprises exist now, as patterns of economic development changed globally. The rail infrastructure—once so necessary to America's industries—is only important to a few remaining businesses, like metal recycling. Conversely, the trucking and automobile connections—so necessary to commerce—were never adequately developed. A high proportion of the corridor's buildings are in fair or poor condition and there is quite an extent of vacant land. ¹

The Broadway Central Area History

The Broadway-Central area and its nearby neighborhoods, Fourth and Gill and Old North Knoxville, were created in the late 19th century. Trolley line and economic expansion fueled this suburb's growth. Originally incorporated as the City of North Knoxville, commercial activity was focused on Broadway-Central and nearby Emory Place. Day-to-day needs, like banking, groceries and pharmaceuticals could be met there. With its apartments and trolley lines, it was the downtown for North Knoxville.

Highway development, first the U.S. highway routes along Central Street and Magnolia Avenue, and later, the interstate, transformed the arterials into auto-oriented strips. Car dealerships and gas stations were characteristic of development after World War II. Now those operations are gone and the associated buildings are often vacant. Neighborhood decline, largely resulting from the creation of boarding houses in the once proud Victorian-era and Craftsman homes, have been reversed in recent years with the creation of the Fourth and Gill and Old North Historic Districts.

II. PROJECT BOUNDARY & EXISTING CONDITIONS

Constraints and Community Concerns

Representatives of the MPC, City Community Development Department, Development Corporation of Knox County and Knoxville's Community Development Corporation identified the basic constraints to the redevelopment of the I-275 corridor for business park, office and related economic improvements. Additionally, MPC worked with neighborhood interests and Mayor Haslam's Fifth/Broadway Task Force to examine development constraints and community concerns in the Broadway Central area.

The following points were significant considerations in developing improvement strategies outlined in the next section of this study.

Overall Constraints

- ♦ Lack of public and private investment
- ♦ Environmental constraints, including brownfields, potential environmental clean-up, water quality and a floodplain
- ♦ Pedestrian and transit limitations; the area is only accessible by trucks and automobiles
- ♦ A poorly designed road network

17th Street/Blackstock Avenue Area

- ♦ Excessive, underutilized rights-of-way
- ♦ Awkward parcel configuration
- ♦ An eyesore as a gateway to the I-275 corridor, university and downtown

I-40/Henley “Flyovers”

- ♦ Abandoned grid streets
- ♦ Perception issues (homeless camps; a no man’s land)
- ♦ Limited potential development sites (due to rail and ramp locations)
- ♦ Adjacent to downtown and World’s Fair Park (yet largely disconnected)

5th Avenue to Oldham/Woodland Avenues Area

- ♦ Discontinuous north-south road network
- ♦ Antiquated clover-leafs
- ♦ Topographic changes (particularly to either side of Woodland Avenue)
- ♦ Impacts of Phillips Metal Recycling
- ♦ Questions regarding Palm Beach and Brookside Mills (reuse/redevelopment possibilities)
- ♦ Pocket of houses and businesses near Woodland
- ♦ Small disaggregated parcels
- ♦ Public works and social service functions
 - County Health Department
 - County Engineering and Public Works Department

North Central Street Corridor

- ◆ Railroad underpasses, particularly at Heiskell Avenue, are obstacles
- ◆ Some uses negatively impact neighborhoods (for example, recycling and trucking)
- ◆ Substantial variation in road width (overbuilt in some cases relative to traffic volume)
- ◆ Aesthetic value is typically poor (undermining the creation of “an address” for business park development and the strength of adjacent neighborhoods)
- ◆ Difficulty in marketing property than can complement neighborhoods to the east and potential business parks to the west
- ◆ Substantial number of vacant sites and buildings

“Downtown North” (the area immediately north of I-40 through the Broadway Central intersection)

- ◆ Interstate is a barrier between the neighborhoods and Downtown
- ◆ Substantial tracts of vacant land
- ◆ Large concentration of the homeless on streets and using area’s social services
- ◆ Historic building stock is substantial
- ◆ Several institutions anchor the area (churches, Knoxville High School)

Indication of Blight

As an older industrial and business area, this section of Knoxville has experienced a disproportional amount of environmental issues. There are blighted properties in need of much repair. Due to the major repair required, the area qualifies as blighted under Section 13-20 of the Tennessee Code Annotated.

Blighted areas constitute physical and economic liabilities, requiring redevelopment in the interest of the health, safety and general welfare of the people of these communities. Such areas present difficulties and handicaps which are beyond remedy and control solely by the regulatory processes in the exercise of police power. They contribute substantially and increasingly to the problems of, and necessitate excessive and disproportionate expenditures for, public services and private investment.

State law defines “blight” or “blighted areas” as “areas with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, lack of ventilation, light and sanitary facilities, deleterious land use or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.”

To help illustrate what blight is, the following is a list of characteristics that constitute blight or blighting influences. Specifically, blight is an area or property characterized by both of the following conditions:

1. An area or property that is predominantly urbanized and an area in which the combination of conditions set forth below is so prevalent and so substantial that it causes a reduction of, or lack of, proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or government, or both, without significant investment.
2. An area or property that is characterized by one or more of the following:
 - a. Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, serious deferred exterior maintenance or renovation, defective design or physical construction, faulty or inadequate utilities or other similar factors.
 - b. Factors that prevent or substantially hinder the economically viable use or capacity of buildings or lots. This condition can be caused by substandard design, inadequate size given present standards and market conditions, lack of parking, public improvements or utilities.
 - c. Adjacent or nearby uses that are incompatible with each other and which prevent the economic development of those parcels or other portions of the project area.
 - d. The existence of subdivided lots of irregular form and shape inadequate size for proper usefulness and development that are in multiple ownership.

- e. Depreciated or stagnant property values or impaired investments, including, but not necessarily limited to those properties containing hazardous wastes that require the governmental authority.

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 of area is blighted due to dilapidation of a number of the buildings throughout the redevelopment areas. 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.

The general condition of the Downtown North/I-275 area is blighted with deteriorated and dilapidated buildings. The revitalization of these buildings through design controls with a private developer will return the properties to the tax rolls and eliminate blighting conditions and the prevention of its recurrence.

III. REDEVELOPMENT PLAN GOALS AND OBJECTIVES

GENERAL

The General goals for this redevelopment area 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, bicycle, and pedestrian circulation within the redevelopment district and between the district and surrounding areas

- ◆ To eliminate the conditions of blight and inappropriate land uses existing within the redevelopment project area. Ensure, to the greatest possible extent, that the causes of blighting conditions are eliminated or protected against
- ◆ To provide participation opportunities, for owner and business tenants in the areas to the overall redevelopment objectives of the Redevelopment Plan
- ◆ To encourage the development of commercial space

The following, more specific objectives are outlined below:

Enhance the North Central Street Corridor

- ◆ Rehabilitate/Redevelop the Central Street Corridor
- ◆ Create a more pedestrian friendly street, with wider sidewalks, fewer travel lanes, landscaping and, in the long term, on-street parking
- ◆ Create a more pedestrian-bicycle friendly street, with wider sidewalks, fewer travel lanes, landscaping and in the long term, on-street parking
- ◆ Foster changes to the present “commercial-only” zoning that would allow various types of housing (townhouses and apartments), office building and mixed use buildings (residences above shops) along the street. Such development should be permitted a design code, similar to what is being considered for the South Waterfront
- ◆ Apply form based or design based code zoning

Foster Neighborhood Stability

- ◆ Create extensions of the Old North Knoxville Historic District to include the late 19th and early 20th century houses in the Cullen Place/Hazel Place area
- ◆ Foster residential and mixed use (commercial and residential) redevelopment of industrial-like and storage yards on the edge of Old North Knoxville. For example, work with KCDC relocating their maintenance facility at Guy Love Towers Entrance and redevelop the Central Street corridor
- ◆ Foster rezoning using form based codes to create infill housing pockets in industrial zoned areas

Create a “Downtown North”

- ◆ Foster infill housing, borrowing from the forms of historic residential architectural (the early 20th century apartments and townhouses).
- ◆ Extend C-2 type zoning (that is, the Central Business District – type zoning) that allows a vertical mix of commercial and residential uses
- ◆ Pursue the reuse of Knoxville High School to reclaim its role as an anchor in the community (office or condominium uses have been suggested)
- ◆ Designate sub-area of “Downtown North” as historic districts, allowing tax credits and fostering restoration and protecting reinvestment in older buildings.

Improve Transportation Infrastructure

- ◆ Develop a continuous road network between 17th Street and Woodland Avenue to provide reasonable access and foster redevelopment of underutilized property
- ◆ Create a greenway and trail along Second Creek, enhancing water quality, connecting neighborhoods to Downtown and the Waterfront, and beautifying the setting of the corridor

Create Economic and Land Development Opportunities

- ◆ Reclaim the obsolete rights-of-way and consolidate parcels for reuse under and near the I-40/Henley Street ‘Flyovers’
- ◆ Pursue redevelopment of the properties between Woodland and 17th Street, focusing upon the Brookside Mills and Hackney sites
- ◆ Create aesthetically pleasing gateways into Downtown along the Interstate corridors, focusing upon mixed use development, frontage road improvements and design-based zoning codes.

Foster Crime Prevention Along the Corridors and in the Neighborhoods

- ◆ City code enforcement and public services should identify and foster rehabilitation of vacant building and derelict vacant lots
- ◆ Improve the alleys in the area by providing more consistent lighting, removing overgrown vegetation and, in some cases, removing abandoned vehicles
- ◆ Identify and engage the Neighborhood Associations

Improve the Area Image

- ◆ Create smaller scale light standards for streets and alleyways
- ◆ Provide code and design standards for infill housing
- ◆ Cleanup notices to owners of blighted properties
- ◆ Continue Facade improvement grants to business owners²

IV. RELATIONSHIP TO LOCAL OBJECTIVES

Public Utilities

The redevelopment area presently has full access to all public utilities. It is likely, however, that some utility improvements may be required in order to meet the demands of the renovated or newly developed structures.

Recreational and Community Facilities

The Second Creek Greenway and Trail

The Second Creek drainage basin includes the industrial corridor and adjacent neighborhoods. Because of its proximity to the rail line and century-old industrial operations, the natural environment near the creek has largely been destroyed.

Redevelopment of underutilized properties offers the potential to create streamside natural areas that can absorb and filter storm runoff and enhance water quality. Contaminated sites near the stream should be restored. The Second Creek Greenway was proposed in the Knoxville Greenway Plan (1992) and has been slowly under development. Funding is available for the trail segment from the riverfront to the Old City.¹

Improved Traffic and Public Transportation

Street, Highway and Related Infrastructure

In the next two years, I-275 interchange improvements will be made to facilitate traffic flow during I-40 construction. The cloverleaf designs will be temporarily renovated as diamond configurations. Building upon those short-term measures, the following permanent improvements are recommended:

1. A frontage road system that runs from 17th Street to Woodland Avenue (An upgraded Elm Street may be an alternative to a frontage road on the west side of I-275.)
2. Further renovation of the interchanges to solve the tight, awkward ramp designs
3. Redevelopment of the road system at Dale Avenue and 17th Street to consolidate parcels for economic development purposes.
4. Consideration of improvements from Woodland Avenue to Scott Avenue to Davanna Street, providing a new access to the Dempster area.
5. An assessment of the water, sewer and stormwater utilities and the development of a capital improvement program to upgrade those systems.¹

Economic and Land Development

General Recommendations

The following programs and projects should be addressed to carry out corridor improvements:

- ♦ Create a continuous, functional road system running from 17th Street to Woodland Avenue and Tennessee Avenue to Heiskell Avenue.
- ♦ Combine and replat parcels which are marketable as contemporary business park, light industrial and office sites.
- ♦ Close abandoned rights-of-way for future development.
- ♦ Pursue environmental assessments and consequential clean-up resulting from the investigations.
- ♦ Develop master plans for Phase I areas, which address circulation, rail access, marketable parcel sizes, improvements to water quality and creation of the green-way trail.
- ♦ Establish performance standards for industrial uses, setting acceptable parameters regarding water pollution, noise, light and air quality concerns.
- ♦ Encourage a mix of land uses in certain areas (for example, small light industrial, distribution and office uses) that are compatible with one another. Form-based zoning codes, which address height, architectural compatibility, consistency in setbacks and landscaping should be a consideration.

- ◆ Establish overall marketing strategy, which is programmed to coincide with infrastructure improvements. Treat the overall corridor as if it was a business park.

The following sub-areas within the corridor have significant potential for economic development.

5th Avenue to Oldham/Woodland Avenues Area

- ◆ As the core of the Gateway, develop this area through a mixed use zoning classification that is focused on office, retail, distribution and light industrial uses.
- ◆ Pursue land consolidation, enabling marketing of adequately sized parcels relative to proposed frontage roads. Locate office uses and office components of industrial buildings adjacent to the frontage road.
- ◆ Create design standards and a redevelopment program for the Brookside property. Set aside the right-of-way for the proposed frontage road in creating the project. Consider a connection to the Palm Beach facilities (a “skywalk” over Baxter, for instance).
- ◆ Provide a neighborhood buffer as part of development program, particularly along the east edge of Elm Street.

I-40/Henley Street “Fly-overs”

- ◆ Close abandoned rights-of-way and consolidate parcels for redevelopment.
- ◆ Develop a master plan and aesthetic standards for reuse of the area.
- ◆ Pursue a public use (such as public works or fleet storage facility) that can be located under the interstate system.

17th Street/Hackney Property

- ◆ Reconfigure road system to foster development.
- ◆ Consolidate land into marketable commercial or business park parcels.
- ◆ Create design guidelines for future redevelopment and as downtown gateway.

I-275 and I-40 Gateway Development

While the views of the skyline are impressive, the scenes along the corridor are often of derelict property and seedy buildings. Many of the properties along I-275 and I-40 are underutilized (often poorly maintained). As gateways to downtown, these corridors

should be more attractive and their economic development potential should be more fully realized. The following program is recommended:

- ◆ Road connectivity, which facilitates traffic flow between 17th Street and Woodland Avenue, is the key to successful economic development in the corridor. These road connections should be undertaken in conjunction with interchange improvements.

Redevelopment is needed at specific locations, including the Brookside property, Phillips Metal and Hackney sites. Consolidation of the remnant small parcels into meaningful large redevelopment sites is also needed.

A new zoning code should be created for the area, which would permit a variety of uses, including office, light manufacturing, public/quasi-public uses and commercial uses. Mixed use development, which includes medium density residential, office and retail uses, should be explored as part of the formula for redevelopment. In order for such uses to be compatible with one another, a form-based code should be considered, including design guidelines so that new projects are compatible in terms of appearance as well as uses. Such a code should include guidelines for the following:

- ◆ Landscaping and sign standards
- ◆ A setback (build-to) line in which structures would be built a similar distance from the streets/sidewalks.
- ◆ Consistency in building materials
- ◆ A mix of land of office and industrial uses:

Office building and office components of industrial buildings should be closest to the new connector roads that are parallel to I-275 and along the east/west-oriented streets, such as Baxter, Woodland and Bernard. Industrial and warehouse distribution uses could be located toward the interior portion of the corridor where rail access is provided.

- ♦ Minimum and maximum height regulations (with at least a portion of the structure being two stories and a maximum of four stories) to provide a consistent architectural form along this gateway.
- ♦ A street design program, which includes tree-lined connector roads and separated sidewalks.

The North Central Street Corridor and Downtown North

A two-point program which addresses street improvements, building rehabilitation and higher intensity land uses is recommended:

1. Streetscape:

- ♦ Create a pedestrian-friendly streetscape with improved sidewalk separation from travel lanes
- ♦ A “skinny streets” program, reducing the road cross section to two lanes with a landscaped median and occasional on-street parking, especially in the area between Happy Hollow and Broadway
- ♦ A street tree planting program in the medians and along the sidewalks.

2. Land Development and Urban Design

Focus on building rehabilitation, complementary architectural design and higher intensity land uses:

- ♦ “Downtown North”: Create a new zoning code that will allow the same mix of uses that are permitted in Downtown Knoxville. Height limitations and off street parking requirements would be needed. Create streetscape and gateway improvements to foster safer more pedestrian friendly connections between the neighborhoods and Downtown. Historic preservation and design guideline programs are recommended.
- ♦ Broadway/Central Area: Promote the façade improvement program (available through the city’s Community Development Department) and create guidelines for infill development, focusing upon the qualities of Emory Place and other historic assets. Encourage infill residential development in the adjacent area that complements the nearby historic districts.
- ♦ Happy Hollow: Preserve the historic qualities of this area by restoring the early 20th century buildings. Enhance the “main street” characteristics of the area between

Baxter and Woodland Avenues by extending the consistently wide sidewalks, providing space for on-street parking and street trees, maintaining a consistent “build-to” line, and permitting a vertical mix of commercial and residential uses.

- ◆ Broadway to Baxter: Medium density residential development (up to 24 dwelling units per acre) should be considered. Guidelines should be created for such development that includes parking behind structures, a minimal amount of front yard space, and a building form and materials component.
- ◆ Columbia Avenue to Morella Avenue: Redevelop as mixed use area allowing medium density residential, office or neighborhood commercial services on the east side of Central. This mix could be a vertical mix with shops at ground level. On the west side of the street, office and showroom development should be fostered along Central as a transition to the industrial redevelopment in the “Dempster” area.
- ◆ Utilize the historic features of the corridor such as the distinct setbacks and scale of early buildings (Steamboat’s, for example) as a basis for the form of infill development.
- ◆ The rest of the corridor: Preserve or re-establish yard spaces; 15 to 25 feet of lawn area should be created between the sidewalk and buildings and at least 10 feet of landscape space between sidewalks and parking areas.¹

V. REDEVELOPMENT PROCESS

Although the redevelopment area as a whole contains blighted areas, several buildings in the redevelopment area contain active businesses, and numerous sound residential structures comprise established neighborhoods that should be preserved. The Plan’s intent is to avoid public intervention with respect to any existing uses of properties that continue to comply with city regulations, and to achieve plan objectives related to land use change and property redevelopment.

Blighted properties 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” are areas with buildings or improvements, which by reason of dilapidation, obsolescence, overcrowding, lack of ventilation, light and sanitary facilities, deleterious land use, or any combination of these or other factors, are detrimental to the safety, health, morals or welfare of the community.

If KCDC identifies a specific property as “blighted” within the Redevelopment Area, KCDC anticipates issuing a request for redevelopment proposal from the existing owner of that property within 60 days from the date the determination has been made. KCDC will request the existing owner of a blighted property to submit to KCDC a redevelopment proposal specifying the intentions of such 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. A proposal from a property owner must be submitted within 90 days from the date a proposal is requested from that property owner.

An advisory board will be established 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 members will be appointed within 90 days of the date of plan adoption by the Chairman of the KCDC Board of Commissioners. 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 property is compatible with the land uses recommended MPC and applicable City development regulations. However, the final action on any redevelopment proposal by a property owner will be by KCDC. 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.

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 the KCDC Board of Commissioners as to whether a particular property is blighted. The KCDC 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, subject to the limitations below, 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 acquire such property, subject to the limitations below, and to solicit proposals to redevelop such owner's property from third parties. Responses to such proposals shall also be submitted to the advisory board for its review and will be submitted to KCDC for approval of the most favorable proposal. KCDC will enter into a development agreement with any person whose proposal is approved by KCDC to ensure compliance with the redevelopment proposal.

If KCDC determines that it is necessary to acquire any property as provided in this Section, KCDC shall first attempt to negotiate a voluntary sale of the property with the owner(s) thereof. If a negotiated purchase of property is not achieved, KCDC will

not exercise its eminent domain authority to acquire any property pursuant to this plan, except as described below, unless such action is approved by KCDC's Board of Commissioners and the City Council of the City, provided that City Council approval shall only be required if the property owner requests KCDC to submit the issue to City Council within thirty (30) days of when KCDC's Board of Commissioners approves the acquisition by eminent domain. Upon receipt of a request from a property owner to submit an acquisition to City Council, KCDC will request that the City Council consider the matter at its next regularly scheduled meeting. City Council's approval may be by resolution adopted in such manner as City Council typically considers resolutions. Nothing in this paragraph or elsewhere in this plan shall be construed to limit KCDC's authority to acquire property, including acquisitions by eminent domain if necessary; if the property will be used for public improvements, such as roads, parks or utilities.

VI. LAND USE PLAN

"The Council of the City of Knoxville is empowered to regulate the use of land and buildings, the height of buildings, the size of open spaces, surrounding buildings and the density of population and deems it necessary to exercise the power so granted in order to encourage the most appropriate uses of land; to maintain and stabilize the value of property; to secure safety from fire, flood, panic, and other hazards; to prevent undue concentration of population; and to create a comprehensive and stable pattern of land uses upon which to plan for transportation, water supply, sewerage, schools, parks, public utilities, and other facilities; to promote the health, safety, morals, convenience, order, prosperity and welfare of the present and future inhabitants."³

Downtown North and I-275 Land Use Descriptions

This redevelopment plan addresses changes to the Central City Sector Land Use Plan, (*See Appendix B*). The following changes should be made in adopting this plan;

Mixed Use 1: This area represents the Gateway Corridor to Downtown (MU-CC 1)

The uses which should be allowed in the area – under a designed-based development

code – include office, light manufacturing, wholesale and retail commercial, and medium density residential. Vertical mixed: use may be accommodated (for example, a shop or restaurant at ground level with office uses above). Retail commercial and medium density residential should be only created via a mixed use development plan.

Recommended zoning: new design-based regulations should be used to establish standards for:

- ◆ A consistent building setback relative to the street system
- ◆ Parking and delivery locations (emphasizing under-building, side or rear locations)
- ◆ Landscaping and signage
- ◆ Building height (two stories minimum on at least a portion of the building)

Planned commercial and planned residential zones should be used in the interim while a design code is created for the area.

Mixed Use 2: Office and low density and medium density residential MU-CC 2)

In view of the relatively small lot sizes and existing housing, this mix of uses is proposed to foster conservation of residential while allowing office uses particularly those associated with health in social services.

Recommended Zoning: O-2, R-1A, and R-2

Mixed Use 3: Wholesale and Retail Commercial, Railroad-related and General Industrial Uses (MU-CC 3)

Recommended zoning: I-2, I-3

Mixed Use 4: Light manufacturing and wholesale and retail uses (MU-CC 4)

Recommended zoning: I-2 and C-3

“Downtown North” Mixed Use Area (MU –CC 5)

The uses that are currently allowed in the C-2 (Central Business District) Zone are appropriate. Vertical mixed use may be accommodated (for example, a shop or restaurant at ground level with apartments above).

Recommended zoning: new design-based regulations should be used to establish standards for:

- ♦ A consistent building setback relative to the street system
- ♦ Parking and delivery locations (emphasizing under-building, side or rear locations); a minimal and maximum standard for off-street parking should be created.
- ♦ Design guidelines, similar to those for the existing Downtown
- ♦ Building height [two stories minimum and maximums, for example, based on proximity to the interstate (higher) and Fourth and Gill (lower)].

North Central Street, Woodland and Baxter Mixed Use Corridors (MU-UC)

The uses which should be allowed along these corridors – under a designed-based development code – include office, retail, and low and medium density residential. Vertical mixed: use may be accommodated (for example, a shop or restaurant at ground level with apartments above).

Recommended zoning: new design-based regulations should be used to establish standards for:

- ♦ A consistent building setback relative to the street system; places like Happy Hollow should have no setbacks, apartment buildings, townhouses and detached office buildings should have a minimal setbacks
- ♦ Parking and delivery locations (emphasizing side or rear locations)
- ♦ Landscaping and signage
- ♦ Building height (two stories minimum for future development)

Stream Protection Areas (SP): Areas subject to flooding.

The proposed land use map is attached in Appendix B

“Zoning is a term applied to local regulations that prescribes how land may be used or developed; the permitted uses of land and buildings within zones or districts, the height and bulk of structures, size and location of open spaces, and the intensity with which land may be developed. Zoning also regulates signs, off-street parking, and restricts the extent to which industry and commerce may affect the environment. Zoning regulations do not involve construction details. These are specified in the city building codes.

Therefore, in order to achieve the objectives of this redevelopment plan, the redevelopment and use of land located within the Project Area will be made subject to all requirements and restrictions specified in the MPC zoning regulations, subdivision regulations, and the City of Knoxville building codes.”³

VII. FINANCING PLAN

Neither KCDC nor the City expects 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 or Tax Increment Financing.

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, “Downtown North”) needs to be utilized to develop recognition of the area. Appropriate signage identifying the area should be installed.

The implementation of the public improvements, particularly any public parking, will also require the support of the City.

Tax Increment Financing Provision

The City Administration will consider “Catalyst Projects” for tax increment financing on a case by case basis. KCDC has received a request from a developer for a substantial redevelopment project within the redevelopment area to utilize tax increment financing in connection with the project.

Therefore the plan is to provide that, subject to the limitations herein, taxes, if any, levied each year upon real property leased or sold by KCDC to private developers for development as part of a redevelopment project shall after the date this plan is approved by the City Council of the City of Knoxville and the County Commission of Knox County, Tennessee shall be divided as follows:

1. That portion of taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property as shown upon the assessment roll of the appropriate assessor, as of the date of the most recently determined valuation prior to the date on which the redevelopment plan or urban renewal plan or amendment thereof was approved by the applicable municipality or municipalities pursuant to section 13-20-203 (the assessed value being herein called the “base assessment”) shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which the actual assessment of the area comprising a redevelopment project is less than the base assessment, there shall be allocated and paid to the respective taxing agencies only those taxes actually produced by the application of the current tax rates against such actual assessment;
2. All the taxes levied in each year in excess of the amount provided for in subdivision (1) shall be allocated to and, when collected, shall be paid into a special fund or

funds of KCDC to pay the principal of and interest on bonds, loan or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the redevelopment project contemplated by such redevelopment plan.

3. Upon the retirement of all bonds, loans or other indebtedness incurred by KCDC and payable from such special fund or funds or at such time as moneys on deposit in such special fund or funds are sufficient for such purpose, all the taxes referred to in subdivision (2) shall, when collected, be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid, and KCDC shall give notice to the City of Knoxville and Knox County of such retirement. Any incremental taxes received by KCDC during the last tax year that the indebtedness is outstanding that is in excess of the amount needed to pay the remaining debt service on such indebtedness may be used to reimburse any guarantor of such indebtedness for payments made by such guarantor with respect to such indebtedness. Thereafter, all incremental tax revenues shall be retained by the appropriate taxing agency; and
4. Taxes shall be levied and collected over all or any part of the area comprising a redevelopment project in the manner provided by the law with the following exceptions:
 - A. The appropriate assessor shall, in each year during the period in which taxes are to be allocated to KCDC pursuant to subdivision (2), compute and certify the net amount, if any, by which the current assessed value of all taxable property located within the redevelopment project which is subject to taxation by the particular taxing agency exceeds the base assessment. The net amount of any such increase is referred to in this subdivision (4) as the incremental value for that particular year;
 - B. In any year in which taxes are to be allocated to KCDC pursuant to subdivision (2) in which there is an incremental value, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the appropriate assessor shall extend the aggregate tax rate of such taxes against the

base assessment and the incremental value and shall apply the taxes collected therefrom, subject to any other provisions of this amendment or any other legal limitations, as provided above; and

- B. For purposes of this section, if in any year property comprising a portion of a particular redevelopment project shall be removed from the tax rolls of a taxing agency, the base assessment for the area of such redevelopment project shall be reduced by the amount of the base assessment allocable to the property so removed for each subsequent year in which taxes are to be allocated to a particular authority pursuant to the above provisions.

Notwithstanding the foregoing, this tax increment financing provision shall only apply to real property that is the subject of a redevelopment agreement between KCDC and the owner of the real property that is approved by the City Council of the City of Knoxville and the County Commissioners of Knox County, Tennessee pursuant to a subsequent amendment to the Plan, provided, however, that this amendment shall apply without any further approvals to the real property located in the redevelopment area known as the Graystone Building at 912 N. Central Avenue presently owned by N. Central Village LLC.

ECONOMIC INFORMATION RELATING TO TAX INCREMENT

The project is known as N. Central Village, LLC Building Project located at 912 N. Central Avenue. The estimated cost of the Project is approximately \$2,031,639.00. The sources that are expected to be used to pay the costs of the Project are a bank loan of \$1,200,000.00 tax increment financing of \$200,000.00, CDBG façade grant of \$50,000.00, and owners equity of \$581,539.00. The estimated amount of the tax increment financing for the Graystone Building Project is \$200,000.00 and the final maturity is expected to be approximately 15 years after the April 1 following the date that the Project is completed pursuant to the redevelopment agreement with KCDC. The expected impact of the tax increment financing amendment upon the City of Knoxville is approximately \$11,063.00 per year and on Knox County is approximately \$13,266.00 per year.

CERTAIN TAXES EXCLUDED

Notwithstanding anything to the contrary in this section, taxes levied upon property subject to tax increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee, shall not be subject to allocation as provided in subsection (a), but shall be levied against such property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

VIII. LAND ACQUISITION POLICY

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 minimized 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 a competent professional appraiser in private practice, which appraisals shall then be reviewed by a competent KCDC staff appraisal reviewer. No appraiser shall have any interest, financial or otherwise, in the property to be acquired.
- c. The appraiser shall make an on-site inspection of the property to be acquired and shall give the owner or their 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 staff 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 staff 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. The number of appraisals shall be determined by the complexity of the acquisition. "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 staff review appraiser's recommendation, KCDC shall verify that the appraisers and the staff 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 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. The owner shall also be advised that they are 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 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 appraiser to update their appraisal 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 their property. A final offer to acquire the property shall be made in writing to the owner or their representative, and 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 as it relates to acquisition and relocation activities.

IX. RELOCATION PLAN AND POLICY

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 Downtown North/I-275 Redevelopment and Urban Renewal Plan. This redevelopment project, if solely financed through local sources, will be subject to the City's Relocation Ordinance. Further, if the project, or any part thereof, should receive federal funding, thus requiring compliance with additional or other guidelines, all applicable regulations will apply.

The relocation activities for the Downtown North/I-275 Corridor Plan 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 displacees 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 businesses. 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 that 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. A "Notice to Vacate", if required, 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.

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.

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.

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 as it relates to acquisition and relocation activities.

X. LAND DISPOSITION PLAN

Acquired land will be conveyed to developers through a Special Warranty Deed that contains restrictive covenants and a reversionary right to insure redevelopment and prevent speculation. Accordingly, developers must complete the Final Plan development authorized by the KCDC Board of Commissioners. Further, undeveloped land and/or buildings shall not be sold for a profit and will be subject to seizure by KCDC.

After proper submission, review and approval of an accepted Redevelopment Plan as determined to be in the best interest of our community, various parcels may be replatted, so as to allow maximum usage and conform to existing building codes, thereby facilitating speedy acquisition and development within the plan boundary. Specific site development shall be accomplished by the sale of acquired properties to private developers, individuals and/or community groups or other entities that will develop the land within the scope of the stated Redevelopment Plan. Public improvements may be accomplished by the City of Knoxville in conjunction with individual private developments.

XI. INTERIM USE OF ACQUIRED PROPERTIES

It shall be the intent of this Redevelopment Plan to continue current uses until such time as a development proposal materializes, and/or 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.

XII. 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.

XIII. 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 and, where applicable, in compliance with the requirements of Section 13-20-205 of the Tennessee Code Annotated. Notice of any proposed amendments will be given to all property owners within the project area pursuant to the requirements of state law. If County Commission's approval of any amendment is required by state law, such approval will also be requested.

XIV. SEVERABILITY

The invalidation of any or more of the foregoing provisions of this Redevelopment Plan as approved by the Knoxville City Council of Knoxville, Knox County, Tennessee or any part thereof by judgment of any Court of competent jurisdiction shall not in any way affect the validity of any other of such provisions of the Plan, but the same shall remain in full force and effect.

APPENDIX A-Project Boundary Map (KCDC)

Legal Description of Project Boundaries

All distances are approximate.

SITUATED in District Two of Knox County, Tennessee, within the 17th Ward of the City of Knoxville, Tennessee, and being more particularly described as follows:

BEGINNING at the point of intersection of the north line of West Woodland Avenue and the south line of Central Avenue Pike;

Thence with the north line of West Woodland Avenue in a northeasterly direction 60 feet, more or less, to the intersection of the north line of East Woodland Avenue and the north line of Central Avenue Pike;

Thence with the north line of said Avenue in northeasterly direction 150 feet, more or less, to the intersection of the north line of East Woodland Avenue and the north line of an unnamed alley produced;

Thence leaving the north line of said Avenue and with the north line of the unnamed alley produced 50 feet, more less, to the intersection of the south line of East Woodland Avenue and the north line of said unnamed alley;

Thence leaving the south line of East Woodland Avenue and with the north line of said alley in a southeasterly direction 445 feet, more or less, to a point in the north line of East Scott Avenue, corner common Bolen and Youngblood;

Thence leaving the north line of East Scott Avenue in a southerly direction 64 feet, more or less, to the point of intersection of the south line of East Scott Avenue and the north line of an unnamed alley, western corner of Lowery;

Thence with common line of Lowery and unnamed alley 135 feet, more or less, to a point;

Thence in a northeasterly direction 88 feet, more or less, to a point in the southern line of an unnamed alley, corner common Thrasher and Lovoie;

Thence with the common line of the alley and Thrasher 50 feet, more or less, to the point of intersection with the south line of said alley and the north line of an unnamed alley;

Thence south 15 feet, more or less, to the south line of said alley, corner common Knox Rail Salvage and Northcutt;

Thence leaving said south line and with the common line of Knox Rail Salvage and Northcutt 150 feet, more or less, to a point in the north line of East Oklahoma Avenue;

Thence with the north line of East Oklahoma Avenue in a northwesterly direction 141 feet, more or less, to a point corner common Northcutt and Payne;

Thence leaving the north line of East Oklahoma Avenue in a southeasterly direction 76 feet, more or less, to the point of intersection of the south line of East Oklahoma Avenue and the east line of Alexander Street;

Thence with the east line of Alexander Street in a southeasterly direction 315 feet, more or less, to the point of intersection of the east line of Alexander Street and the north line of East Anderson Avenue;

Thence with the east line of Alexander Street 52 feet, more or less, to the point of intersection of the east line of Alexander Street and the south line of East Anderson Avenue;

Thence with the east line of Alexander Street in a southerly direction 445 feet, more or less, to the point of intersection of the east line of Alexander Street and the north line of East Baxter Avenue;

Thence leaving the east line of Alexander Street and with the north line of East Baxter Avenue in a northeasterly direction 690 feet, more or less, to the point of intersection of the north line of East Baxter Avenue and the west line of Cornelia Street;

Thence with west line of Cornelia Street 630 feet, more or less, to a point in the north line of East Anderson Avenue;

Thence with the north line of East Anderson Avenue 700 feet, more or less, to the point of intersection of the north line of East Anderson Avenue with the north line of Kern Place;

Thence with the north line of Kern Place 545 feet, more or less, to the point of intersection with the north line of Kern Place and the east line of Armstrong Avenue;

Thence with the east line of Armstrong Avenue (now Folsom Avenue) 198 feet, more or less, to the point of intersection with the north line of Wells Avenue;

Thence with the north line of Wells Avenue 385 feet, more or less, to the point of intersection with the west line of N. Broadway;

Thence leaving the west line of N. Broadway in a southeasterly direction 65 feet, more or less, to the point of intersection of the east line of N. Broadway and the south line of Wells Avenue;

Thence leaving the south line of Wells Avenue and with the east line of N. Broadway 960 feet, more or less, to the point of intersection with the north line of Caswell Avenue;

Thence with the north line of Caswell Avenue in an easterly direction 330 feet, more or less, to the point of intersection of the north line of Caswell Avenue and the east line of Gratz Street;

Thence with the east line of Gratz Street in a southerly direction 730 feet, more or less, to the point of intersection of the east line of Gratz Street and the south line of Gill Avenue;

Thence with the south line of Gill Avenue in a westerly direction 195 feet, more or less, to a point in said south line, corner City of Knoxville;

Thence leaving said south line and with City of Knoxville line in a southerly direction 300 feet, more or less, to a point in the north line of Lovenia Avenue, corner common Wilkerson and Mino;

Thence leaving the north line of Lovenia Avenue and in a southerly direction 43 feet, more or less, to a point in the south line of Lovenia Avenue, corner common MD Forms and MD Forms;

Thence leaving said south line and with the common line of MD Forms and MD Forms in a southerly direction 230 feet, more or less, to a point in the Glasscock line;

Thence following the Glasscock line in an easterly direction 126 feet to a point in the north line of Morgan Street, corner common Glasscock and Haltaman;

Thence with the north line of Morgan Street in a southeasterly direction 930 feet, more or less, to the point of intersection of the now east line of Morgan Street and the north line of East Fourth Avenue;

Thence with the north line of East Fourth Avenue in a northeasterly direction 270 feet, more or less, to the point of intersection of the east line of Deery Street and the north line of East Fourth Avenue;

Thence with the east line of Deery Street in a southeasterly direction 1050 feet, more or less, to a point in the south line of Magnolia Avenue;

Thence with the south line of Magnolia Avenue in a southwesterly direction 2170 feet, more or less, to a point in the AT&T South Central States line;

Thence with said south line in a westerly direction 200 feet, more or less, to the point of intersection of the south line of Magnolia Avenue and the east line of N. Broadway;

Thence with the east line of N. Broadway 1000 feet, more or less, to a point in the east line of N. Broadway, the mid-point of the Norfolk Southern railroad line;

Thence from said mid-point and along a line formed by the mid-point rail line of Norfolk Southern in a southwesterly direction 3900 feet, more or less, to a point in the western line of S. Seventeenth Street;

Thence leaving the mid-point of the Norfolk Southern railroad line and with the western line of S. Seventeenth Street 800 feet, more or less, to the mid-point of the Interstate 40;

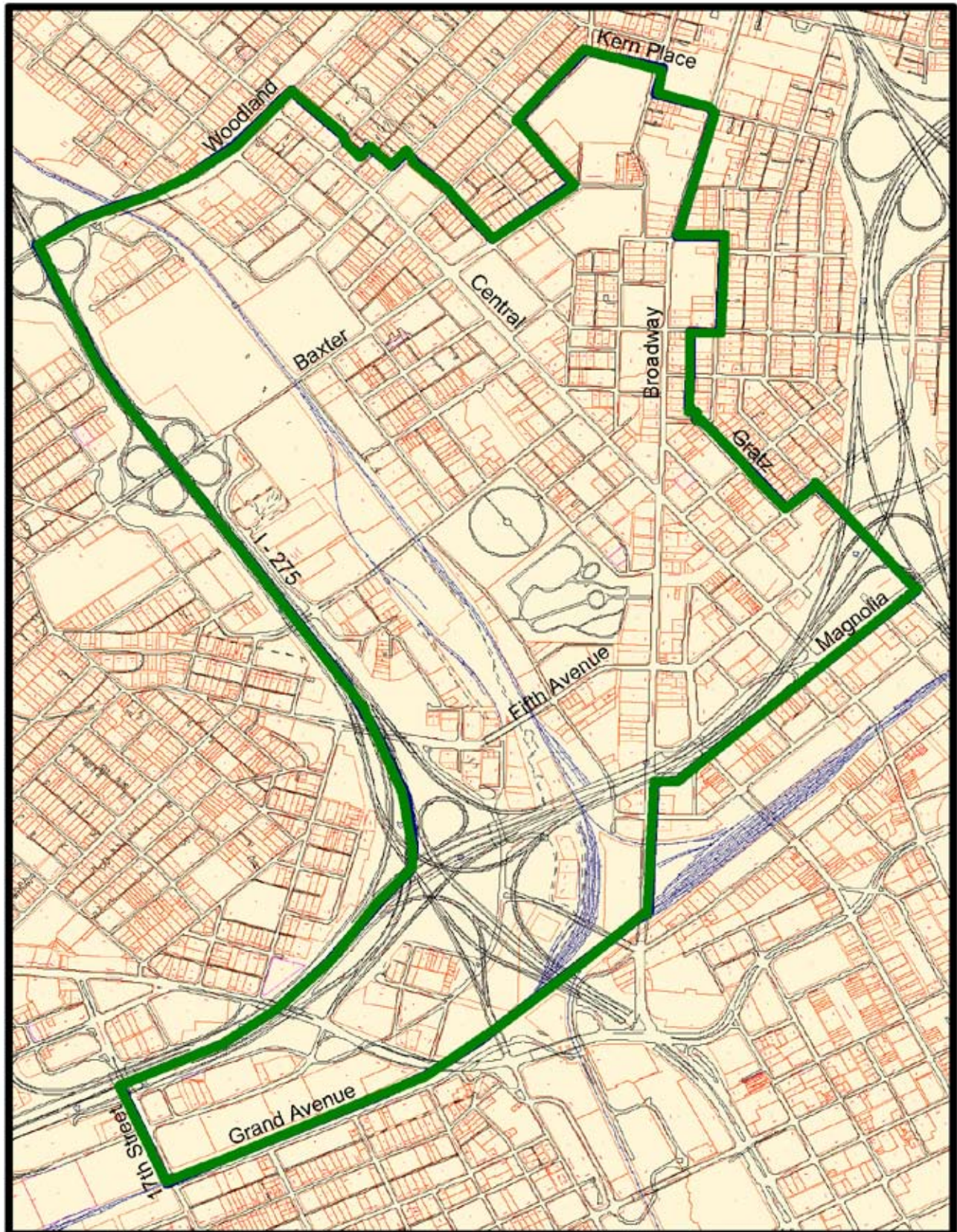
Thence leaving the western line of N. Seventeenth Street and with the mid-point of Interstate 40 in an easterly direction 2560 feet, more or less, along a curve to the left, to a point where the Interstate 40 intersects with Interstate 275;

Thence continuing along the mid-point of Interstate 275 and in a northerly direction 5100 feet, more or less, to the point of intersection of Interstate 275 and the north line of W. Woodland Avenue;

Thence leaving the mid-point of Interstate 275 and with the north line of W. Woodland Avenue in an easterly direction 1900 feet, more or less, to the point of intersection of the north line of W. Woodland Avenue and the south line of Central Avenue Pike, POINT OF BEGINNING.

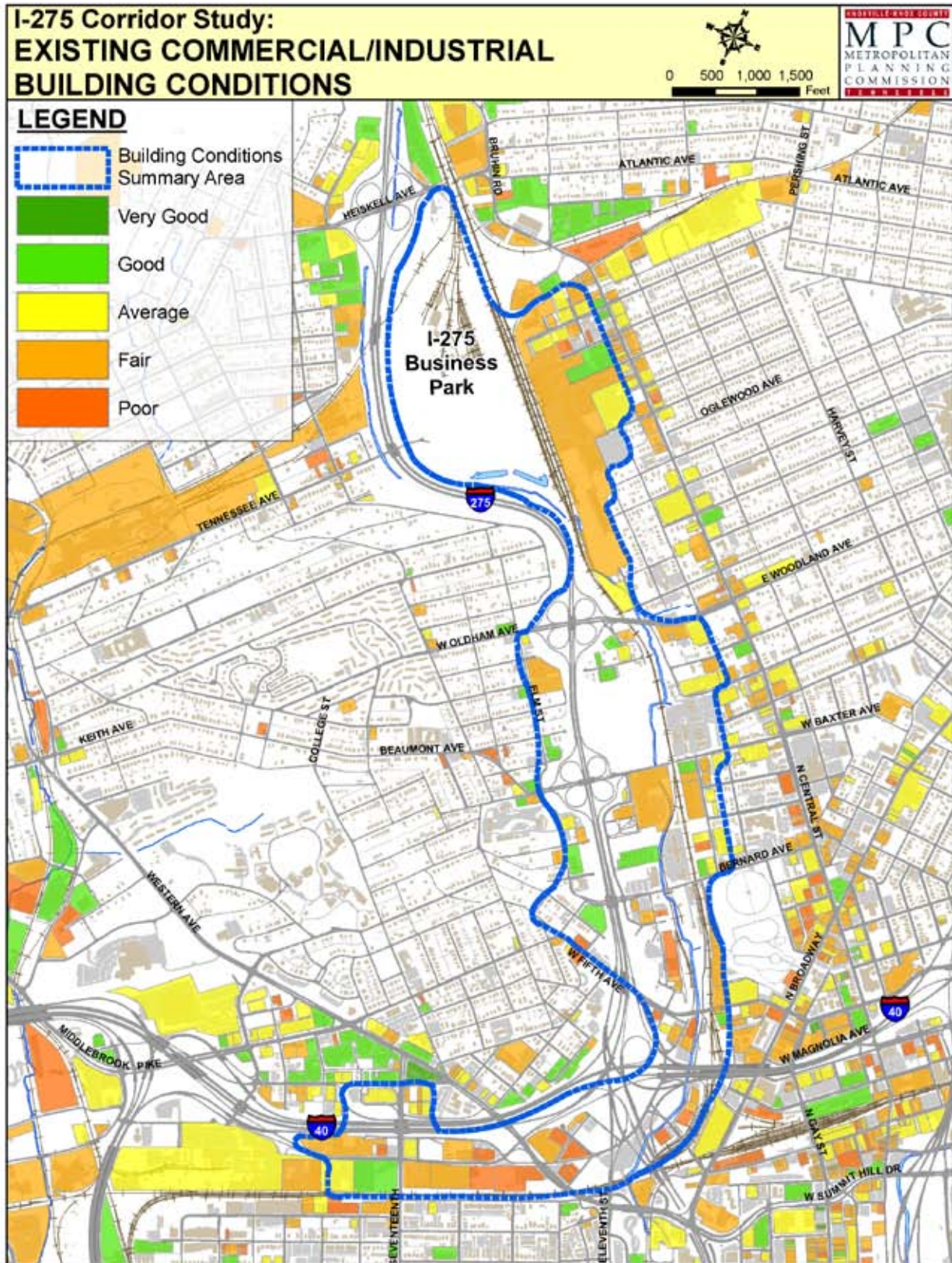
Project Map

Downtown North – I-275 Corridor Redevelopment and Urban Renewal Plan



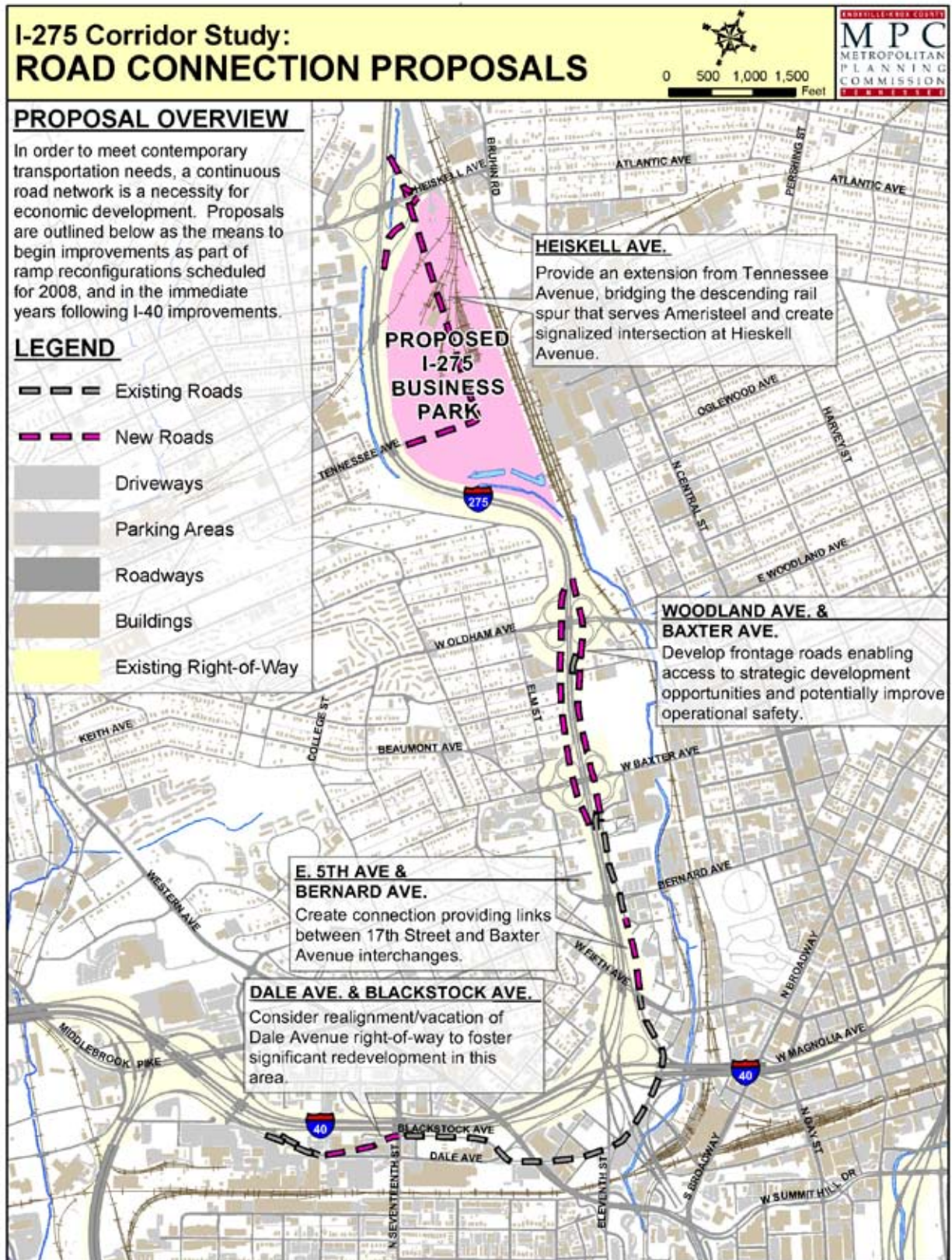
I-275 Corridor Study: Existing Commercial Industrial Building Conditions (MPC)

I-275/North Central Street Corridor Study



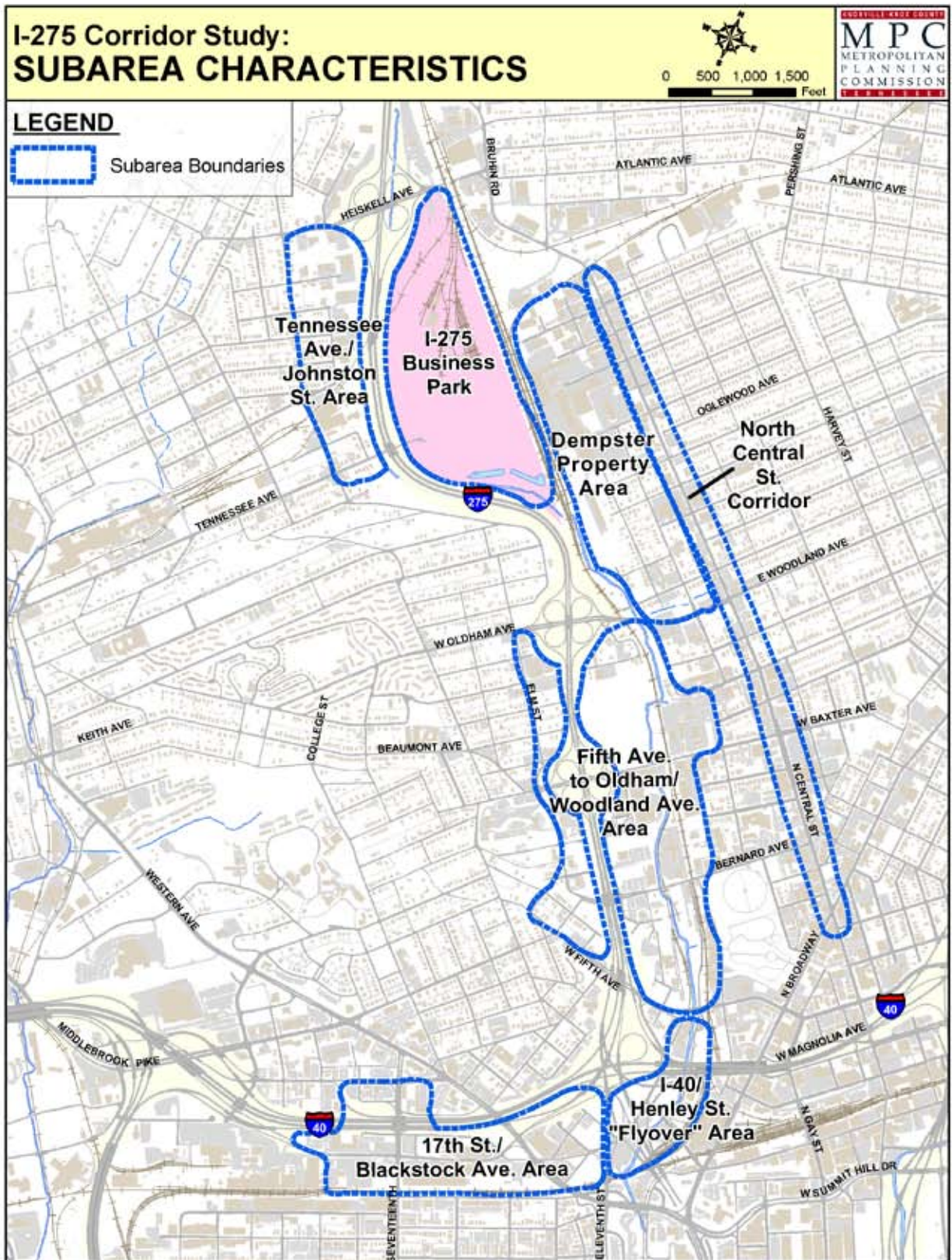
I-275 Corridor Study: Existing Road Connection Proposals (MPC)

I-275/North Central Street Corridor Study



I-275 Corridor Study: Existing Subarea Characteristics (MPC)

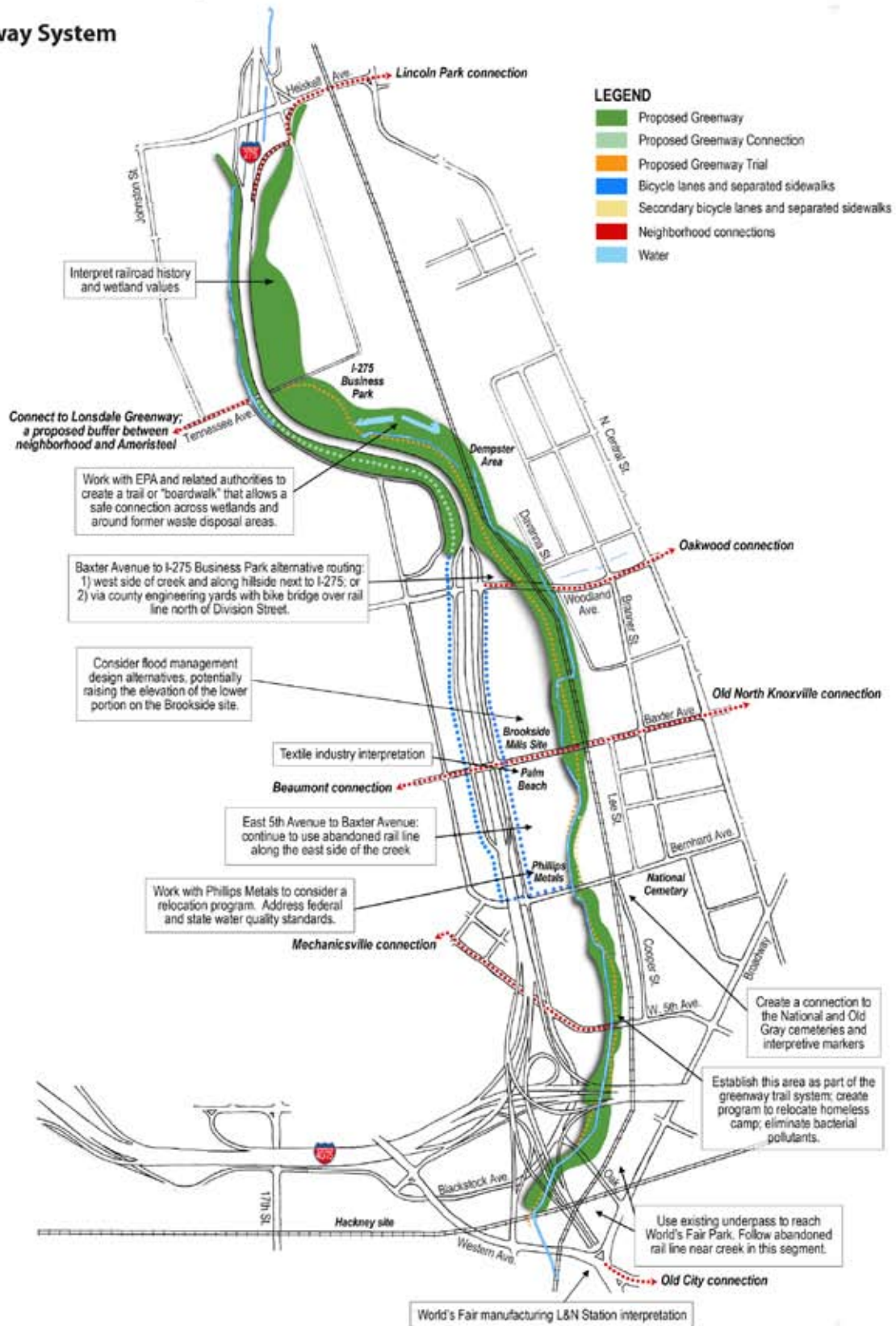
I-275/North Central Street Corridor Study



I-275 Corridor Study: Greenway System (MPC)

I-275/North Central Street Corridor Study

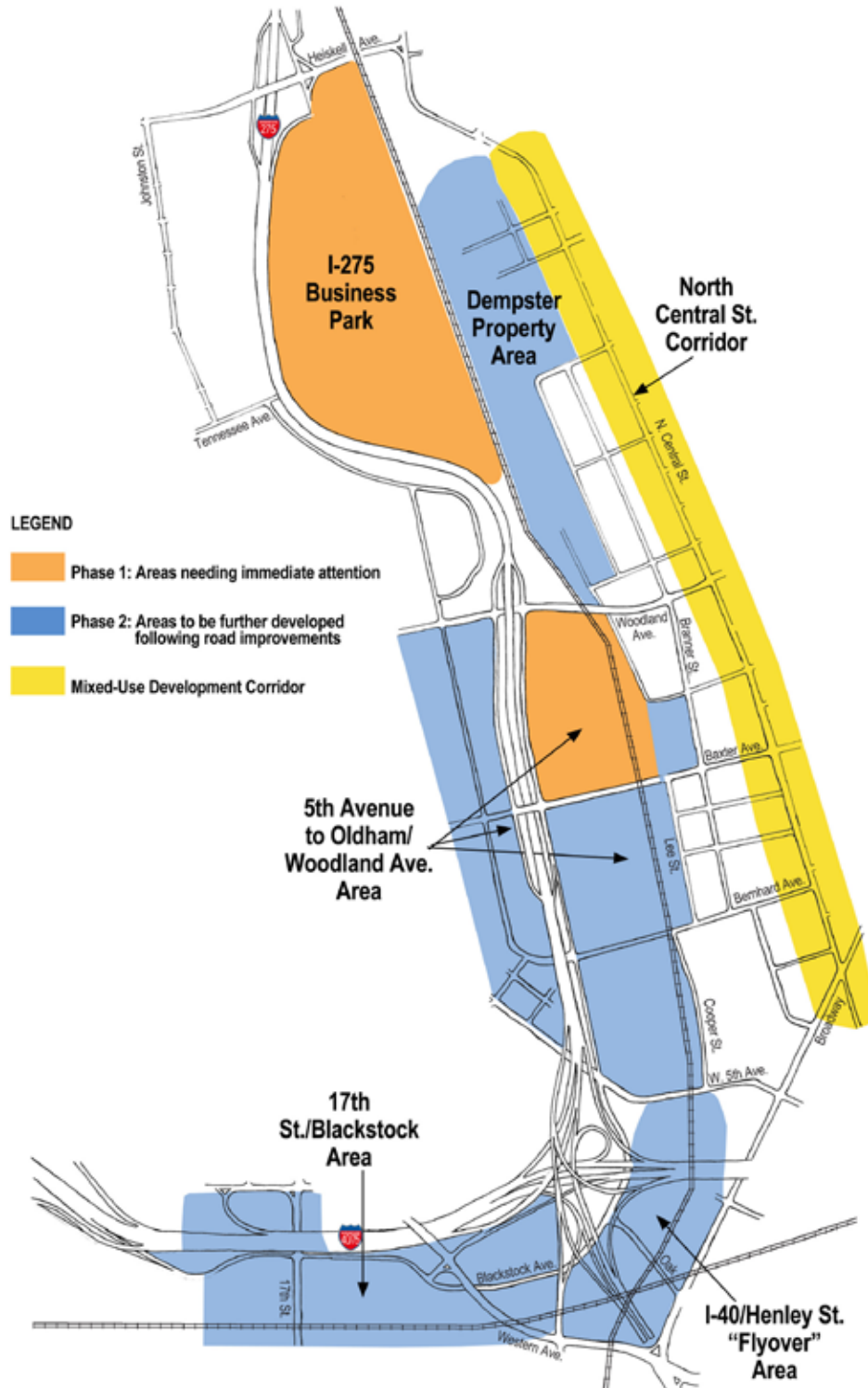
Greenway System



I-275 Corridor Study: Focus Areas for Economic and Mixed-Use Development (MPC)

I-275/North Central Street Corridor Study

Focus Areas for Economic and Mixed-Use Development

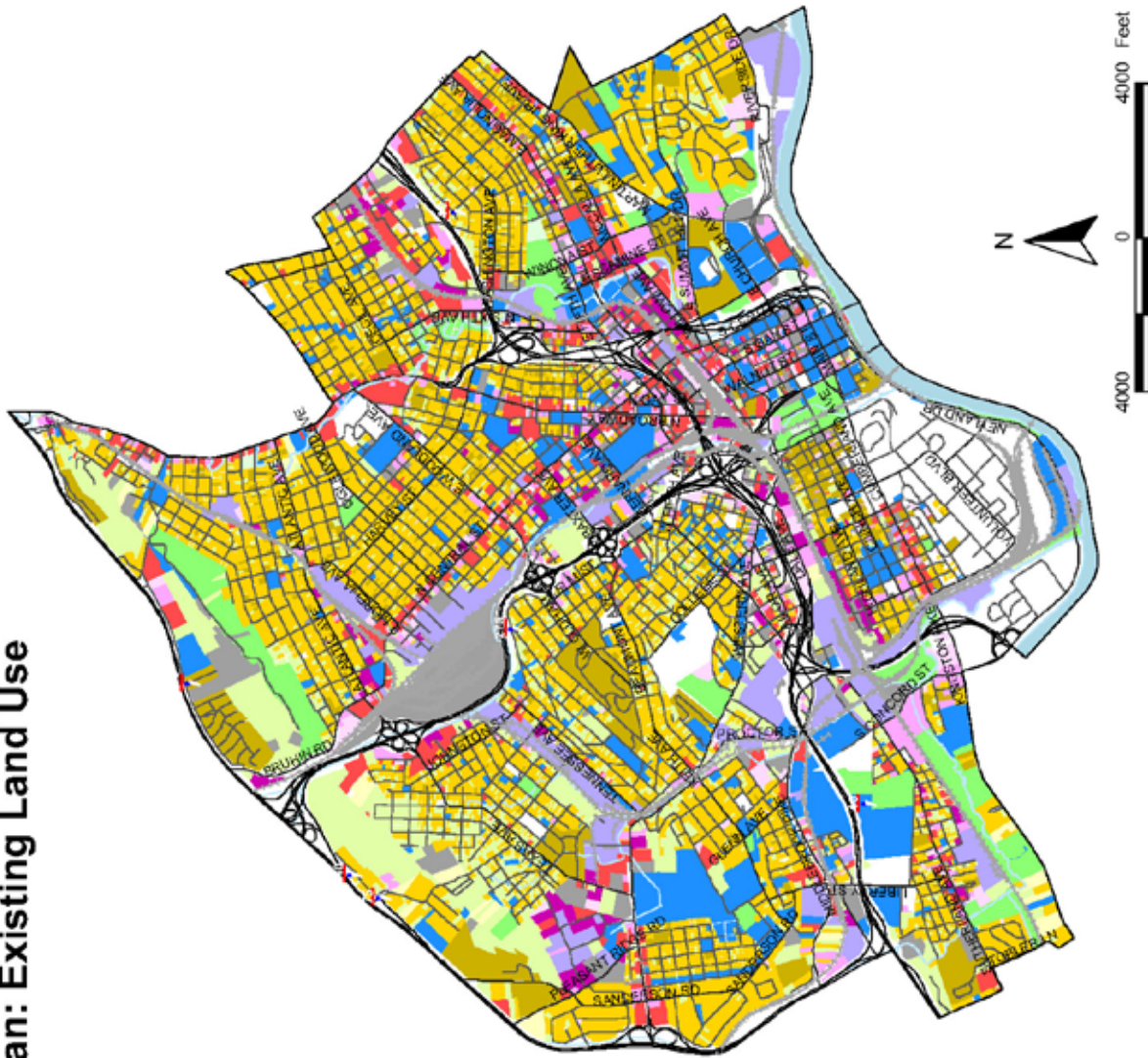


Downtown North/I-275 Corridor Redevelopment Area & Urban Renewal Plan Land Use Recommendations

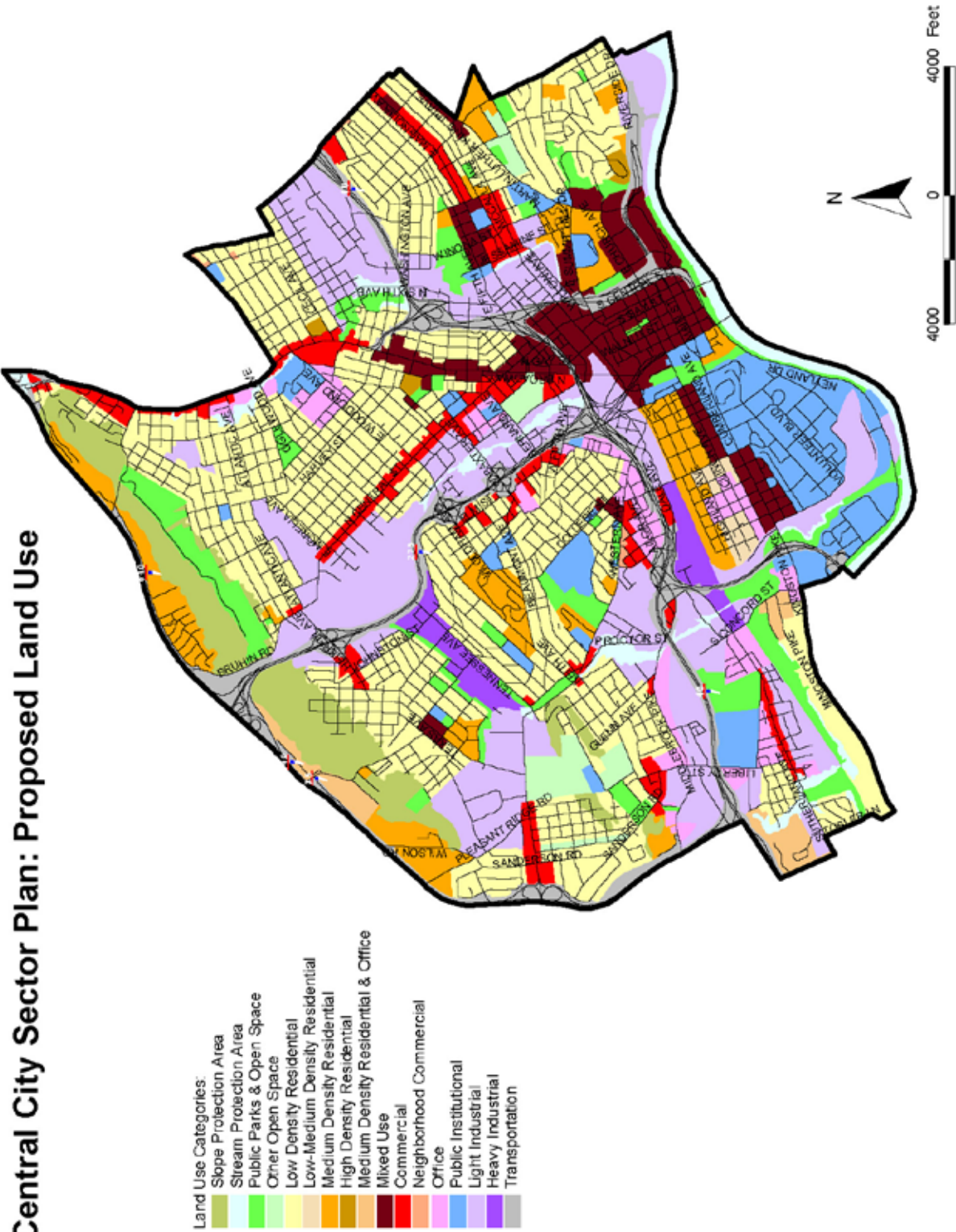


Central City Sector Plan: Existing Land Use

- LAND USE CATEGORIES**
- Rural Residential
 - Single Family Residential
 - Multifamily Residential
 - Commercial
 - Office
 - Industrial (Manufacturing)
 - Wholesale
 - Transportation/Communications/Utilities
 - Public/Quasi Public Land
 - Agriculture/Forestry/Vacant Land
 - Public Parks
 - Private Recreation
 - Under Construction/Other Uses
 - Unknown Land Uses
 - Water
 - Right of Way/Open Space



Central City Sector Plan: Proposed Land Use



Illustrations Courtesy of Metropolitan Planning Commission (MPC)

APPENDIX C-City and County Council Resolutions

FEB-06-2007 11:55

RECORDS OFFICE CITY OF KN

865 215 4269 P.02/04

RESOLUTION

RESOLUTION NO. R-394-06

1 A RESOLUTION OF THE COUNCIL
2 OF THE CITY OF KNOXVILLE
3 AUTHORIZING KNOXVILLE'S
4 COMMUNITY DEVELOPMENT
5 CORPORATION TO PREPARE A
6 REDEVELOPMENT AND URBAN
7 RENEWAL PLAN TO BE KNOWN
8 AS THE DOWNTOWN NORTH
9 REDEVELOPMENT AND URBAN
10 RENEWAL PLAN AND TO
11 CONDUCT A PUBLIC HEARING
12 RELATIVE TO SUCH PROPOSED
13 PLAN.

RESOLUTION NO: R-394-06

REQUESTED BY: Policy Development

PREPARED BY: Law

APPROVED AS TO FORM AND

CORRECTNESS:

Director of Law

APPROVED: 10-24-2006

APPROVED AS
AN EMERGENCY
MEASURE:

MINUTE BOOK 70 PAGE

13 WHEREAS, the City of Knoxville (the "City") has a development strategy for the
14 redevelopment of the Broadway and Central Avenue area in Knoxville; and

15 WHEREAS, to further the implementation of the development strategy, the City has
16 determined that a redevelopment and urban renewal plan for the Broadway and Central area should
17 be prepared by Knoxville's Community Development Corporation ("KCDC"), as the housing and
18 redevelopment authority for the City; and,

19 WHEREAS, the City also desires to authorize KCDC to conduct a public hearing with
20 respect to such proposed plan; and,

21 WHEREAS, the area that would be the subject of the redevelopment and urban renewal plan
22 is an area generally bounded by Depot Street on the south, I-275 on the west, Woodland Avenue on
23 the north, and Broadway on the east; and,

24 WHEREAS, inspections of the area that would be subject to the plan indicate that the area
25 contains blight as defined in Tennessee Code Annotated Sections 13-20-201; and
26
27
28

WHEREAS, the proposed redevelopment plan shall be known as the Downtown North
Redevelopment and Urban Renewal Plan; and

WHEREAS, the primary purposes of the Downtown North Redevelopment and Urban
Renewal Plan will be to remove, prevent or reduce the blighted areas and to promote the
redevelopment of the plan area; and

WHEREAS, the cost of preparation of the plan, advertising, public notices, legal fees, and
conducting the public hearing is estimated to cost ten thousand dollars; and

WHEREAS, the plan will include a provision permitting tax increment financing within the
plan area.

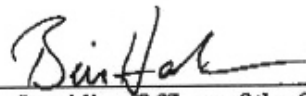
NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
KNOXVILLE:

SECTION 1: KCDC is hereby authorized and requested to prepare a redevelopment plan,
which shall include a tax increment financing provision for the Broadway and Central area of
Knoxville described above.

SECTION 2: KCDC is hereby authorized to conduct a public hearing with respect to the
Downtown North Redevelopment and Urban Renewal Plan to determine the necessity for the
adoption of the plan pursuant to Tennessee Code Annotated Section 13-20-203(b)(3).

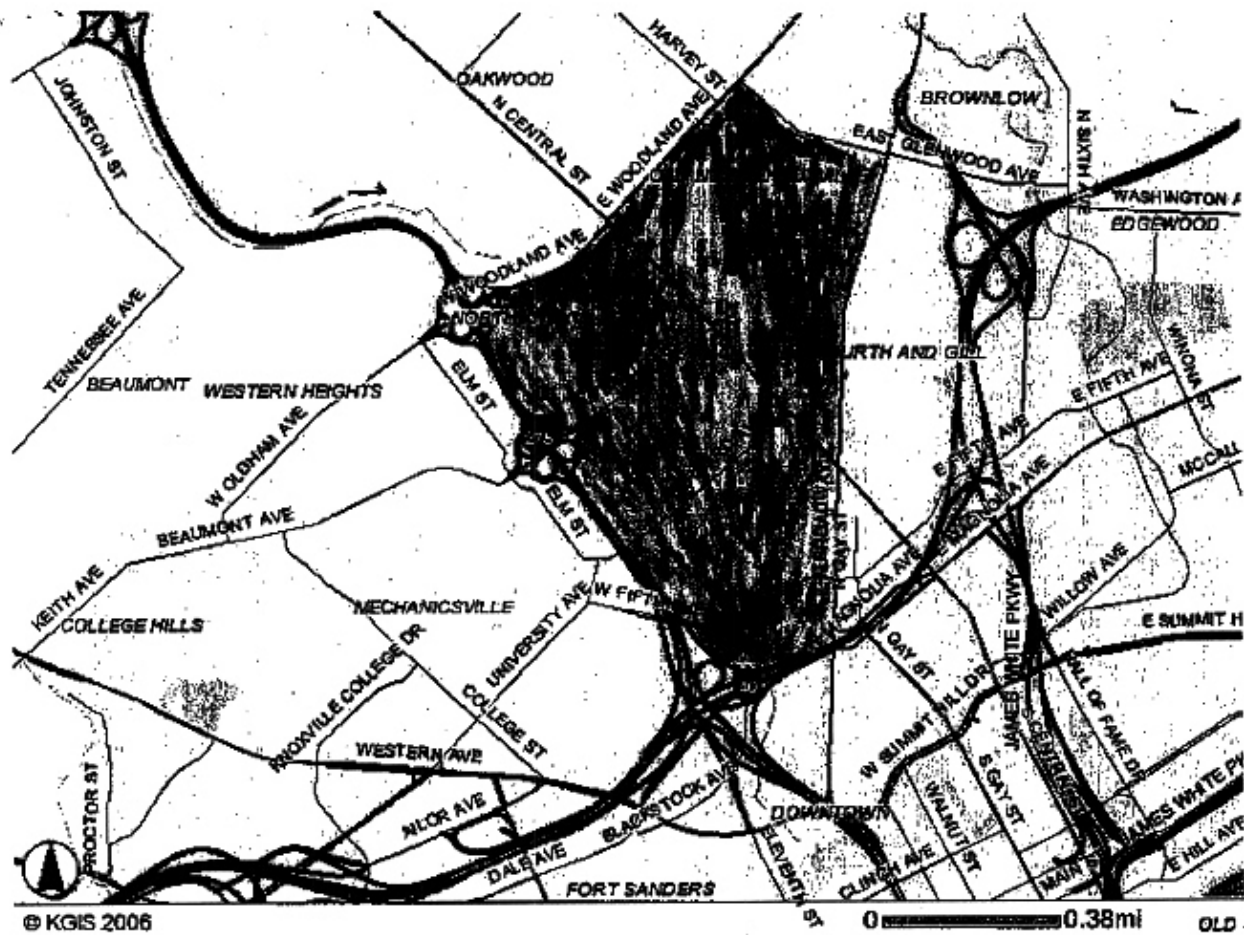
SECTION 3: That ten thousand dollars is hereby authorized as payment for expenses
associated with plan preparation and conducting the public hearing.

SECTION 4: This Resolution shall take effect from and after its passage, the welfare of the
City requiring it.



Presiding Officer of the Council


Recorder



Historic residential areas will be excluded when Final boundaries are prepared.

R E S O L U T I O N

1 A RESOLUTION OF THE COUNCIL OF
2 THE CITY OF KNOXVILLE ADOPTING
3 THE DOWNTOWN NORTH/I-275
4 CORRIDOR REDEVELOPMENT AND
5 URBAN RENEWAL PLAN DATED
6 MARCH 27, 2007.

RESOLUTION NO: R-189-07

REQUESTED BY: MPC

PREPARED BY: Law

APPROVED AS TO FORM AND

CORRECTNESS:

Director of Law

APPROVED: 5-8-2007

APPROVED AS

AN EMERGENCY

MEASURE:

MINUTE BOOK 71 PAGE

18 **WHEREAS**, the Downtown North/I-275 Corridor Redevelopment & Urban
19 Renewal Plan was created as the result of the Metropolitan Planning Commission's
20 work with the City, Development Corporation of Knox County, and the Knoxville's
21 Community Development Corporation; and

23 **WHEREAS**, this plan addresses improvements in the transportation
24 system, land uses, and community facilities surrounding I-275 and the Broadway and
25 Central Street corridors; and

R E S O L U T I O N

1 A RESOLUTION OF THE COUNCIL
2 OF THE CITY OF KNOXVILLE
3 APPROVING THE DOWNTOWN NORTH/I-
4 275 CORRIDOR REDEVELOPMENT AND
5 URBAN RENEWAL PLAN CONTAINING A
6 TAX INCREMENT FINANCING PROVISION

RESOLUTION NO: R-150-07

REQUESTED BY: Policy Development and
Councilmember Woodhull

PREPARED BY: Law

APPROVED AS TO FORM AND
CORRECTNESS:

Director of Law

APPROVED: 04-10-2007

APPROVED AS
AN EMERGENCY
MEASURE:

MINUTE BOOK 71 PAGE

15 WHEREAS, the Knoxville City Council approved Resolution No. R-394-06 on October 24,
16 2006, authorizing Knoxville's Community Development Corporation ("KCDC") to prepare a
17 redevelopment and urban renewal plan for the Broadway, Central, I-275 Corridors, and
18

19 WHEREAS, the aforementioned resolution directed KCDC to prepare Center City
20 Redevelopment Project Number 14, "Downtown North / I-275 Corridor Redevelopment and Urban
21 Renewal Plan," and to conduct a public hearing to determine the necessity for the adoption of the
22 plan as provided in T.C.A. §§ 13-20-203(b)(1) and 13-20-205(c); and
23

24 WHEREAS, during the development of the plan a request was made to the City
25 Administration to permit tax increment financing for the property located at 912 North Central
26

1 Avenue; and

2 WHEREAS, KCDC conducted a public hearing on March 27, 2007, as required by T.C.A. §
3 13-20-203, as amended, and considered any comments received at such public hearing in connection
4 with presenting the proposed plan; and

5 WHEREAS, there were no negative findings at the public hearing which would warrant
6 revision of the redevelopment and urban renewal plan; and

7
8 WHEREAS, KCDC prepared said plan pursuant to the procedure required for both an urban
9 renewal plan and a redevelopment plan.

10 NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
11 KNOXVILLE AS FOLLOWS:

12 SECTION 1: Center City Redevelopment Project Number 14, "Downtown North / I-275
13 Corridor Redevelopment and Urban Renewal Plan," containing a tax increment financing provision,
14 is hereby approved.

15
16 SECTION 2: The City Recorder is hereby directed to file a copy of said Redevelopment Plan
17 with the minutes of this meeting.

18 SECTION 3: This Resolution shall take effect from and after its passage, the welfare of the
19 City requiring it.

20
21 
22 Presiding Officer of the Council

23
24 
25 Recorder

RESOLUTION

**A RESOLUTION OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
APPROVING THE DOWNTOWN NORTH /I-275
CORRIDOR REDEVELOPMENT AND URBAN
RENEWAL PLAN CONTAINING A TAX
INCREMENT FINANCING PROVISION.**

RESOLUTION: R-07-4-902

REQUESTED BY: KCDC

PREPARED BY: KNOX COUNTY LAW
DIRECTOR

APPROVED AS TO FORM
AND CORRECTNESS:


DIRECTOR OF LAW

APPROVED: April 16, 2007
DATE

VETOED: _____
DATE

VETO
OVERRIDE: _____
DATE

MINUTE
BOOK _____ PAGE _____

WHEREAS, the Council of the City of Knoxville approved Resolution No. R-394-06 on October 24, 2006, authorizing Knoxville's Community Development Corporation to prepare a redevelopment and urban renewal plan for the Broadway, Central, I-275 corridors; and

WHEREAS, the aforementioned resolution directed KCDC to prepare Center City Redevelopment Project Number 14, Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan, and to conduct a public hearing to determine the necessity for the adoption of the plan as provided in T.C.A. §§ 13-20-203(b)(1) and 13-20-205(c); and

WHEREAS, KCDC conducted a public hearing on March 27, 2007, as required by Section 13-20-203 of the Tennessee Code Annotated, as amended, and considered any comments received at such public hearing in connection with presenting the proposed plan; and

WHEREAS, there were no negative findings at the public hearing which would warrant revision of the redevelopment and urban renewal plan; and

WHEREAS, KCDC prepared said plan pursuant to the procedure required for both an urban renewal plan and a redevelopment plan.

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION OF KNOX COUNTY AS FOLLOWS:

The Knox County Commission hereby approves Center City Redevelopment Project Number 14, Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan containing a tax increment financing provision.

BE IT FURTHER RESOLVED, that the County Clerk is hereby directed to file a copy of said Redevelopment Plan with the minutes of this meeting.

BE IT FURTHER RESOLVED, that if any notifications are to be made to effectuate this Resolution, then the County Clerk is hereby requested to forward a copy of this Resolution to the proper authority.

BE IT FURTHER RESOLVED, that this Resolution is to take effect from and after its passage, as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.

Scott M. Brown 4-16-07
Presiding Officer of the Commission Date

Billy G. Tindell 4-23-07
County Clerk Date

Approved: Mark E. Reynolds 4-21-07
County Mayor Date

Vetoed: _____
County Mayor Date

**DOWNTOWN NORTH / I-275 REDEVELOPMENT & URBAN
RENEWAL PLAN MINUTES OF PUBLIC MEETINGS**

**COMMUNITY MEETING
ON FEBRUARY 27, 2007:**

The meeting was called to order at 5 pm and concluded at 6:30 pm. Approximately 40 people were in attendance. KCDC Commissioners Craig Griffith and David Hutchins attended the meeting. Dan Tiller, KCDC Chief Development Officer, opened the meeting with an explanation of what is required in a redevelopment plan under state law and the process KCDC must follow in order to secure approval from the local government. He also discussed the boundaries of the redevelopment area. Don Peterson, KCDC VP for Development discussed the goals and objectives of the plan.

Renee David and Jeff Archer with MPC made presentations. Renee Davis conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan." Jeff Archer made a power point presentation on the "I-275 North Central Street Corridor Study."

The next item on the agenda was to solicit input, comments, and questions from the attendees. Ten people spoke to the issue: Ellen Lee, Michael Caplan, W.C. Marshall, Dwight Glenn, James Claiborne, Reginald Walker, Virginia Douglas, Andrea Rich, Allan Inman and Todd Kramer.

The questions were concerned with zoning, funding, eminent domain, parking, tax increment financing, how to obtain land in the area, when will Sysco be built, who will be developing the Graystone building, zone based codes, and the \$5 million in federal funding.

**COMMUNITY MEETING
ON MARCH 6, 2007:**

The meeting was called to order by Dan Tiller. Approximately 30 people were in attendance in addition to MPC and KCDC staff. Only 2 or 3 people in this group were at the last meeting. Councilman Hultquist and Mark Donaldson of MPC were in attendance. Mr. Tiller explained the process that is required to put a redevelopment plan in place under state law. The boundaries of the area were discussed and a large map was present for attendees to review. Mr. Tiller also gave a brief report of the questions and comments at the first meeting on February 27. Don Peterson discussed the goals and objectives of the plan.

Mike Carberry, with MPC, conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan" and the "I-275 North Central Street Corridor

Study". Mike explained that most of the goals and objectives of this redevelopment plan came from the study and the small area plan.

Attendees were then invited to comment, ask questions or provide input to the plan. A number of people spoke: Jeff Tallman, Courtney Piper, Daniel Schoh, Mike Baer, Patsy Brody and one or two others.

The questions were concerned with: inability to secure mortgage financing for residential property located in an industrial zone.....need to have a ordinance to address the issue; streamlining the better building board process; expanding the facade program; question about being informed of any zoning changes; What will be expected of property owners under the plan; what are the project priorities; How is 5th Avenue going to be attractive with all the construction work on I-40; what can be done about the huge billboards along Central and Broadway; and what uses could be established for the large areas under the interstate flyovers.

The meeting concluded at 6:15 pm.

PUBLIC HEARING ON MARCH 27, 2007:

The meeting was called to order at 5:00 pm and was adjourned at 6:15pm. Approximately 28 people attended. As was presented at the previous 2 community meetings, Dan Tiller opened the meeting with a welcome and an explanation of what is required in a redevelopment plan under state law and the process KCDC must follow in order to secure approval from the local government. He also discussed the boundaries of the redevelopment area. Don Peterson, KCDC VP for Development discussed the goals and objectives of the plan.

Mike Carberry, with MPC, conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan" and the "I-275 North Central Street Corridor Study". Mike explained that most of the goals and objectives of this redevelopment plan came from the study and the small area plan.

Dan Tiller then invited attendees to comment, ask questions or provide input to the plan. Twelve people spoke: Bob Witt, A. G. Hines, Ron Grimm, Mike Caplan, Kim Trent, Alfred Robinson, Vicky Bruce, Mr. Williams, Rodney Napier, Andy Renfro, Francis Wood and Jack Broyles. The questions and comments were: What is going to happen to Blackstock Avenue and how will it effect Witt Lumber Company as far as traffic and access during construction? Do you anticipate KCDC's Board, City Council & County Commission approving the plan? I oppose the plan because KCDC can seize private property. The Boundary should be larger...why not include blighted areas on the fringes of the proposed area. Why does the plan stop at Woodland Avenue? What connection does the Hackney site have with North Knoxville. I wholeheartly support the plan that

Jun. 12. 2007 1:00PM KNOX CO CLERK

No. 6132 P. 11

will improve Broadway and Central. What is the timeframe for improvements? Will truck traffic be affected in front of F.M. George? The plan should extend at least to Atlantic Avenue. I am pleased with KCDC's and MPC's efforts in preparing this plan. There are cases in this plan area where eminent domain is the only solution. How will an H-1 overlay affect my vacant lot? There was a tree preservation concerned that is not in the plan area. Respect the current businesses in the area.

Respectfully submitted,

Dan Tiller, Chief Development Officer, KCDC

RESOLUTION

**A RESOLUTION OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
APPROVING A TAX INCREMENT FINANCING
PROVISION AMENDMENT TO THE GAY STREET
REDEVELOPMENT AND URBAN RENEWAL PLAN.**

RESOLUTION: R-07-4-901

REQUESTED BY: KCDC

PREPARED BY: KNOX COUNTY LAW
DIRECTOR

**APPROVED AS TO FORM
AND CORRECTNESS:** 
DIRECTOR OF LAW

APPROVED: April 16, 2007
DATE

VETOED: _____
DATE

**VETO
OVERRIDE:** _____
DATE

**MINUTE
BOOK** _____ **PAGE** _____

WHEREAS, Knoxville's Community Development Corporation ("KCDC") has prepared an amendment to the redevelopment and urban renewal plan entitled the Gay Street Redevelopment and Urban Renewal Plan, a copy of which is attached hereto as Exhibit A, and has submitted the same to the Knox County for its approval under T.C.A. § 13-20-203(b)(1); and

WHEREAS, KCDC conducted a public hearing on March 12, 2007, as required by Sections 13-20-203(b) and 13-20-205(c) of the Tennessee Code Annotated, as amended, relating to the Amendment; and

WHEREAS, the purpose of the Plan Amendment is to permit the use of tax increment financing in connection with one parcel of real property located in the redevelopment area at 302 South Gay Street and known as the Crimson Building; and

WHEREAS, the proposed amendment to the plan has been submitted by KCDC to Knox County.

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION OF KNOX COUNTY AS FOLLOWS:

The Commission of Knox County hereby approves the amendment to the Gay Street Redevelopment and Urban Renewal Plan, attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, the tax increment financing is hereby approved for the Crimson Building Project not to exceed the limits estimated in the plan amendment.

BE IT FURTHER RESOLVED, that if any notifications are to be made to effectuate this Resolution, then the County Clerk is hereby requested to forward a copy of this Resolution to the proper authority.

BE IT FURTHER RESOLVED, that this Resolution is to take effect from and after its passage, as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.

Scott Moon 4-16-07
Presiding Officer of the Commission Date

Billy G. Hindell 4-27-07
County Clerk Date

Approved: Mike Rayfield 4-24-07
County Mayor Date

Vetoed: _____
County Mayor Date

**TAX INCREMENT AMENDMENT TO THE GAY STREET
REDEVELOPMENT AND URBAN RENEWAL PLAN**

Knoxville's Community Development Corporation ("KCDC") has previously prepared a redevelopment and urban renewal plan (the "Plan") for the Gay Street area. After a public hearing held by KCDC, the Plan was approved by the City Council of the City of Knoxville and the County Commission of Knox County, Tennessee. KCDC has received a request from a developer for a redevelopment project within the amended redevelopment area to utilize tax-increment financing in connection with their project. The purpose of this amendment to the Plan is to permit the use of tax-increment financing for such purpose.

TAX INCREMENT FINANCING PROVISION

The Plan is hereby amended to provide that, subject to the limitations herein, taxes, if any, levied each year upon real property leased or sold by KCDC to private developers for development as part of a redevelopment project shall after the date this amendment is approved by the City Council of the City of Knoxville and the County Commission of Knox County, Tennessee shall be divided as follows:

(1) That portion of taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property as shown upon the assessment roll of the appropriate assessor, as of the date of the most recently determined valuation prior to the date on which the redevelopment plan or urban renewal plan or amendment thereof was approved by the applicable municipality or municipalities pursuant to section 13-20-203, (the assessed value being herein called the "base assessment") shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which the actual assessment of the area comprising a redevelopment project is less than the base assessment, there shall be allocated and paid to the respective taxing agencies only those taxes actually produced by the application of the current tax rates against such actual assessment;

(2) All the taxes levied in each year in excess of the amount provided for in subdivision (1) shall be allocated to and, when collected, shall be paid into a special fund or funds of KCDC to pay the principal of and interest on bonds, loan or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the redevelopment project contemplated by such redevelopment plan. If any portion of the taxes received by KCDC pursuant to this provision are not needed within the next six-month period to pay scheduled debt service payments, such excess shall either be used to prepay such indebtedness or to reimburse any guarantor of such indebtedness for payments made by such guarantor with respect to such indebtedness;

(3) Upon the retirement of all bonds, loans or other indebtedness incurred by KCDC and payable from such special fund or funds or at such time as moneys on deposit in such special fund or funds are sufficient for such purpose, all the taxes referred to in subdivision (2) shall, when collected, be paid to the respective taxing agencies as taxes levied by such taxing agencies

EXHIBIT A

on all other property are paid, and KCDC shall give notice to the City of Knoxville and Knox County of such retirement. Any incremental taxes received by KCDC during the last tax year that the indebtedness is outstanding that is in excess of the amount needed to pay the remaining debt service on such indebtedness may be used to reimburse any guarantor of such indebtedness for payments made by such guarantor with respect to such indebtedness. Thereafter, all incremental tax revenues shall be retained by the appropriate taxing agency; and

(4) Taxes shall be levied and collected over all or any part of the area comprising a redevelopment project in the manner provided by the law with the following exceptions:

(A) The appropriate assessor shall, in each year during the period in which taxes are to be allocated to KCDC pursuant to subdivision (2), compute and certify the net amount, if any, by which the current assessed value of all taxable property located within the redevelopment project which is subject to taxation by the particular taxing agency exceeds the base assessment. The net amount of any such increase is referred to in this subdivision (4) as the incremental value for that particular year;

(B) In any year in which taxes are to be allocated to KCDC pursuant to subdivision (2) in which there is an incremental value, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the appropriate assessor shall extend the aggregate tax rate of such taxes against the base assessment and the incremental value and shall apply the taxes collected therefrom, subject to any other provisions of this amendment or any other legal limitations, as provided above; and

(C) For purposes of this section, if in any year property comprising a portion of a particular redevelopment project shall be removed from the tax rolls of a taxing agency, the base assessment for the area of such redevelopment project shall be reduced by the amount of the base assessment allocable to the property so removed for each subsequent year in which taxes are to be allocated to a particular authority pursuant to the above provisions.

Notwithstanding the foregoing, this tax increment financing provision shall only apply to real property acquired by KCDC that is approved by the City Council of the City of Knoxville and the County Commissioners of Knox County, Tennessee pursuant to a subsequent amendment to the Plan, provided, however, that this amendment shall apply without any further approvals to the real property located in the redevelopment area known as the Crimson Building at 302 South Gay Street presently owned by Crimson Inferno, LLC, Jeffrey Nash, Partner.

ECONOMIC INFORMATION RELATING TO TAX INCREMENT

The project is known as Crimson Inferno, LLC Building Project located at 302 South Gay Street. The estimated cost of the Project is approximately \$4,912,572. The sources that are expected to be used to pay the costs of the Project are a bank loan of \$3,745,000, tax increment financing of \$437,500, CBID façade grant of \$25,000, and owners equity of \$705,072. The estimated amount of the tax increment financing for the Crimson Inferno Building Project is \$437,500 and the final maturity is expected to be 15 years after the April 1 following the date

that the project is completed pursuant to the redevelopment agreement with KCDC. The expected impact of the tax increment financing amendment upon the City of Knoxville is approximately \$29,074 per year and on Knox County approximately \$34,863 per year.

CERTAIN TAXES EXCLUDED

Notwithstanding anything to the contrary in this section, taxes levied upon property subject to tax increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee, shall not be subject to allocation as provided in subsection (a), but shall be levied against such property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.



Billy G. Tindell
Knox County Clerk

www.knoxcounty.org/clerk

P.O. Box 1566

Knoxville, TN 37901

865.215.2390

Fax 865.215.2620

Fax Cover Sheet

Attention: Don Peterson

From: Kim

Re: _____

The information contained in this facsimile transmission is intended only for the use of the person(s) identified above. As such, it may contain confidential or other privileged information. Accordingly, if you are not the intended recipient, or are not the agent or employee of the intended recipient who is responsible for delivering this type of communication, you should be aware that any distribution, copying, re-transmission, or other publication of this communication is prohibited. If you have received this information in error, please notify the sender so that details for its proper disposal may be conveyed.

This fax contains 11 pages, including cover sheet.

Should you fail to receive all of the pages indicated, or if you experience disruption of the transmission, please call the sender at 865-215-3564 the omitted information may be re-transmitted.

R E S O L U T I O N

1 A RESOLUTION OF THE COUNCIL OF
2 THE CITY OF KNOXVILLE ADOPTING
3 THE DOWNTOWN NORTH/I-275
4 CORRIDOR REDEVELOPMENT AND
5 URBAN RENEWAL PLAN DATED
6 MARCH 27, 2007.

RESOLUTION NO: R-189-07

REQUESTED BY: MPC

PREPARED BY: Law

APPROVED AS TO FORM AND

CORRECTNESS:

Director of Law

APPROVED: 5-8-2007

APPROVED AS
AN EMERGENCY
MEASURE:

MINUTE BOOK 71 PAGE

18 WHEREAS, the Downtown North/I-275 Corridor Redevelopment & Urban
19 Renewal Plan was created as the result of the Metropolitan Planning Commission's
20 work with the City, Development Corporation of Knox County, and the Knoxville's
21 Community Development Corporation; and

23 WHEREAS, this plan addresses improvements in the transportation
24 system, land uses, and community facilities surrounding I-275 and the Broadway and
25 Central Street corridors; and
26

1 **WHEREAS**, this plan was prepared with the participation of the
2 community and local government interests through public meetings; and
3

4 **WHEREAS**, on April 12, 2007, the Metropolitan Planning Commission
5 approved the Plan; and

6 **WHEREAS**, notice of the MPC hearing on April 12, 2007 was published in
7 The Knoxville News Sentinel on March 30, 2007, and notice of the City Council meeting
8 on May 8, 2007 was published in The Knoxville News Sentinel on April 20, 2007.
9

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

12 **SECTION 1:** The Council hereby adopts the Downtown North I-275
13 Corridor Redevelopment and Urban Renewal Plan dated March 27, 2007 as shown on
14 Exhibit A, attached hereto and made a part hereof by reference.

15 **SECTION 2:** This Resolution shall take effect from and after its passage,
16 the public welfare requiring it.
17

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21 
22 City Recorder

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Presiding Officer of the Council

R E S O L U T I O N

1 A RESOLUTION OF THE COUNCIL
2 OF THE CITY OF KNOXVILLE
3 APPROVING THE DOWNTOWN NORTH /I-
4 275 CORRIDOR REDEVELOPMENT AND
5 URBAN RENEWAL PLAN CONTAINING A
6 TAX INCREMENT FINANCING PROVISION

RESOLUTION NO: R-150-07

REQUESTED BY: Policy Development and
Councilmember Woodhull

PREPARED BY: Law

APPROVED AS TO FORM AND

CORRECTNESS:

Director of Law

APPROVED: 04-10-2007

APPROVED AS
AN EMERGENCY
MEASURE:

MINUTE BOOK 71 PAGE

15 WHEREAS, the Knoxville City Council approved Resolution No. R-394-06 on October 24,
16 2006, authorizing Knoxville's Community Development Corporation ("KCDC") to prepare a
17 redevelopment and urban renewal plan for the Broadway, Central, I-275 Corridors, and
18

19 WHEREAS, the aforementioned resolution directed KCDC to prepare Center City
20 Redevelopment Project Number 14, "Downtown North / I-275 Corridor Redevelopment and Urban
21 Renewal Plan," and to conduct a public hearing to determine the necessity for the adoption of the
22 plan as provided in T.C.A. §§ 13-20-203(b)(1) and 13-20-205(c); and
23

24 WHEREAS, during the development of the plan a request was made to the City
25 Administration to permit tax increment financing for the property located at 912 North Central
26

1 Avenue; and

2 WHEREAS, KCDC conducted a public hearing on March 27, 2007, as required by T.C.A. §
3 13-20-203, as amended, and considered any comments received at such public hearing in connection
4 with presenting the proposed plan; and

5 WHEREAS, there were no negative findings at the public hearing which would warrant
6 revision of the redevelopment and urban renewal plan; and

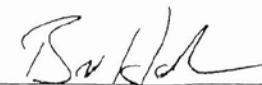
7 WHEREAS, KCDC prepared said plan pursuant to the procedure required for both an urban
8 renewal plan and a redevelopment plan.

9
10 NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
11 KNOXVILLE AS FOLLOWS:

12 SECTION 1: Center City Redevelopment Project Number 14, "Downtown North / I-275
13 Corridor Redevelopment and Urban Renewal Plan," containing a tax increment financing provision,
14 is hereby approved.

15
16 SECTION 2: The City Recorder is hereby directed to file a copy of said Redevelopment Plan
17 with the minutes of this meeting.

18 SECTION 3: This Resolution shall take effect from and after its passage, the welfare of the
19 City requiring it.

20
21 

22 Presiding Officer of the Council

23
24 
25 Recorder

RESOLUTION

A RESOLUTION OF THE COMMISSION
OF KNOX COUNTY, TENNESSEE,
APPROVING THE DOWNTOWN NORTH /I-275
CORRIDOR REDEVELOPMENT AND URBAN
RENEWAL PLAN CONTAINING A TAX
INCREMENT FINANCING PROVISION.

RESOLUTION: R-07-4-902

REQUESTED BY: KCDC

PREPARED BY: KNOX COUNTY LAW
DIRECTOR

APPROVED AS TO FORM
AND CORRECTNESS: 
DIRECTOR OF LAW

APPROVED: April 16, 2007
DATE

VETOED: _____
DATE

VETO
OVERRIDE: _____
DATE

MINUTE
BOOK _____ PAGE _____

WHEREAS, the Council of the City of Knoxville approved Resolution No. R-394-06 on October 24, 2006, authorizing Knoxville's Community Development Corporation to prepare a redevelopment and urban renewal plan for the Broadway, Central, I-275 corridors; and

WHEREAS, the aforementioned resolution directed KCDC to prepare Center City Redevelopment Project Number 14, Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan, and to conduct a public hearing to determine the necessity for the adoption of the plan as provided in T.C.A. §§ 13-20-203(b)(1) and 13-20-205(c); and

WHEREAS, KCDC conducted a public hearing on March 27, 2007, as required by Section 13-20-203 of the Tennessee Code Annotated, as amended, and considered any comments received at such public hearing in connection with presenting the proposed plan; and

WHEREAS, there were no negative findings at the public hearing which would warrant revision of the redevelopment and urban renewal plan; and

WHEREAS, KCDC prepared said plan pursuant to the procedure required for both an urban renewal plan and a redevelopment plan.

NOW THEREFORE BE IT RESOLVED BY THE COMMISSION OF KNOX COUNTY AS FOLLOWS:

The Knox County Commission hereby approves Center City Redevelopment Project Number 14, Downtown North/I-275 Corridor Redevelopment and Urban Renewal Plan containing a tax increment financing provision.

BE IT FURTHER RESOLVED, that the County Clerk is hereby directed to file a copy of said Redevelopment Plan with the minutes of this meeting.

BE IT FURTHER RESOLVED, that if any notifications are to be made to effectuate this Resolution, then the County Clerk is hereby requested to forward a copy of this Resolution to the proper authority.

BE IT FURTHER RESOLVED, that this Resolution is to take effect from and after its passage, as provided by the Charter of Knox County, Tennessee, the public welfare requiring it.

Scott Moon 4-16-07
Presiding Officer of the Commission Date

Billy G. Tindell 4-23-07
County Clerk Date

Approved: Mike Ragsdale 4-21-07
County Mayor Date

Vetoed: _____
County Mayor Date

DOWNTOWN NORTH / I-275 REDEVELOPMENT & URBAN RENEWAL PLAN MINUTES OF PUBLIC MEETINGS

COMMUNITY MEETING ON FEBRUARY 27, 2007:

The meeting was called to order at 5 pm and concluded at 6:30 pm. Approximately 40 people were in attendance. KCDC Commissioners Craig Griffith and David Hutchins attended the meeting. Dan Tiller, KCDC Chief Development Officer, opened the meeting with an explanation of what is required in a redevelopment plan under state law and the process KCDC must follow in order to secure approval from the local government. He also discussed the boundaries of the redevelopment area. Don Peterson, KCDC VP for Development discussed the goals and objectives of the plan.

Renee David and Jeff Archer with MPC made presentations. Renee Davis conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan." Jeff Archer made a power point presentation on the "I-275 North Central Street Corridor Study."

The next item on the agenda was to solicit input, comments, and questions from the attendees. Ten people spoke to the issue: Ellen Lee, Michael Caplan, W.C. Marshall, Dwight Glenn, James Claiborne, Reginald Walker, Virginia Douglas, Andrea Rich, Allan Inman and Todd Kramer.

The questions were concerned with zoning, funding, eminent domain, parking, tax increment financing, how to obtain land in the area, when will Sysco be built, who will be developing the Graystone building, zone based codes, and the \$5 million in federal funding.

COMMUNITY MEETING ON MARCH 6, 2007:

The meeting was called to order by Dan Tiller. Approximately 30 people were in attendance in addition to MPC and KCDC staff. Only 2 or 3 people in this group were at the last meeting. Councilman Hultquist and Mark Donaldson of MPC were in attendance. Mr. Tiller explained the process that is required to put a redevelopment plan in place under state law. The boundaries of the area were discussed and a large map was present for attendees to review. Mr. Tiller also gave a brief report of the questions and comments at the first meeting on February 27. Don Peterson discussed the goals and objectives of the plan.

Mike Carberry, with MPC, conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan" and the "I-275 North Central Street Corridor

Study". Mike explained that most of the goals and objectives of this redevelopment plan came from the study and the small area plan.

Attendees were then invited to comment, ask questions or provide input to the plan. A number of people spoke: Jeff Tallman, Courtney Piper, Daniel Schoh, Mike Baer, Patsy Brody and one or two others.

The questions were concerned with: inability to secure mortgage financing for residential property located in an industrial zone.....need to have a ordinance to address the issue; streamlining the better building board process; expanding the façade program; question about being informed of any zoning changes; What will be expected of property owners under the plan; what are the project priorities; How is 5th Avenue going to be attractive with all the construction work on I-40; what can be done about the huge billboards along Central and Broadway; and what uses could be established for the large areas under the interstate flyovers.

The meeting concluded at 6:15 pm.

PUBLIC HEARING ON MARCH 27, 2007:

The meeting was called to order at 5:00 pm and was adjourned at 6:15pm. Approximately 28 people attended. As was presented at the previous 2 community meetings, Dan Tiller opened the meeting with a welcome and an explanation of what is required in a redevelopment plan under state law and the process KCDC must follow in order to secure approval from the local government. He also discussed the boundaries of the redevelopment area. Don Peterson, KCDC VP for Development discussed the goals and objectives of the plan.

Mike Carberry, with MPC, conducted a power point presentation on the "Broadway, Central, Emory Place Small Area Plan" and the "I-275 North Central Street Corridor Study". Mike explained that most of the goals and objectives of this redevelopment plan came from the study and the small area plan.

Dan Tiller then invited attendees to comment, ask questions or provide input to the plan. Twelve people spoke: Bob Witt, A. G. Hines, Ron Grimm, Mike Caplan, Kim Trent, Alfred Robinson, Vicky Bruce, Mr. Williams, Rodney Napier, Andy Renfro, Francis Wood and Jack Broyles. The questions and comments were: What is going to happen to Blackstock Avenue and how will it effect Witt Lumber Company as far as traffic and access during construction? Do you anticipate KCDC's Board, City Council & County Commission approving the plan? I oppose the plan because KCDC can seize private property. The Boundary should be larger...why not include blighted areas on the fringes of the proposed area. Why does the plan stop at Woodland Avenue? What connection does the Hackney site have with North Knoxville. I wholeheartly support the plan that

will improve Broadway and Central. What is the timeframe for improvements? Will truck traffic be affected in front of F.M. George? The plan should extend at least to Atlantic Avenue. I am pleased with KCDC's and MPC's efforts in preparing this plan. There are cases in this plan area where eminent domain is the only solution. How will an H-1 overlay affect my vacant lot? There was a tree preservation concerned that is not in the plan area. Respect the current businesses in the area.

Respectfully submitted,

Dan Tiller, Chief Development Officer, KCDC

APPENDIX D-Resources

1. I-275/North Central Street Corridor Study prepared by the Knoxville-Knox County Metropolitan Planning Commission, 2007. Website: <http://www.knoxmpc.org>
2. Broadway/Fifth Avenue Task Force Report to Mayor, December 12, 2006. Website: <http://www.cityofknoxville.org>
3. Metropolitan Planning Commission
Mark Donaldson, Renee Davis, Jeff Archer and Mike Carberry (Planning Staff).
Sarah Powell and Tim Kuhn (Graphics and Geographic Information Systems).
Birds Eye Views were drawn by Dede Christopher, Christopher Illustrations, Maryville, TN
4. KCDC
<http://www.kcdc.org>
Special Thanks to KCDC Graphic Illustrator/Designer Eric Bellamy

R E S O L U T I O N

1 A RESOLUTION OF THE CITY COUNCIL
 2 OF THE CITY OF KNOXVILLE
 3 APPROVING A TAX INCREMENT
 4 FINANCING AMENDMENT TO THE
 5 DOWNTOWN NORTH/I-275 CORRIDOR
 6 REDEVELOPMENT AND URBAN
 7 RENEWAL PLAN.

RESOLUTION NO: R-80-09
 REQUESTED BY: Policy & Communications
 PREPARED BY: Law
 APPROVED AS TO FORM AND
 CORRECTNESS: Director of Law
 APPROVED: 03-10-2009
 APPROVED AS
 AN EMERGENCY
 MEASURE: _____
 MINUTE BOOK 73 PAGE _____

16 WHEREAS, the City Council of the City of Knoxville has previously approved a
 17 redevelopment and urban renewal plan designated the Downtown North/I-275 Corridor
 18 Redevelopment and Urban Renewal Plan (the "Plan").

19 Knoxville's Community Development Corporation ("KCDC") has prepared a tax
 20 increment financing amendment (the "Amendment") to the Plan; and,

21 WHEREAS, KCDC conducted a public hearing on Friday, March 6, 2009, as required by
 22 Sections 13-20-203(b) and 13-20-205(c) of the Tennessee Code Annotated, as amended, relating
 to the Amendment; and,


23 WHEREAS, a summary of the public hearing has been prepared by KCDC and submitted
 24 to the City; and

25 WHEREAS, the proposed Amendment to the Plan has been submitted by KCDC to the
 26 City.

1
2 NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
3 KNOXVILLE:

4 SECTION 1: The tax increment financing amendment to the Downtown North/I-275
5 Corridor Redevelopment and Urban Renewal Plan, as presented to the City Council on the date
6 hereof, is hereby approved, and the City Recorder is hereby directed to file a copy of said
7 amendment with the minutes of this meeting.

8 SECTION 2: This Resolution shall take effect from and after its passage, the welfare of
9 the City requiring it.

10
11 
12 _____
13 Presiding Officer of the Council

14
15 
16 _____
17 Recorder

**TAX INCREMENT AMENDMENT TO THE DOWNTOWN
NORTH/I-275 CORRIDOR REDEVELOPMENT AND
URBAN RENEWAL PLAN**

Knoxville's Community Development Corporation ("KCDC") has previously prepared a redevelopment and urban renewal plan (the "Plan") for the Downtown North/I-275 Corridor area. After a public hearing held by KCDC, the Plan was approved by the City Council of the City of Knoxville and the County Commission of Knox County, Tennessee. KCDC has received a request from a developer for a redevelopment project within the amended redevelopment area to utilize tax-increment financing in connection with their project. The purpose of this amendment to the Plan is to permit the use of tax-increment financing for such purpose.

TAX INCREMENT FINANCING PROVISION

The Plan is hereby amended to provide that, subject to the limitations herein, taxes, if any, levied each year upon real property leased or sold by KCDC to private developers for development as part of a redevelopment project shall after the date this amendment is approved by the City Council of the City of Knoxville and the County Commission of Knox County, Tennessee shall be divided as follows:

(1) That portion of taxes which would be produced by the rate at which the tax is levied each year by each taxing agency, upon the assessed value of such property as shown upon the assessment roll of the appropriate assessor, as of the date of the most recently determined valuation prior to the date on which the redevelopment plan or urban renewal plan or amendment thereof was approved by the applicable municipality or municipalities pursuant to section 13-20-203, (the assessed value being herein called the "base assessment") shall be allocated to, and when collected, shall be paid to, the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid; provided, that in any year in which the actual assessment of the area comprising a redevelopment project is less than the base assessment, there shall be allocated and paid to the respective taxing agencies only those taxes actually produced by the application of the current tax rates against such actual assessment;

(2) All the taxes levied in each year in excess of the amount provided for in subdivision (1) shall be allocated to and, when collected, shall be paid into a special fund or funds of KCDC to pay the principal of and interest on bonds, loan or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the redevelopment project contemplated by such redevelopment plan. If any portion of the taxes received by KCDC pursuant to this provision are not needed within the next six-month period to pay scheduled debt service payments, such excess shall either be used to prepay such indebtedness or to reimburse any guarantor of such indebtedness for payments made by such guarantor with respect to such indebtedness;

(3) Upon the retirement of all bonds, loans or other indebtedness incurred by KCDC and payable from such special fund or funds or at such time as moneys on deposit in such special fund or funds are sufficient for such purpose, all the taxes referred to in subdivision (2) shall,

when collected, be paid to the respective taxing agencies as taxes levied by such taxing agencies on all other property are paid, and KCDC shall give notice to the City of Knoxville and Knox County of such retirement. Any incremental taxes received by KCDC during the last tax year that the indebtedness is outstanding that is in excess of the amount needed to pay the remaining debt service on such indebtedness may be used to reimburse any guarantor of such indebtedness for payments made by such guarantor with respect to such indebtedness. Thereafter, all incremental tax revenues shall be retained by the appropriate taxing agency; and

(4) Taxes shall be levied and collected over all or any part of the area compromising a redevelopment project in the manner provided by the law with the following exceptions:

(A) The appropriate assessor shall, in each year during the period in which taxes are to be allocated to KCDC pursuant to subdivision (2), compute and certify the net amount, if any, by which the current assessed value of all taxable property located within the redevelopment project which is subject to taxation by the particular taxing agency exceeds the base assessment. The net amount of any such increase is referred to in this subdivision (4) as the incremental value for that particular year;

(B) In any year in which taxes are to be allocated to KCDC pursuant to subdivision (2) in which there is an incremental value, the appropriate assessor shall exclude it from the assessed value upon which the appropriate assessor computes the tax rates for taxes levied that year by the taxing agency. However, the appropriate assessor shall extend the aggregate tax rate of such taxes against the base assessment and the incremental value and shall apply the taxes collected therefrom, subject to any other provisions of this amendment or any other legal limitations, as provided above; and

(C) For purposes of this section, if in any year property compromising a portion of a particular redevelopment project shall be removed from the tax rolls of a taxing agency, the base assessment for the area of such redevelopment project shall be reduced by the amount of the base assessment allocable to the property so removed for each subsequent year in which taxes are to be allocated to a particular authority pursuant to the above provisions.

Notwithstanding the foregoing, this tax increment financing provision shall only apply to real property acquired by KCDC that is approved by the City Council of the City of Knoxville and the County Commissioners of Knox County, Tennessee pursuant to a subsequent amendment to the Plan, provided, however, that this amendment shall apply without any further approvals to the real property located in the redevelopment area known the Paterson Cottages at 605 King Street, Lucerne at 209 W. Fifth Avenue, Sterchi Oaks at 201 W. Fifth Avenue presently owned by Matisse Capital, LLC.

ECONOMIC INFORMATION RELATING TO TAX INCREMENT

The project is known as the Paterson Cottages at 605 King Street, Lucerne at 209 W. Fifth Avenue, Sterchi Oaks at 201 W. Fifth Avenue. The estimated cost of the Project is approximately \$3,734,762. The sources that are expected to be used to pay the costs of the Project are a construction loan of \$2,500,000, a Seller's Note of \$200,000, tax increment

financing of \$356,000, and owners equity of \$678,762. The estimated amount of the tax increment financing for the Matisse Capital LLC Building Project is \$356,000 and the final maturity is expected to be 15 years after the April 1 following the date that the project is completed pursuant to the redevelopment agreement with KCDC. The expected impact of the tax increment financing amendment upon the City of Knoxville is approximately \$18,807 per year and on Knox County approximately \$21,563 per year.

CERTAIN TAXES EXCLUDED

Notwithstanding anything to the contrary in this section, taxes levied upon property subject to tax increment financing provisions by any taxing agency for the payment of principal of and interest on all bonds, loans or other indebtedness of such taxing agency, and taxes levied by or for the benefit of the State of Tennessee, shall not be subject to allocation as provided in subsection (a), but shall be levied against such property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

**DOWNTOWN NORTH/I-275 REDEVELOPMENT TIMELINE – West Fifth
Avenue Condos**

| | |
|--|----------------------------------|
| Prepare Advertising Notice..... | February 4, 2009 |
| Deliver Notice to Newspaper..... | February 5, 2009 |
| Notice to Taxing Agencies..... | February 9, 2009 |
| Advertise Public Hearing..... | February 10, 17, 24, 2009 |
| Resolution to County Commission..... | February 27, 2009 |
| Mail Notices to Property Owners..... | February 27, 2009 |
| Deliver City Council Resolution..... | February 27, 2009 |
| Conduct Public Hearing at KCDC (4 pm)..... | March 6, 2009 |
| City Council Approval..... | March 10, 2009 |
| County Commission Committees Approval..... | March 16, 17, 2009 |
| County Commission Approval..... | March 23, 2009 |
| KCDC Board Approval..... | March 26, 2009 |

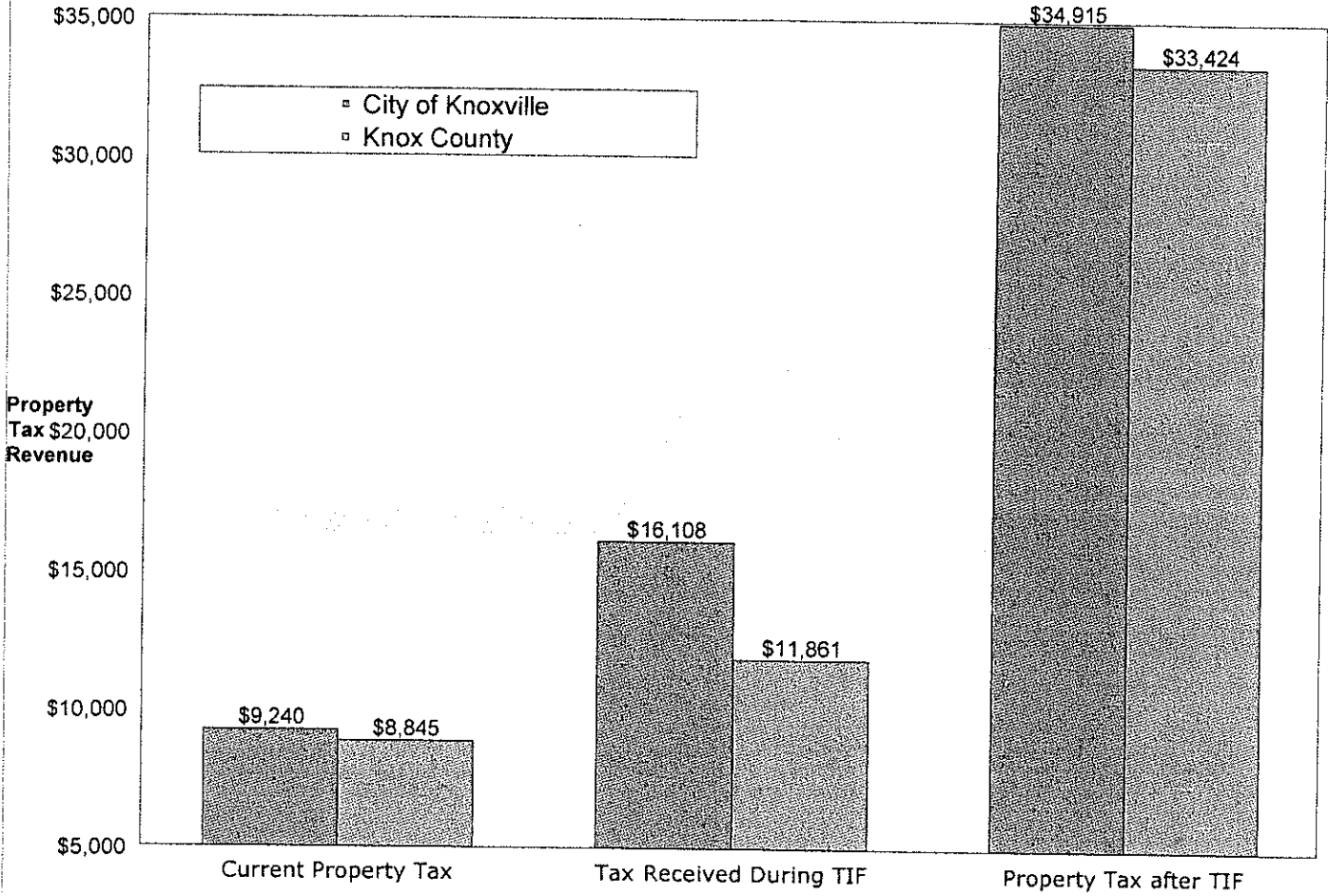


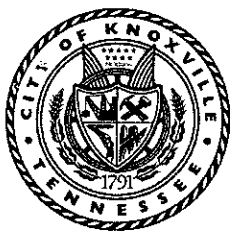
TAX INCREMENT FINANCING WORKSHEET **Matisse Capital - West Fifth Ave Condos**

| | | | | INCREMENTAL GROWTH |
|---|-----------|-----------------------------|---------------------------------|-------------------------------|
| Appraised Value | | CURRENT 1,315,280 | ANTICIPATED 4,970,152 | 3,654,872 |
| Residential Assessment Rate | 25% | 328,820 | 1,242,538 | 913,718 |
| Mil Rate/100 | 0.01 | 3,288 | 12,425 | 9,137 |
| Taxes: | | | | |
| City Rate | \$2.81 | 9,240 | 34,915 | 25,675 |
| County Rate | \$2.69 | 8,845 | 33,424 | 24,579 |
| TOTAL REVENUE | | \$18,085 | \$68,340 | \$50,254 |
| Less: | | | | |
| Current Tax Base Assessed at | \$328,820 | 18,085 | | |
| City Debt Service Rate | 26.75% | 2,472 | 9,340 | 6,868 |
| County Debt Service Rate | 12.27% | 1,085 | 4,101 | 3,016 |
| Gross available to service debt | | | | \$40,370 |
| Lender Debt Service Coverage | | | | 1.1 |
| Total Available for Debt Service | | | | 36,700.41 |

| TIF SUMMARY | | |
|--|-----------------|-----------------|
| | City | County |
| Current Property Tax | \$9,240 | \$8,845 |
| Tax Received During TIF | \$16,108 | \$11,861 |
| Property Tax after TIF | \$34,915 | \$33,424 |
| Financial Impact during TIF period: | \$18,807 | \$21,563 |

Property Tax Comparison - xxx





CITY OF KNOXVILLE, TENNESSEE

CITY COUNCIL

AGENDA INFORMATION SHEET

11L

AGENDA DATE: March 10, 2009

DEPARTMENT: Policy & Communication

SR. DEPT. DIRECTOR: Bill Lyons

AGENDA SUMMARY KCDC wishes to amend the Downtown North/I275 Redevelopment and Urban Renewal plan to provide TIF financing for properties located at 209 W Fifth Ave., 201 W. Fifth Ave. and 605 King St.

COUNCIL DISTRICT(S) AFFECTED 6th District, Council Member Bob Booker

BACKGROUND This project will lead to the restoration of three 1920's apartment buildings on Fifth Ave. by converting them to condominiums for sale. The project will preserve historic structures and enhance residential development on Fifth Ave just 3 blocks from the planned restoration of Minvilla manor. Currently the properties generate \$18,085 annually in local taxes, during the TIF period they will generate \$28,000 annually and at the conclusion of the TIF period the estimated annual tax revenue is \$68,000 per year. The project has been reviewed and is supported by appropriate staff of the City, County and KCDC. A public hearing will be held on March 6 and comments from that meeting will be brought to Council at the March 10 meeting.

RECOMMENDATION Approve

ESTIMATED PROJECT SCHEDULE Begin spring of 2009 with completion in 2010

PRIOR ACTION/REVIEW KCDC staff review, City staff review, Public Hearing

FISCAL INFORMATION No direct cost to City

ATTACHMENTS KCDC amendment Package

Respectfully submitted: