

CENTER CITY REDEVELOPMENT

PROJECT NUMBER 8

NORTHSIDE WATERFRONT

REDEVELOPMENT PLAN

PREPARED BY:

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

NOVEMBER, 1993

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FOREWORD

The Downtown Concept Plan includes strong support for initiating waterfront activity. An initial provision of the Downtown Plan (Executive Summary, Page IV) cites the need for a "comprehensive plan for the entire regional waterfront". Among downtown goals is the statement that "physical improvements and access to the river are high priorities". (Page 4, Goal #2)

The Northside Waterfront Redevelopment Plan is a logical extension of previous downtown development. This Redevelopment Plan is presented as the City's policy to guide public and private improvements on the north riverbank.

Waterfront development is an important goal in continuing the overall revitalization of the Center City. Redevelopment opportunities abound on the north riverbank, and achieving the objectives of this Plan will enhance the quality and quantity of life for all of Knoxville's citizens.

Approval of this Redevelopment Plan does not guarantee that development will occur, but only provides the legal framework within which development may occur if all contingencies are removed. Specifically, an alternate South Knoxville Boulevard Connector route must be developed before significant development can occur within the redevelopment area. With the help of public input, that route is in the process of being developed.

INTRODUCTION

The acceptance of economic development as a normal part of community life is an important step in bringing credibility and influence to the revitalization movement in our Center City. Fortunately, our community leadership has recognized the quality of life provided by the many changes which have taken place in the recent past. Over 75 major development, redevelopment, and restoration projects have been completed in the Downtown area during the past fifteen years. Economic development means a community becomes more complex and contains more types of activities. It is also useful to know how others define this elusive term "development". The construction industry considers it to be land development or real estate development; that is, the building of a new structure on a particular site. Where the site is vacant, this activity is called development; where an existing structure is demolished or improved to make way for a new building, it is called redevelopment; where an existing structure is renovated or rehabilitated, it is called preservation or restoration.

"Development or growth for its own sake is clearly not an adequate goal for a community. What kind of development is desired? What are the development's benefits? Is development always good? How do communities decide? How can development opportunities be compared and evaluated?

Economic development must ultimately be concerned with preserving and enhancing the quality of life in a community. Appropriate economic development must therefore be concerned not only with economic viability, but also with community values and goals.

There are no easy formulas. Each downtown community is unique and will require unique solutions. Thus it is critical to develop a community-based process to clarify the wide range of local issues to be addressed in the development process. To begin, the community must first identify and articulate its own special values and goals. A large degree of meaningful community involvement is required at this stage. Once consensus is achieved, these values help to establish desired directions for growth and diversification, and also provide criteria by which the feasibility of proposals or opportunities can be assessed." (Reprinted from Economic Development On Main Street, April, 1988.)

Our community has dealt with the issues and established goals through consensus plans - the 1974 General Redevelopment Plan and the 1987 Downtown Knoxville Plan. Accordingly, specific redevelopment plans for designated areas have been implemented; a process for comparing and evaluating development opportunities has been established, and public hearings were held to secure representative community approval.

This Redevelopment Plan, Northside Waterfront Redevelopment Plan, is concerned with reinforcing the recent development in the Central Business District (CBD) and providing development opportunities along the north side of Knoxville's waterfront. Now that the Central Business District has undergone significant redevelopment, it is past time to shift our emphasis toward the Tennessee River which flows through the heart of Downtown Knoxville. "Its form represents a meandering natural work of art. Its function includes water source, transportation route and recreation area," (Knoxville Waterfront Master Plan).

Mayor Ashe's Waterfront Task Force in 1988-89 performed a preliminary examination of constraints and opportunities related to Knoxville's waterfront. The report prepared and submitted by the Mayor's Waterfront Task Force describes "the waterfront's lack of image-

enhancing development along its banks, which heightens the need to focus attention on the riverfront. There is a limited land base available for new waterfront activity. The combination of topography, street and railroad right-of-way and developed land has resulted in relatively few opportunities to assemble any significant land base on the waterfront," (Knoxville Waterfront Master Plan, Planning Report, Volume One).

The Master Plan has been reviewed and comments made by the general public in a series of public meetings, and was adopted by the Metropolitan Planning Commission and Knoxville City Council on March 8, 1990 and March 20, 1990, respectively.

The Knoxville Waterfront Master Plan prepared subsequent to the Task Force Report is a "blueprint for blending the beautiful and practical, to create a new Knoxville Waterfront." One of the many elements of the Master Plan is northside development, which is the focus of this Redevelopment Plan.

PROJECT AREA, LOCATION, OCCUPANTS AND EXISTING CONDITIONS

The proposed project area is generally bounded by New Church Avenue on the east, Fort Loudon Lake on the south, Second Creek on the west, and Hill Avenue and Neyland Drive on the north. Regional access to the area is via Chapman Highway, the Downtown Loop, Henley Street and Interstate 40/75.

The project area contains a mix of one commercial structure (Calhoun's), the Star of Knoxville Riverboat, a railroad spur line, and vacant land. The relatively larger waterfront parcels are primarily zoned O-1 and O-2, with the two major on-site businesses being commercial. The balance of the area is primarily vacant land.

The largest parcel in the project area is State-owned right-of-way. The total project area contains approximately 63 acres.

Water access to and from Fort Loudoun Reservoir is potentially available throughout the approximately 5,500 feet of waterfront property located within the redevelopment project area. Topographic constraints present relatively modest design challenges in some areas, but otherwise access opportunities are generally unimpeded.

Rail access exists to and through the project boundary. The Norfolk-Southern Railway has a spur line which traverses the project area from west to east immediately east of Lake Loudoun Boulevard.

Because the redevelopment area is currently urban in nature, the existing utility systems are well developed. The area is currently served by electricity, potable water, sanitary sewers, natural gas, cable television and telephone. All of these systems are in good condition and there is adequate capacity to accommodate an increase in development density.

Commercial and industrial uses represent approximately 6 acres of the total redevelopment area. There are no residential uses. Public and quasi-public (e.g., utility easements) land uses include approximately 28 acres. Zoning districts within the area include: F-1, O-1, O-2, and H-1 overlay.

The project boundary has been drawn to include a geographic area sufficient to accomplish the objectives of redevelopment. To that end, the Plan includes a core area around the Hyatt Hotel and virtually all waterfront property from Second Creek to First Creek.

The area is characterized by under-utilization of land, inappropriate land uses, limited public access, poor vehicular access, and blighting conditions. There are several important access issues related to the potential of the area for redevelopment. A primary issue is access to the area for the local and regional markets. A major constraint affecting the traffic capacity and access to the waterfront is the Norfolk-Southern Railroad spur line. Improvements in the area for the most part have been non-existent for many years and the prospect for private development is highly unlikely without public intervention. These elements and other factors have resulted in limited developer activity in the area and prospects for new development appear to be increasingly negative. The blighting influences are evident throughout the project boundary.

The inclusion of the large land area will allow a more comprehensive approach to elimination of blight and blighting influences. Additionally, it will be possible to phase the

redevelopment activity consistent with market demand, availability of public funds, and public capital improvement plans.

There are a total of seven (7) parcels of land within the project area. Vacant land represents the dominant land use.

Considering the deficiencies which abound in the area, this Project is determined to be a blighted area within the meaning of Section 13-20-201 et. seq. of the Tennessee Code Annotated.

This finding is further supported by data in various studies and reports by the Waterfront Task Force and others, visual observation, and the continuing decline and history of the project area.

PROJECT BOUNDARY LEGAL DESCRIPTION

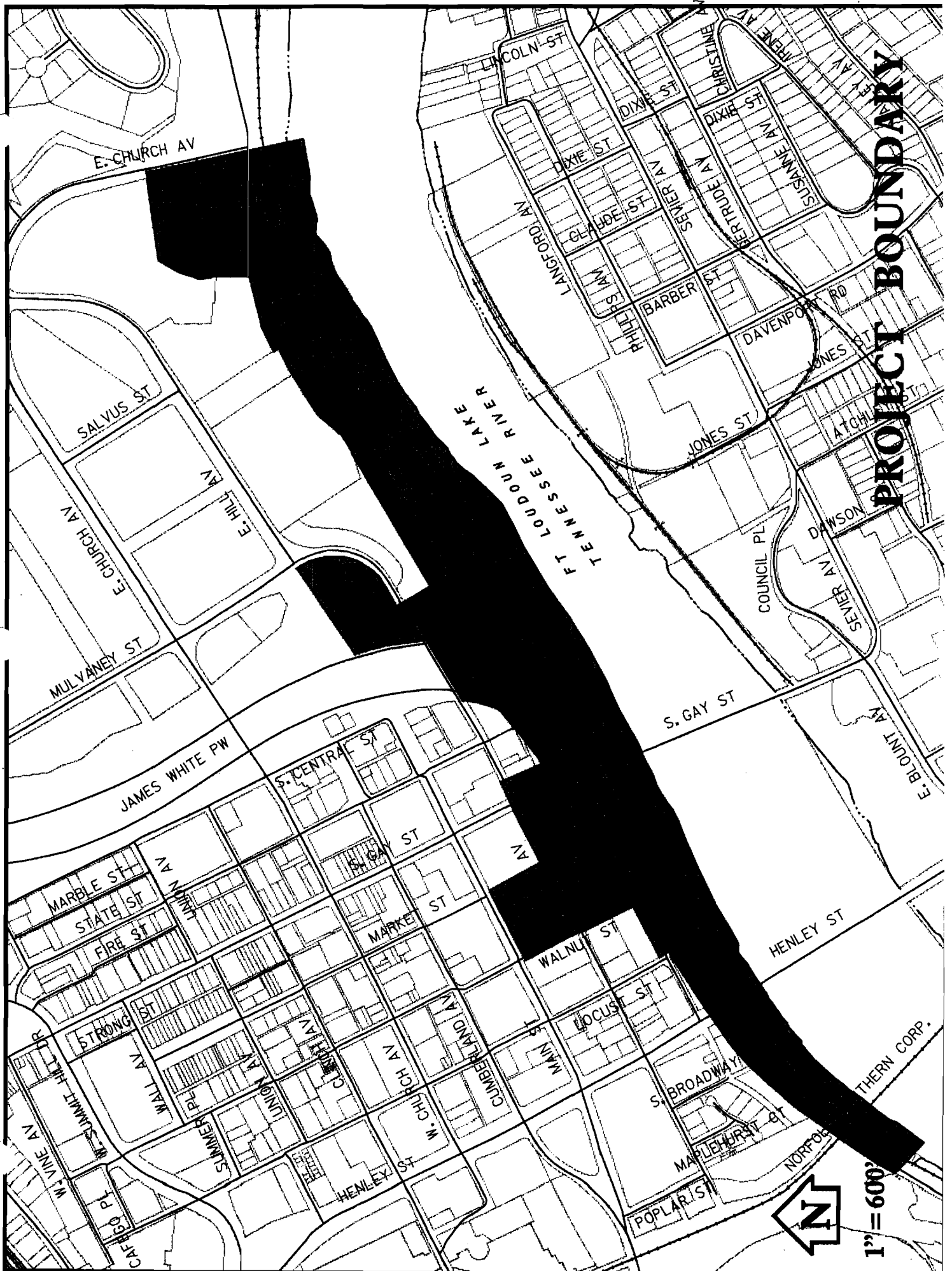
SITUATED in District No. 1 of Knox County, Tennessee, lying within the 6th Ward of the City of Knoxville, and being all property within City blocks 01180, 02145 and 02180; a portion of the property within City blocks 01025, 01041 and 02143; and being situated in District No. 4 of Knox County, Tennessee, lying within the 10th Ward of the City of Knoxville, and being a portion of the property within City block 10920; and being a portion of the Tennessee River/Fort Loudon Reservoir and being more particularly described as follows:

BEGINNING at a point on the western right-of-way of E. Church Avenue at the intersection of the southeast corner of the property designated as Knoxville County Property Assessor's Tax Map Number 95-I, Group C, Parcel 4 (95-I, C-4) and State of Tennessee right-of-way, southerly approximately 670 feet to the bank of the Tennessee River/Fort Loudon Reservoir; Thence southerly to a point 50 feet beyond the bank into the Tennessee River/Fort Loudon Reservoir; Thence with the shoreline of the Tennessee River/Fort Loudon Reservoir southwesterly approximately 5,850 feet to a point approximately 50 feet from the intersection of the bank of the Tennessee River/Fort Loudon Reservoir and the southern boundary of 94-M, E-37; Thence approximately 50 feet northwest to the intersection of the bank of the Tennessee River/Fort Loudon Reservoir and the southern boundary of 94-M, E-37; Thence approximately 60 feet north to the southern right-of-way of Neyland Drive; Thence with the

southern right-of-way of Neyland Drive, northeasterly approximately 1,730 feet; Thence crossing Neyland Drive and with the western right-of-way of Walnut Avenue approximately 760 feet north to the intersection of the western right-of-way of Walnut Avenue and the southern right-of-way of Main Avenue; Thence with the southern right-of-way of Main Avenue, approximately 240 feet east; Thence approximately 330 feet south to the southern right-of-way of Hill Avenue; Thence with the southern right-of-way of Hill Avenue approximately 440 feet to the western right-of-way at S. Gay Street; Thence crossing S. Gay Street, approximately 110 feet east along the southern right-of-way of Hill Avenue to the intersection of the southern right-of-way of Hill Avenue and the northwest boundary of 95-I, D-8; Thence southerly with the boundary of 95-I, D-8 approximately 140 feet to the intersection of the northern boundary of 95-I, D-1; Thence south, approximately 40 feet to the southern boundary of 95-I, D-1 and the northern right-of-way of Neyland Drive; Thence crossing the westbound lane of Neyland Drive approximately 140 feet south to a point approximately 10 feet north of the northern edge of the eastbound lane of Neyland Drive; Thence along the northern edge of the eastbound lane of Neyland Drive, easterly and northerly approximately 800 feet to the Hill Avenue exit ramp; Thence crossing the Hill Avenue exit ramp, approximately 50 feet to a point approximately 20 feet east of the eastern edge of the Hill Avenue exit ramp; Thence along the eastern edge of the Hill Avenue exit ramp, northerly and easterly approximately 1,080 feet to the intersection of the western right of way of Hill Avenue and the northeast boundary of the property known as James White Fort (95-I, C-2); Thence along the western right-of-way of Hill Avenue, westerly approximately 500 feet to the intersection of the northern right-of-way of Hill Avenue and the

southwest boundary of James White Fort; Thence crossing Hill Avenue, approximately 50 feet south to the intersection of the southern right-of-way of Hill Avenue and the eastern right-of-way of Riverside Drive; Thence southerly along the eastern right-of-way of Riverside Drive approximately 140 feet to the southwest boundary of 95-I, C-3.03; Thence easterly along the southern boundary approximately 770 feet to the intersection with the southern boundary of the property known as the Hyatt Regency Hotel (95-I, C-3.01); Thence easterly along the southern boundary approximately 500 feet to the southwest boundary of 95-I, C-3.02; Thence easterly along the southern boundary approximately 150 feet; Thence northerly approximately 30 feet to the southwest boundary of 95-I, C-4.01; Thence easterly along the southern boundary approximately 400 feet; Thence northerly along the eastern boundary approximately 470 feet; Thence easterly along the southern boundary approximately 410 feet to the POINT OF BEGINNING, containing approximately 63 acres.

NOTE: The distances and acreage of the above description are based on information compiled from data shown on maps of the Knoxville/Knox County Knoxville Utilities Board Geographic Information System.



REDEVELOPMENT PLAN

The Northside Waterfront Redevelopment Project area is prime for new development including: a marina, infrastructure improvement, water-oriented businesses, waterfront residential development, recreational development, and related commercial activity. This Plan is in compliance with the adopted list of goals prepared by the Mayor's Waterfront Task Force which resulted in the Knoxville Waterfront Master Plan approved by City Council.

STATEMENT OF REDEVELOPMENT OBJECTIVES

In order to promote the concept plan and overall objectives of the Master Plan, the following specific objectives are established for the execution of the Northside Waterfront Redevelopment Project.

1. Provide for expansion of major waterfront, residential, office and commercial development.
2. Enhance and improve the safety of traffic access along Neyland Drive.
3. Beautify the waterfront area.
4. Provide public access to the waterfront.
5. Develop new infrastructure to support new development.
6. Provide significant areas for future waterfront development.
7. Provide adequate parking to meet the needs of the recreational, commercial and residential development.
8. Enhance the environment and liveability of the area.
9. Develop recreational parks and amenities.
10. Improve the local property tax base.

11. Establish development standards and restrictive covenants to assure a high standard of private redevelopment.

GENERAL LAND USE PLAN

The Land Use Plan Map shows predominant land uses, including commercial use, public use, and high density residential use, as proposed. All changes in access and circulation must receive the approval and endorsement of the City's Director of Engineering. In the case of redevelopment parcels, such specific approval will become a part of the developer's plan for redevelopment, and enforceable under the restrictive covenants attached to the property. It also indicates the categorical uses to be established for the various redevelopment parcels.

These categorical uses establish the general nature of the redevelopment proposed for the various areas and do not represent specific reuse zones, nor do they limit the possibility of rezoning for a particular development. The specific zoning requirements of each individual redevelopment parcel will be determined in consultation with the Metropolitan Planning Commission at such time as a specific development proposal is selected by KCDC for implementation.

Additionally, in order to bring all future development into conformity with the objectives of this Redevelopment Plan, as well as the Master Plan, certain privately held lands may be rezoned as well. Such action is deemed necessary and appropriate, and in the best interests of the community. KCDC is authorized to initiate rezoning requests for any publicly or privately held lands within the project boundaries in order to achieve compatibility with this Plan.

TECHNIQUES TO ACHIEVE PLAN OBJECTIVES

Comprehensive studies and plans have been the dynamics of continuous efforts of the public and private sector to accomplish a systematic and conceptual implementation of programs and projects for the revitalization of the Central Business District. The same is true for the waterfront. These design concept plans are contained in the following documents herein incorporated by reference:

1. Downtown Task Force of 1986
2. Downtown Knoxville Plan of 1987
3. Waterfront Task Force 1988-89
4. Knoxville Waterfront Master Plan 1990

The following techniques and policies will be implemented to accomplish Plan Objectives:

A. ACQUISITION AND SITE CLEARANCE

Identification of the real property subject to acquisition in order to achieve project objectives as indicated on the property Acquisition Map. Land acquisition may be undertaken in order to:

1. remove blighting influences and substandard conditions;
2. provide land for public or private development;
3. achieve any other projects deemed in the public interest.

B. PROJECT FUNDING

KCDC will not acquire and land bank any real estate until a firm development proposal has been received and approved. At such time, KCDC will request the necessary funding from City Council for project implementation. Project funding may come from a variety of sources or financing mechanisms and will be determined at the time of need.

C. SITE DEVELOPMENT

Site development will be accomplished by three methods. First, the sale or lease of project lands to a private developer; such development must take place in accordance with strict adherence to this Redevelopment Plan. Secondly, any necessary public improvements such as the reconstruction of streets, sidewalks, and utilities within the public rights-of-way, or the development of mini-parks, recreation areas, or other public uses will be accomplished by KCDC through cooperation and coordination with other city departments and agencies. In accomplishing both of these objectives, KCDC and the City may at their discretion, pursue the possibility of securing grants from other funding sources. Thirdly, KCDC and/or the City of Knoxville may, at their discretion, issue bonds or obtain other sources of financing for the purpose of financing key site development activities. Additionally, KCDC will consider the advisability of participating in the financing of privately owned housing in the project area. KCDC will not assist in the direct financing of commercial development.

D. DEVELOPER'S OBLIGATIONS

The land in the area shall be disposed of by sale to a single master developer or many singular developers for development in accordance with the provisions of this Plan and their contract with KCDC. In disposing of the land, KCDC, in this contract and deed or other instrument of conveyance to the developers, shall include such terms, covenants and conditions which shall be necessary or advisable to insure redevelopment and its use thereafter in accordance with the Plan. Such provisions shall be contained in contracts, deeds or other instruments of conveyance, irrespective of whether they duplicate, in whole or in part, requirements of existing or proposed zoning ordinances or other local laws, ordinances, or regulations. In all instances, the improvements to be constructed in the project area shall be

constructed in accordance with applicable zoning provisions and regulations, and the building, electrical, plumbing and other applicable local codes ordinances, and the requirements of this Redevelopment Plan and such other requirements as may be set forth in the contracts between KCDC and the redevelopers.

Such contracts, deeds, and other instruments of conveyance, in addition to and including such terms and conditions as KCDC may find desirable so that the objectives of this Plan can be implemented, shall obligate the purchasers of land in the project area and their successors in interest to:

- A. Devote the parcels owned by them only to the uses and controls as specified in this Redevelopment Plan.
- B. Prosecute diligently the construction of the improvements agreed upon in the disposition land sales contract and to begin and complete such improvements within a reasonable time as determined in the contract.
- C. Make no changes, additions or alteration in such improvements that are not in conformity with this Plan or the approved land sales contract, without prior approval by KCDC.
- D. Effect or execute no agreement, lease conveyance, or other instrument whereby any parcels in the Project area owned by them are restricted upon the basis of race, religion, color, creed, sex or national origin in the sale, lease, or occupancy thereof. (This obligation is to be effective without limitation as to time, regardless of any termination date provided with respect to any provisions of this Plan.)
- E. Take affirmative action to insure that applicants for jobs are employed and that employees are treated without regard to race, color, creed, religion, sex, or national

origin. Further, provisions for such affirmative action will be included in every subcontract or lease let by or for them.

- F. Without the prior consent of the Grantor, except to a mortgagee or trustee under a mortgage or deed of trust permitted by a Special Warranty Deed, the developer shall reassign no contract rights nor resell, nor otherwise transfer the land (or interest therein) purchased by them prior to the completion of the improvements therein without the approval of KCDC, and except in cases satisfactory with KCDC, not to speculate with respect to such land. Upon the proper completion of improvements, as required in the disposition contract, KCDC will provide certification to the owner that the improvements have been completed in accordance with said contract. It is intended by the Plan that KCDC shall be a beneficiary of all such covenants or obligations and KCDC (in addition to other appropriate public agencies) shall be entitled to represent the interest and act on behalf of the City and community in enforcing these and any other covenants and obligations as to the rebuilding and continued use of the project area in accordance with this Plan. It is further intended that KCDC be authorized through the disposition contract to retain such rights and remedies as it shall find necessary or desirable in order to protect its interest and the interest of the City and community, including the right and power to retake or recapture by the reversion of title to KCDC of the project land conveyed or any part thereof. KCDC will issue a Certificate of Completion releasing the covenants of the Special Warranty Deed following completion and inspection of the redevelopment approved for a particular tract or tracts of land.

G. KCDC's review and approval of architectural plans and/or design drawings for all buildings or large scale development within the project area shall be required before sale of project land can be finalized.

PROPOSED PROJECT PHASING

Specific project elements which may require phasing are as follows:

The initial phase of development would require the acquisition of TVA property between Neyland Drive and the Tennessee River from approximately 1500 feet east of First Creek down to Second Creek. A riverfront public park extending along this frontage with public access accommodations could then be developed. Within this park could occur the development of commercial structures, pedestrian links to the central business district, a boardwalk/bike trail, marina and residential townhouse development.

A second phase of development would require the acquisition of State Department of Transportation right-of-way directly south of the Hyatt Regency from First Creek to a point approximately 1500 feet east. In this area, a mixture of single family residential and townhouse units could be developed. Also extensions of the City's greenway system could be made to Morningside Park and the new Ned Ray McWherter Riverside Landing Park.

Development of these phases would be based on the following assumptions. First, that the property required for development could be acquired in a timely manner. Second, that the right-of-use easements through these properties by Norfolk Southern Railroad would remain and that proper approvals be obtained from the railroad for at-grade crossings, bridges, etc. required by the development. Third, that proper approvals could be obtained from TVA and the U.S. Army Corps of Engineers for the types and locations of activities along the waterfront.

Transference of the State right-of-way property is contingent on the acceptance of an alternate route for a downtown connector to the South Knoxville Bridge. Presently, the Tennessee Department of Transportation has plans for a limited access connector along the waterfront from the James White Parkway to the South Knoxville Bridge. Preliminary approval has been give by TDOT to develop an alternate corridor utilizing Main and Church Avenues. Upon the completion of design and new right-of-way acquisition, the City of Knoxville would then swap for the land owned by the State of Tennessee.

PUBLIC INVESTMENT

There are several public facilities which will require improvement as a part of the Northside Waterfront Redevelopment Project. Most of the public facilities are included in the categories of access, infrastructure, and amenities. While such facilities are typically viewed as public in nature, the funding, design, construction, maintenance, and security related to such facilities may be shared responsibilities of the public and private sectors.

ENVIRONMENTAL ISSUES

There are some potential environmental issues within the project area which should be assessed during the preliminary planning phase, primarily the water quality of First Creek, Second Creek, and the operation of the Kuwahee Wastewater Treatment Plant.

There is, explicitly, no assumption that any environmental problems exist within the Project area. It is, however, considered prudent to identify areas which merit even cursory review

during preliminary planning for redevelopment, as has been the case with all previous redevelopment projects.

REDEVELOPMENT PROJECT CRITERIA

The following list indicates the criteria which should be considered important to the success of any redevelopment proposal in the Northside Waterfront Redevelopment Project area. Project proposals must address these issues in a direct and comprehensive manner.

- A. Creation of viable land uses which enhance the value of waterfront property.
- B. Provision of significant opportunities for public access to the waterfront within the Project area.
- C. Development of medium-high density residential units on the waterfront.
- D. Development of a project design which incorporates the basic themes identified in the Waterfront Master Plan, which are: access, land uses, public open space, architectural character, landscaping and amenities.
- E. Establishment of a project sequence which includes a proposed schedule for public improvements and private development improvements.
- F. Provision of a market analysis related to the major project land use elements including residential, commercial, and a marina.
- G. Preparation of proposed agreements related to maintenance and security of public open spaces within the Project.
- H. Preparation of a project financing plan which clearly identifies private equity and debt elements, and any proposed public commitments related to project financing.
- I. Preparation of a set of proposed deed restrictions.

- J.. Proposed private development phasing which is compatible with the public sector capital improvement schedule.
- K. Response to specific design guidelines, zoning restrictions, and project development criteria.

LAND USE PLAN

The Land Use Plan Map which accompanies this report indicates recommended general land uses for the Northside Waterfront area. The Land Use Plan proposes a range of land uses, including residential, commercial, a marina, and public open space.

It should be noted that the ultimate configuration of land uses will be delineated in a redevelopment plan to be prepared by the Master Development Team.

The Redevelopment Plan establishes the general parameters for land use, development density, public access, open space and overall design character, and also identifies physical constraints which may affect the feasibility of the final land use configuration.

RESIDENTIAL

The Redevelopment Plan proposes new residential construction at appropriate locations on the waterfront as well as other sites within the area. A recent preliminary market study indicated a market for medium-density residential use. The study suggested a short-term demand for approximately twenty-five residential units per year. The predominant demand is expected to be for one and two-bedroom units. The demand would be expected to grow following completion of the initial phase.

The areas proposed for new residential land use include most of the land south of the Hyatt Regency Hotel and east of First Creek.

The Redevelopment Plan may include a mix of housing types which are consistent with the available infrastructure, topographical constraints, and prevailing market demand. The

preliminary market analysis suggested the need for low rise buildings, with densities generally in the range of twelve to fifteen (12-15) units per acre.

COMMERCIAL

Commercial land uses are proposed primarily for the area south of Neyland Drive, between First Creek and the Henley Street Bridge. General commercial uses will include a marina and ancillary uses, restaurants, and specialty retail.

The proposed marina will have a dock facility located generally in an area just west of the Henley Street Bridge at Second Creek. The commercial activity associated with the marina will be centrally located landside of the marina dock area. Other retail uses will be located generally in the area immediately on either side of the Gay Street and Henley Street Bridges.

PUBLIC OPEN SPACE/RECREATION

A major objective of the Redevelopment Plan is to expand and enhance public access to the waterfront. Present land uses within the area largely preclude public access to the water. The Plan suggests a substantial commitment to public open space as land use within the area. The intent of the Plan is to include public open space in significant locations on the waterfront and to emphasize links between major land uses via public rights-of-way. The Plan emphasizes pedestrian connections to future greenways linking the Old City, Morningside Park, Ned McWherter Riverside Landing Park and the Third Creek Bike Trail.

MARINA

The Economics Research Associates (ERA) market analysis indicated a probable initial market for one hundred (100) boat slips in a marina located in the vicinity of Knoxville's Central

Business District. Demand for marina facilities in East Tennessee has continued to grow with relatively little addition to the supply. Facilities which would compete with a marina at the Second Creek location are presently at capacity and are located eight to ten river miles downstream.

The Land Use Plan Map indicates the general area within which docking facilities may be constructed. The main navigation channel on this side of the river must be protected from interference by marina-related activity. Some alternative locations and configurations are feasible and may be necessary for the proposed docks. A detailed engineering analysis will be useful in examining the existing physical characteristics on the shoreline in this area.

As is the case in most waterfront projects, the marina is considered a key focal point for the redevelopment area. The commercial areas, some of the residential areas, and much of the public open space areas will benefit from both a visual and a functional orientation to the marina and related activities.

The Tennessee River is a major navigable waterway with the navigation channel being located near the north bank through the redevelopment area. A marina located in this area must be sited so that there will be no interference with the navigation channel. The barges and other craft using the waterway will not be required to proceed through a "No Wake Zone" through this area because the bend in the channel and the four bridges over the river require larger vessels to proceed under power. It will be necessary to construct a breakwater to protect the marina from the wakes generated by these larger craft. All fixed docks and buildings in the marina must be at or above elevation 823 for flood protection. Floating docks on riser poles would be permitted in the area.

The creation of a marina is expected to generate demand for additional landside commercial space requirements. Among those uses would be a dry dock storage facility for boats, a service area for minor repairs, fueling facilities, retail marine goods and services, and parking.

Practical issues to be addressed in considering the feasibility of a marina include the following: **Access** - specific access issues beyond those addressed elsewhere in this report will necessitate some special requirements in terms of maneuvering space (backing, turning, etc.) for vehicles which are trailering boats, including access to parking which will accommodate vehicles and trailers; **Related Retail Services And Operations** - the specific commercial land uses associated with a marina must be identified and carefully integrated in the design of the project; **Navigation Operations** - the effect of navigation operations on the marina operations, and the converse, must be considered and addressed in the design process; **Special Events** - many special events are presented on Fort Loudoun Lake each year in the general vicinity of the redevelopment area. The effect of those special events on the marina and associated operations, and the converse, must be addressed during the project design process.

PARKING

The creation of new land uses within the downtown waterfront area will require a delineation of land for parking. The general recommendation for parking is to locate major surface parking facilities along the relocated north/east bound leg of Neyland Drive, and on-site within any new residential development.

A basic objective is to locate the non-residential use parking off-site in order to maintain the waterfront development as pedestrian-oriented space. The proposed reconstruction of Neyland Drive to a boulevard standard and the inclusion of two traffic signals at Walnut Street and

Neyland Drive will facilitate pedestrian movement between off-site parking resources and the on-site commercial uses.

There are approximately 3,000 off-site spaces in structured parking facilities within two blocks of the redevelopment area. These include the parking garages in the City County Building, Nations Bank Building, Riverview Tower and the new county garage currently under construction.

The proposed new residential development would incorporate required parking within the boundaries of the residential area. The security and privacy requirements of residential development will likely preclude the extension of a public right-of-way for vehicular use within the residential area.

Service areas for commercial development must be addressed in a specific way during planning and design. The service areas should be screened from public view, inaccessible to the general public, and should be designed to minimize disruption to public access and use of commercial areas.

DENSITY OF USES

The general upper limit of residential densities proposed in the Plan is fifteen to eighteen dwelling units per acre. The topographic characteristics and other project constraints may necessitate some increase in the proposed density. A site plan and detailed project design may indicate that slightly higher densities could be reasonably incorporated in a redevelopment project while achieving the overall range of project objectives. The commercial uses within the redevelopment project should have a maximum floor area ratio (FAR) generally in the 1.5 to 2.0 range. Given the probability of commercial uses near the waterfront, it will be important to

maintain a scale which respects the pedestrian scale, visual corridors, and the open space requirements of the site.

LAND USE CONTROLS: ZONING - MPC

The zoning districts which represent the best alternatives for the majority of the redevelopment area are O-1 and either C-2 or C-7.

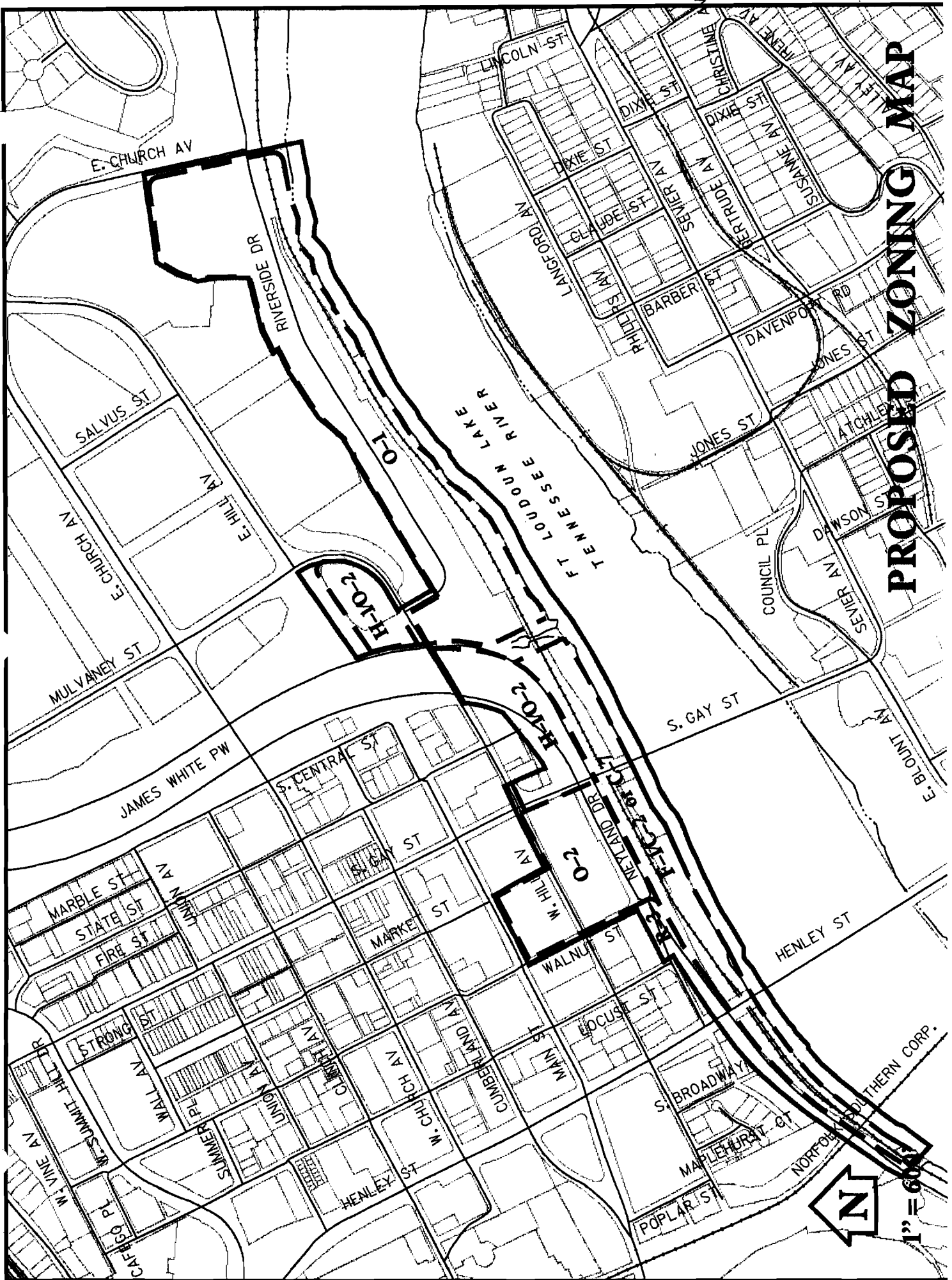
In the area proposed for residential development, the existing O-1 zoning allows multifamily housing as a use on review. Although MPC review and minimum subdivision requirements would need to be met, this area would not need to be rezoned.

The rest of the proposed redevelopment area is currently in an O-2 district with a portion in a Historic Overlay (H-1) district. This current zoning is prohibitive of many of the uses proposed along the waterfront and is therefore recommended for rezoning. The two most applicable districts would be C-2 (Central Business District) or C-7 (Pedestrian Commercial District). The C-2 district does not require parking or design considerations, therefore contractual restrictions on the property should be contemplated in this zone. The C-7 district's intent is highly suited to the proposed land use while providing provisions for a design review of landscaping, pedestrian access, signage, height and appropriate parking provisions missing in the C-2 district.

The existing H-1 overlay district around the Blount Mansion area would remain intact, although possibly reduced to include the area more specifically related to the mansion property. Development in this overlay district would require review by the Historic Overlay Commission for a Certificate of Appropriateness.

$1'' = 6003$

PROPOSED ZONING MAP



**LAND ACQUISITION
AND
RELOCATION PLAN**

Under Tennessee Law, (Section 13-20-201 et. seq. Tennessee Code Annotated, commonly known as the Housing Authorities Law), the approval by a housing authority, such as Knoxville's Community Development Corporation ("KCDC") and a municipality, such as the City of Knoxville, of a Redevelopment Plan is a prerequisite to the acquisition of property within the Plan area, either by negotiation or condemnation. Likewise, the acquisition of property within the Plan area by the housing authority is a prerequisite to a sale of the property for public or private redevelopment, the issuance of redevelopment bonds, or the implementation of other types of financing in connection with certain improvements and other actions that a housing authority may legally take in a project area. Although the land in this project area may be donated and/or leased (and KCDC does not anticipate any displacement of businesses from the project boundaries), the acquisition and relocation portions of the Plan are incorporated herein as required by State law and in the event acquisition and/or relocation becomes necessary or the project boundaries are amended.

KCDC will not acquire any properties until specific approval and financing is authorized by City Council and the KCDC Board of Commissioners.

A total of approximately seven (7) parcels of property are proposed for possible acquisition. Public acquisition will be carried out in stages, as development requires. Occupant displacement will also be carefully staged, according to the correlative acquisition schedule and in a manner which will minimize any hardship on those businesses or individuals which may be

relocated. See attached Acquisition Map. It should be pointed out that this Plan represents the maximum acquisition and relocation scenario. Public acquisition will not be undertaken on any property which is not required in order to meet Plan Objectives, or which can otherwise be developed/improved in compliance with those objectives and with the approved Redevelopment Plan.

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

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

A. ACQUISITION, RELOCATION & CLEARANCE

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

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

- * make every reasonable effort to acquire real property expeditiously through negotiated agreements;
- * pay just compensation for all property interests acquired and conduct acquisition activities in a manner which minimizes hardship to owners and tenants and which promotes public confidence in the land acquisition practices; and
- * assure consistent and fair treatment to all owners and tenants.

To that end, KCDC shall initiate the following:

a. Provide the owner and/or tenant of the property to be acquired with an official written notice of its interest 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 Interest shall include (or be accompanied by) a statement of explanation of the acquisition procedures, including condemnation, and shall explain the principal rights and options of the owner and/or tenant.

b. All property interests to be acquired shall be appraised independently by two competent, professional appraisers in private practice; appraisals shall then be reviewed by a competent, professional review appraiser.

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

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

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

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

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

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

1. A written offer to the owner to acquire the property, delivered in person; or if the owner (or 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. They 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 to purchase with the owner, to explain the procedures fully, and shall give the owner a reasonable length of time to respond to the offer.

5. If the owner presents evidence indicating the need of further review or revision in the Fair Market Value as established, KCDC shall require the appraisers to update their appraisals or shall obtain a new appraisal.

i. Before instituting a condemnation proceeding, KCDC shall make a diligent, conscientious effort to induce the owner to accept the established Fair Market Value for his property. A final offer to acquire the property shall be made in writing to the owner or representative, and a reasonable time allowed for acceptance.

j. No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty (30) 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.

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

- * to insure, to the maximum extent possible, the prompt and equitable relocation and re-establishment of persons, businesses and non-profit organizations displaced as a result of project activities;
- * to provide relocation assistance without regard to race, creed, color, sex or national origin;
- * to provide relocation assistance in a fair manner so that no displacee shall suffer disproportionate injuries as a result of the project.

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

Upon approval of the Redevelopment Plan, a KCDC representative will personally contact each business to be displaced and will explain the relocation program and discuss and determine any special needs of the displacee. The assigned staff representative will assist businesses in finding a suitable and acceptable replacement location and will follow through on any special needs or assistance determined necessary or helpful. Every effort will be made to minimize the hardships of relocation and re-establishment of business. Under local policy a fixed payment schedule for moving expenses will be paid for the relocation of residential

occupants and actual reasonable moving expenses for businesses of all movable items according to the adopted policy. (See Appendix for an explanation of the various relocation policies.) KCDC staff will assist the displacee in filing the required claims and in obtaining documentation necessary to the payment of claims.

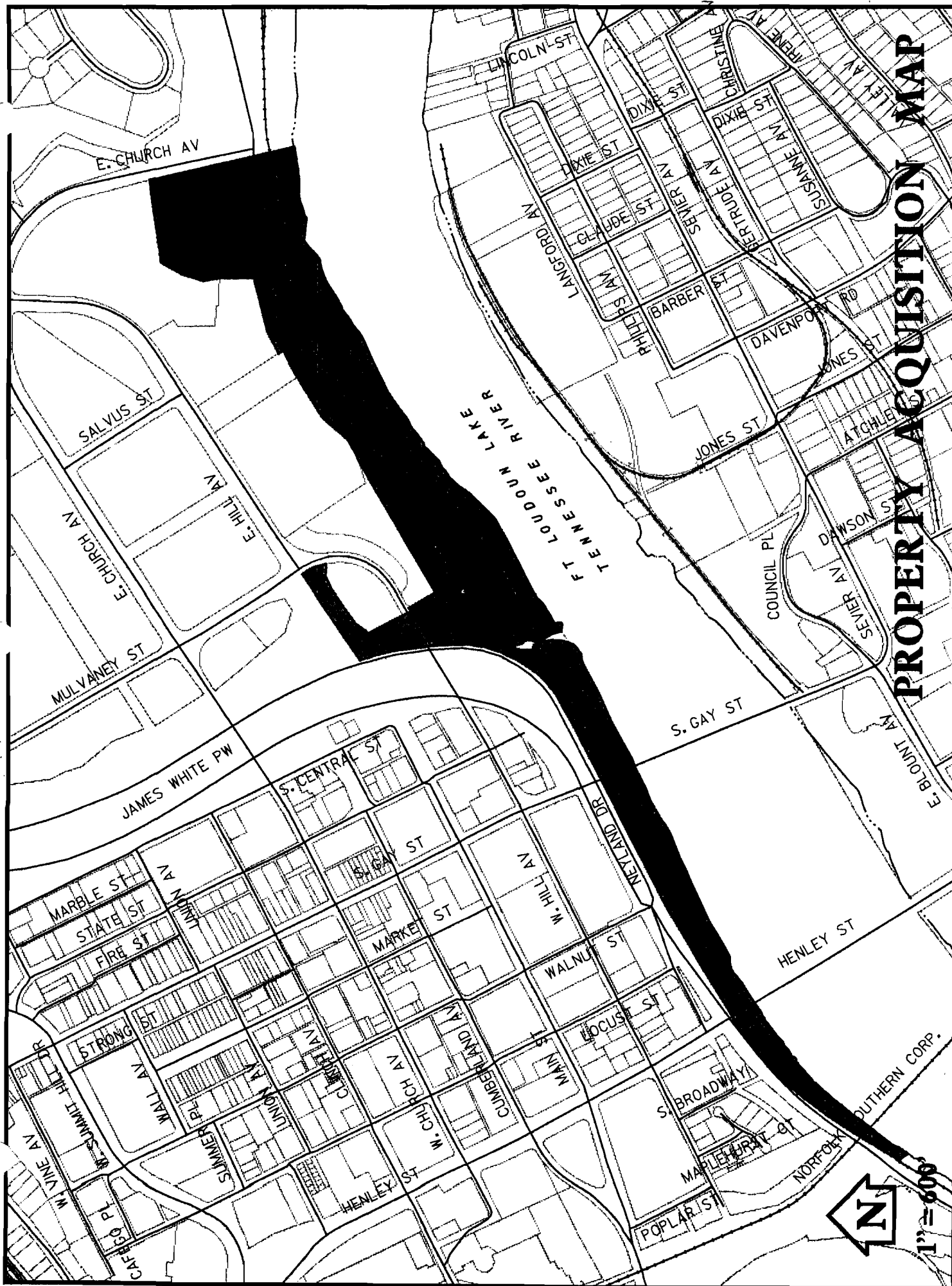
All businesses who are displaced from property as a direct result of the acquisition of that property may be eligible for relocation assistance and payments. Eligibility is established if the business lawfully occupies the property to be acquired at the time negotiations begin for the purchase of the property; however, if a business begins occupancy of the property after negotiations have begun for its purchase, that occupant will not be eligible for assistance or payments. Property owners and tenants will be so advised in the "Notice Of Interest" which will be delivered prior to the initiation of negotiations for acquisition. As required by State law, a "Notice To Vacate" will be given to all occupants following acquisition of property.

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

B. INTERIM USE OF PROJECT LAND

It shall be the intent of this Redevelopment Plan to continue current uses until such time as a development proposal materializes, and until the need for development is imminent. If, however, a property owner wishes to sell, or an occupant wishes to relocate prior to the scheduled need, KCDC may purchase the property and provide for an appropriate interim use, provided funding is available.

PROPERTY ACQUISITION MAP



FINANCING PLAN

REVENUE SOURCES

The proposed Financing Plan for Northside Waterfront Redevelopment Project is structured to permit the following sources of revenue:

- A. short-term debt instruments of the City of Knoxville or its authorized instrumentalities; and
- B. short and/or long-term revenue or general obligation instruments of the City of Knoxville or its authorized instrumentalities; and
- C. short and/or long-term qualified redevelopment instruments of the City of Knoxville or its authorized instrumentalities.

Due to recent changes in Federal taxation statutes and the complexities involved in the overall objectives of this revitalization effort, it may be necessary to use a variety of funding techniques and instruments for accomplishing various elements of Project Objectives.

DEBT REPAYMENT SOURCES

The possible revenue streams which may be generated as sources for repayment of the debt for project activities include the following:

- A. land disposition proceeds, including air rights as applicable;
- B. revenues from government-owned revenue producing enterprises, such as parking facilities;
- C. increases in real property tax revenue created by new or improved developments;
- D. interim use rents or leases;
- E. increases in other tax revenue streams, both within and outside the redevelopment project area, generated as a result of "spin-off" activity and the overall economic development stimulated by the redevelopment project.

OTHER REVENUES

This Financing Plan is not intended to preclude the possibility of securing grants, gifts or any other public or private revenues. Any potential revenue source will be considered based on the availability, appropriateness, and effect on any singular proposed development.

FINANCING AUTHORIZATION

Following developer selection and approval based upon assurances that a specific proposal is forthcoming, and in compliance with the Redevelopment Plan, appropriate financing techniques associated with such project shall be authorized by Knoxville City Council prior to the issuance of any interim or permanent debt instruments. Each specific project component authorized shall specify the method of servicing the debt and the debt instruments to be utilized.

EXPENDITURES AND REPORTS

Upon executing project expenditures, KCDC shall have the discretion to amend the line-item budget as approved by Knoxville City Council and the KCDC Board for each project component.

In the event additional funds are required in excess of the financing authorization for any project component, City Council consent shall be required prior to securing, committing, or expending additional funds.

KCDC shall provide periodic reports as progress dictates or as City Council may request. These reports shall include, but not be limited to, project financial status, projections, and activities.

ACCOUNTABILITY

KCDC shall be accountable for the proper expenditure of all funds, acceptable methods of accounting practice, and for securing independent audits of project activities executed under this Plan.

PROCUREMENT POLICY

- I. **Intent.** This policy is intended to: (a) simplify the redevelopment of real property within the Project Area; (b) assure a quality development within the Project Area; (c) protect the interest of the City of Knoxville; and (d) increase public confidence in the redevelopment process.
- II. **Requirement of Good Faith.** This policy requires KCDC, the City of Knoxville and all parties involved in the expenditure of money or the negotiation, performance and administration of contracts affecting the Project to act in good faith.
- III. **Requirement for Approval of Contracts.** Except as set forth below, all contracts between KCDC and third parties involving the Project which require an expenditure of public money shall be subject to the approval of the KCDC Board of Commissioners (the "KCDC Board"). The following is an exception to the foregoing requirements:

Any expenditure of \$25,000 or less shall not require approval if approved by both the Project Staff and the Public Advocate.
- IV. **Public Advocate.** KCDC recognizes that the Public Improvements and Private Improvements for the Project will be constructed under a unified construction contract between the Master Developer and the Contractor. As a result, public advertising and competitive bidding procedures which are often used by KCDC are not feasible for the Project. (The procurement of such work and services is permitted by **T.C.A.** § 13-20-110, **T.C.A.** § 13-20-203 (A) (1) (c) and other provisions of the Tennessee Housing Authorities Law.) KCDC recognizes a need to protect the public interest in obtaining quality work at the

most reasonable price. In order to protect the public interest, KCDC shall employ as a public advocate ("Public Advocate") a person or entity with sufficient skill and expertise to review: (a) the allocation of construction and design costs between the Public Improvements and the Private Improvements for the Project, and (b) the overall cost of the Public Improvements for the Project. Upon making such review, the Public Advocate determines whether the allocation of the construction and design costs for the Project between Public Improvements and Private Improvements is fair, equitable and reasonable and whether the overall cost of the Public Improvements for the Project are reasonable. The conclusions of the Public Advocate shall be reported to the KCDC Board on a periodic basis (as determined by the KCDC Board) and shall be available by public review and inspection at KCDC's administrative offices during the normal business hours of KCDC.

V. **Procedure for Review and Approval of Contracts.** The following procedure shall be used in reviewing and approving contracts and expenditures for the Project:

- (a) Each proposed contract or expenditure for the Project shall be submitted to the Project Staff for review and a recommendation.
- (b) The Project Staff shall review the proposed contract or expenditure and recommend approval, modification or rejection.
- (c) Each contract or expenditure which is recommended for approval by the Project Staff shall be submitted to the Project Advocate. The Project Advocate shall review the contract or expenditure in accordance with the standards set forth in Section V above and shall memorialize its conclusions in writings.

(d) For contracts or expenditures not requiring KCDC Board approval under Section III, if the Public Advocate concurs in the recommendation of the Project Staff, such contract or expenditure shall be approved for the Project.

(e) For contracts or expenditures requiring KCDC Board approval under Section III, the contract or expenditure proposal, the Project Staff's recommendation and the Public Advocate's written determination shall be submitted to the KCDC Board for its action.

VI. Use of Competition for Work on Public Improvements. All prime contracts between KCDC and other parties for work on the Public Improvement which contemplate pricing of the work on the Project based on subcontracts shall require the use of competition in awarding the subcontractors, when practical. Such competition may be in the form of competitive bidding, competitive negotiations or other methods which are reasonably calculated to assure competition.

VII. Bonds. Payment and performance bonds for 100% of the contract amount shall be required for all construction contracts involving the expenditure of public funds unless the price estimated by the Project Staff is less than \$25,000. Bonds shall be issued by a solvent surety company or other financial institution authorized to do business in this state.

VIII. Ethics in Contracting. Public employment is a public trust. All public employees and officials associated with the Project, including but not limited to the Project Staff, the Public Advocate, the Advisory Board and the KCDC Board, shall discharge their duties impartially and in such a manner as to foster public confidence in the integrity of the Project. Any attempt to realize personal gain through public employment or service by conduct

inconsistent with the proper discharge of a public duty is a breach of trust. No public employee or official associated with the Project shall solicit, demand, accept or agree to accept any thing of pecuniary value for any action or failure to take action in connection with the Project. No subcontractor shall offer, give or agree to give any payment, gratuity or offer of employment to the prime contractor or to a higher tier subcontractor or to any person associated therewith, as an inducement for the award of a contract or subcontract.

PROPERTY MANAGEMENT PLAN

It is anticipated that acquired properties may be under management at various times during the Redevelopment Project. No funds will be expended for maintenance, improvements or repairs of acquired properties unless absolutely required. The primary objective of the property management activity will be to minimize the length of occupancy after acquisition, to relocate occupants as quickly and efficiently as possible into the appropriate accommodations (if relocation is required), and to maximize the sale or reuse of the properties as soon as feasible. Maintenance required for the health and safety of occupants or residents remaining in the area will be undertaken as required.

KCDC does not anticipate the need to employ security personnel to ensure protection of the acquired properties. The properties will be inspected frequently in order to be informed as to the condition of such properties.

A rent schedule will be established in accordance with KCDC policy for all property which is occupied after acquisition. The occupant will be given the balance of the month in which the property is acquired on a rent free basis; however, rent payments must be made on the first day of the following month. Rental amounts will be based on the lesser of:

- A. one percent of the purchase price per month; or
- B. the tenant's current rent.

**PROCEDURE FOR CHANGES
IN THE
REDEVELOPMENT PLAN**

CHANGES REQUIRING KCDC BOARD AND CITY COUNCIL APPROVAL

The KCDC Board of Commissioners and the City Council of Knoxville acknowledge that changes in the Plan may be warranted during the execution of a redevelopment project. Therefore, the Redevelopment Plan contains provisions for amendment. As a rule, most changes in the Plan are of such a minor nature that review and approval by the KCDC Board or City Council are unwarranted; however, occasionally some changes may affect the basis upon which the Plan was originally approved. Accordingly, KCDC Board and City Council approval of Redevelopment Plan Amendments are required when the proposed changes affect the categories specified below, except where noted otherwise.

A. CHANGES IN THE BASIC PROJECT OBJECTIVES

It is KCDC and City Council's intent to permit KCDC staff maximum flexibility in administering and adjusting the Redevelopment Plan without requesting approval in situations where basic redevelopment project objectives are not affected or undermined. However, any adjustment or proposed change in the form of an addition or deletion of a basic project objective must be reviewed and approved by KCDC Board and City Council.

B. BUDGETARY CHANGES

The Project Financing Plan provided herein does not contain an estimated budget for project execution. Upon approval and appropriation of funding, KCDC, in cooperation with the City administration and City Council, may at their discretion develop individual budgets for itemized expenditures for project execution in phases, if necessary. However, in the event an increase

in any total project budget is required, specific approval and authorization must be received from KCDC Board and Knoxville City Council.

C. BOUNDARY CHANGES

Any proposed change in the boundaries of the Redevelopment Project area must be reviewed and approved by KCDC Board of Commissioners and City Council.

D. ACQUISITION CHANGES

KCDC staff, through KCDC Board approval, will be permitted to acquire additional properties not herein designated for acquisition without City Council approval if the property to be acquired can be purchased on a willing buyer/willing seller basis without the threat of eminent domain, and adequate funds are available to accomplish the acquisition. If a critically needed additional property acquisition is necessary, and the property cannot be purchased without the use of eminent domain (condemnation), then such additional acquisition must receive specific approval by KCDC Board of Commissioners and Knoxville City Council. Such approval will have the effect of incorporating the additional property into the Redevelopment Plan to allow KCDC to acquire these properties by eminent domain, if necessary, to achieve the objectives of this Plan. However, any property which is deleted from the acquisition schedule by mutual agreement between KCDC staff and the City administration will not require further approval, but the affected property owners will be notified by certified mail that their property has been deleted from the acquisition schedule.

CITY OF KNOXVILLE WATERFRONT STAFF

The City of Knoxville has appointed the following persons to serve as Waterfront staff in the administration of this Plan.

J. Laurens Tullock, Director, Community Development, COK
David Collins, Community Development, COK
Gerda Mayo, Finance Department, COK
Dick Grissom, Law Department, COK
Mark Geldmeier, Engineering Department, COK
Terry Shupp, Metropolitan Planning Commission
Dan Tiller, Redevelopment Director, KCDC
Wendell Thomas, KCDC Legal Council
Robert Morris, Waterfront Project Manager, TVA
Bo Townsend, Executive Director, Ijams Nature Center
Mike Edwards, Public Building Authority
Betsey Creekmore, Associate Vice Chancellor UTK

These individuals will be responsible for the development of programming, design, engineering and funding strategies for the public components of the Plan. As necessary, this list may be amended to respond to changing requirements in professional and technical expertise.

WATERFRONT DEVELOPMENT TEAM

The following companies are designated as members of the Master Development Team:

Collins Enterprises, Stamford, Conn. - Developer
Johnson and Galyon, Knoxville, TN - Construction Manager/Developer
Coulter Maritime Marketing, Stamford, Conn. - Marketing Consultant/Developer
McCarty Holsaple McCarty, Knoxville, TN - Architects
Ross/Fowler, Knoxville, TN - Landscape Architects
Guzzardo and Associates, San Francisco, CA - Land Planning and Site Design

This team is responsible for the implementation of all phases and components of the Redevelopment Plan. When professional and technical requirements dictate, this team may be amended to allow the inclusion of other disciplines.

PUBLIC ADVOCATE

The KCDC Board of Directors has appointed the following firm to serve as Public Advocate during the course of this Plan:

Barge, Waggoner, Sumner and Cannon, Inc. - Knoxville, Tennessee

The Public Advocate shall be responsible for a wide range of duties focused primarily on the equitable allocation of public and private funds within the Redevelopment area. The Public Advocate will assist in contract negotiations with the Master Development Team, planning and documentation reviews, cost estimate verifications, and payment request approvals. Additional duties may be assigned to the Public Advocate as determined by KCDC or the City of Knoxville.

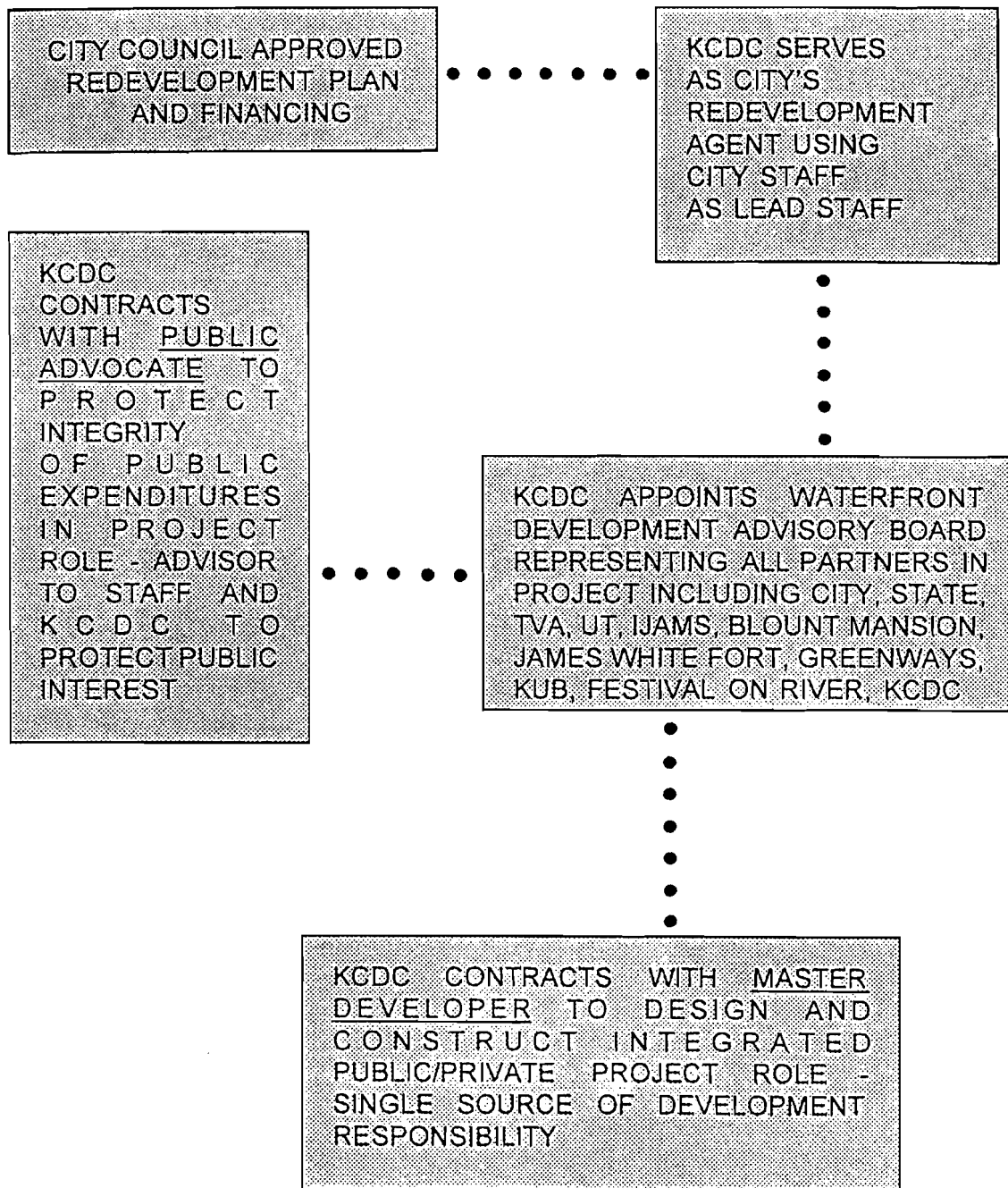
KCDC WATERFRONT DEVELOPMENT ADVISORY BOARD

The KCDC Board of Directors has appointed the following as members of the Waterfront Development Advisory Board:

<u>APPOINTEE</u>	<u>REPRESENTING</u>
Juanita Cannon, Chairperson	KCDC
Mayor Victor Ashe	City of Knoxville
Chancellor William T. Snyder	University of Tennessee
Norm Zigrossi	TVA
Senator Ben Atchley	State of Tennessee
Sharon Miller	Knox County Development Corporation
Vice Mayor Jack Sharp	City Council
Ray Evans	Festival on the River / Advisory Committee
Representative Joe Armstrong	State of Tennessee
Dean Farmer	Ijams Nature Center
Chairman Will Skelton	Knox Greenways & Community Trails Commission
Larry Fleming	KUB
Hank Bertelkamp	Blount Mansion
Monty Montgomery	James White Fort
Neighborhood Representative	To Be Appointed

This Advisory Board represents all of the partners in the project, including representatives of neighborhoods directly adjacent to the redevelopment area. It is the responsibility of this Board to evaluate Waterfront Staff and Development Team policies to ensure that the framework described in this Redevelopment Plan is followed. This Board reports directly to the KCDC Board of Commissioners and its makeup amendable only upon action by the KCDC Board of Commissioners.

WATERFRONT REDEVELOPMENT PROJECT ORGANIZATION



DEFINITIONS FOR REDEVELOPMENT PLAN

"Project Staff" shall mean employees of KCDC and the City who are selected by the Advisory Board from time to time to work on the Project.

"Advisory Board" shall mean an advisory board for the Project selected in accordance with T.C.A. § 13-20-208.

"Master Developer" shall mean the person or entity who shall be selected by KCDC to design and construct the Public Improvements and Private Improvements under a master development contract with KCDC.

"Public Improvements" shall mean that portion of the Project which is designed and constructed to improve and/or facilitate access to the Riverfront Park portion of the Project by members of the public. Public Improvements shall generally be constructed in the Riverfront Public Park portion of the Project. Public Improvements includes KCDC's part of the Mixed Improvements.

"Private Improvements" shall mean that portion of the Project which is designed, constructed and/or maintained for residential, retail and commercial uses by private parties. Developer Improvements shall be constructed in both the Riverfront Park portion and the Residential Development portion of the Project. Developer Improvements include the Developer's part of the Mixed Improvements.

"Riverfront Park" shall mean that portion of the Project which generally lies along the northern shore of the Tennessee River between First Creek and Second Creek.

"Residential Development" shall mean that portion of the Project which generally lies along the northern shore of the Tennessee River east of First Creek.

"Mixed Improvements" shall mean those portions of the Project which will be jointly used for public and private purposes.

RESOLUTIONS

APPENDIX
RELOCATION POLICIES

RELOCATION ASSISTANCE POLICY

FOR

DISPLACED BUSINESSES

As an eligible displaced person, you will be offered the following advisory and financial assistance:

- * **Advisory Services.** These include referrals to suitable replacement locations, help in preparing claim form for relocation payments and other assistance to minimize the impact of the move.
- * **Payment for Moving Expenses.** Every displaced person is eligible to receive a Payment for Actual Reasonable Moving and Related Expenses.

If you disagree with the Agency's decision as to the relocation assistance for which you are eligible, you may appeal that decision.

GENERAL QUESTIONS

How Will I Know I Am Eligible For Relocation Assistance?

You should receive a written notice explaining your eligibility for relocation assistance. You should not move before receiving that notice. If you do, you may not be eligible for relocation assistance.

How Will The Agency Know How Much Help I Need?

You will be contacted at an early date and personally interviewed by a representative of the Agency to determine your relocation needs and preferences for a replacement location and other services. The interviewer will ask about such matters as your space requirements. It is to your advantage to provide the information so that the Agency can assist you in moving with a minimum of hardship. The information you give will be kept in confidence.

How Soon Will I Have To Move?

Every reasonable effort will be made to provide you with sufficient time to find and reestablish your business in a suitable replacement location. If possible, a mutually agreeable date for the move will be worked out. You will be given enough time to make plans for moving. Unless there is a health or safety emergency, you will not be required to move without at least 90 days advance written notice. It is important, however, that you keep in close contact with the Agency so that you are aware of the time schedule for carrying out the project and the approximate date by which you will have to move.

How Will I Find A Replacement Location?

The Agency will provide you with current information on available replacement locations that meet your needs. The Agency may also provide you with the names of real estate agents and brokers who can assist you in finding the type of replacement location you need.

While the Agency will assist you in obtaining a suitable replacement location, you should take an active role in finding and relocating to a location of your choice. No one knows your needs better than you. You will want a facility that provides sufficient space for your planned activities. You will also want to assure that there are no zoning or other requirements which will unduly restrict your planned operations.

The Agency will explain the kinds of moving and reestablishment costs that are eligible for repayment and which are not eligible. That will enable you to carry out your move in the most advantageous manner.

What Other Assistance Will Be Available To Help Me?

In addition to help in finding a suitable replacement location, other assistance, as necessary, will be provided by the Agency. This includes information on Federal, State, and local programs that may be of help in reestablishing a business. For example, the Small Business Administration (SBA) provides managerial and technical assistance to some businesses. The Agency will assist you in applying for help available from government agencies.

The range of services depends on the needs of the business being displaced. You should ask the Agency representative to tell you about the specific services that will be available to help you.

I Have A Replacement Location And Want To Move. What Should I Do?

Before you make any arrangements to move, notify the Agency, in writing, of your intention to move. This should be done at least 30 days before the date you begin your move. The Agency will discuss the move with you and advise you of the relocation payment(s) for which you may be eligible, the requirements to be met, and how to obtain a payment.

I Own This Property. Will I Be Paid For It Before I Have To Move?

If you reach a negotiated agreement to sell your property to a public agency, you will not be required to move before you receive the agreed purchase price. If the property is acquired through an eminent domain proceeding, you cannot be required to move before the estimated fair market value of the property has been deposited with the court. (You should be able to withdraw this amount immediately, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.)

What Is A Payment For Actual Reasonable Moving And Related Expenses?

If you choose a Payment For Actual Reasonable Moving and Related Expenses, you may include in your claim the reasonable and necessary cost of:

- * Transportation of personal property from your present location to the replacement location. (Generally, transportation costs are limited to a distance of 50 miles. If you plan to move beyond 50 miles, discuss your planned move with the Agency.)
- * Packing, crating, uncrating, and unpacking the personal property.
- * Disconnecting, dismantling, removing, reassembling, and installing relocation and "substitute" machinery, equipment and other personal property. This includes connection to utilities available nearby. It also includes modifications to the personal property that are necessary to adapt it to the replacement structure, the replacement site or the utilities at the replacement site and modifications necessary to adapt the utilities at the replacement site to the personal property.
- * Storage of personal property for a reasonable period of time, if required.
- * Insurance for the replacement value of the personal property in connection with the move and necessary storage.
- * Any license, permit or certification required of the displaced person at the replacement location. However, the cost must be reasonable and necessary for reestablishment at the replacement location and the payment may be based on the remaining useful life of the existing license, permit, or certification.
- * Professional services necessary for (1) planning the move of the personal property, (2) moving the personal property, or (3) installing relocation or "substitute" personal property at the replacement location.
- * Relettering signs and replacing stationery on hand at the time of the displacement and made obsolete as a result of the move.
- * The reasonable cost incurred in attempting to sell an item that is not relocated.
- * Actual direct loss of tangible personal property. This payment provides compensation for property that is neither moved nor promptly replaced with a "substitute" item at the replacement location. Payment is limited to the lesser of: (1) the estimated cost of moving and reinstalling the personal property or (2) the market value of the property for its continued use at the old location, less any proceeds from its sale. To be eligible, you must make a good faith effort to sell the property, unless the Agency determines that such effort is not necessary. Payment for the loss of goods held for sale shall not exceed the cost of the goods to the displaced person.

- * Purchase and installation of "substitute" personal property. This payment is made when an item of personal property is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site. Payment will be limited to the lesser of: (1) the estimated cost of moving and reinstalling the item, or (2) the actual cost of the substitute item delivered and installed at the replacement location, less any proceeds from the sale or trade-in of the replaced item. It is important that you discuss your plans with the Agency before you proceed.
- * Searching for a replacement location. Generally, this payment may not exceed \$500. It covers costs for:
 - Transportation expenses.
 - Time spent searching for a replacement location, based on reasonable salary or earnings.
 - Reasonable fees paid to a real estate agent or broker to find a replacement location (not fees related to the purchase of the site).
 - Meals and lodging away from home.

The Agency will explain all eligible moving and related costs, as well as those which are not eligible. You must be able to account for all costs that you incur--so keep all your receipts. The Agency will inform you of the documentation needed to support your claim.

You may minimize the amount of documentation needed to support your claim if you elect to "self-move" your personal property. Payment for a self-move is based on the amount of an acceptable low bid or estimate obtained by the Agency. If you self-move, you may move your personal property using your own employees and equipment or a commercial mover. If you and the Agency cannot agree on an acceptable amount to cover the cost of the "self-move", you will have to submit full documentation in support of your claim.

You may elect to pay your moving costs yourself and be repaid by the Agency or, if you prefer, you may have the Agency pay the mover. In either case, select your mover with care. The Agency can help you select a reliable and reputable mover.

Also, keep the Agency informed about your moving plans. You must provide the Agency reasonable advance written notice of the approximate date of the start of your move or disposition of your personal property and a list of the items to be moved, unless the Agency agrees to waive this requirement. And you must permit the Agency to make reasonable and timely inspections of the personal property at the old and new locations and to monitor the move.

When a payment for "actual direct loss of personal property" or "substitute personal property" is made for an item, the estimated cost of moving the item will be based on the lowest acceptable bid or estimate obtained by the Agency. If not sold or traded in, you must transfer ownership of the item to the Agency in order to receive the payment.

Must I File A Claim For A Relocation Payment?

Yes. You must file a claim for a relocation payment. The Agency will, however, provide you with the required claim form, help you to complete it, and explain the type of documentation that you must submit in order to receive the payment.

If you must pay any relocation expenses before you move (e.g., a security deposit to lease a new location), discuss your needs with the Agency. You should be able to obtain an advance payment. An advance payment may be placed in "escrow" to ensure that the move will be completed on a timely basis.

If you are a tenant, you must file your claim within 12 months after the date you move. If you are displaced from property that you own, you must file within 12 months after the later of: the date you move, or the date you receive the final acquisition payment. However, it is to your advantage to file as soon as possible after you move. The sooner you submit your claim, the sooner it can be processed and paid. If you are unable to file your claim within 12 months, ask the Agency to extend this period.

You will be paid promptly after you file an acceptable claim. If there is any question regarding your right to a relocation payment or the amount of the payment, you will be notified in writing of the problem and the action you must take to resolve the matter.

Will I Have To Pay Rent To The Agency Before I Move?

If the Agency acquires your property, you may be required to pay a fair rent to the Agency for the period between the acquisition of the property and the date that you move. Such rent will not exceed the market rent for comparable properties in the area.

If I Don't Receive The Required Assistance, Can I Appeal?

Yes. If you disagree with the Agency's decision as to your right to a relocation payment or the amount of a payment, you may appeal the decision to the Agency. The Agency will inform you of its appeal procedures. At a minimum, you will have 60 days to file your appeal with the Agency after you receive written notification of the Agency's determination on your claim. Your appeal must be in writing.

If you are not satisfied with the Agency's final decision on your appeal, you may seek review of the matter by the courts.

I Have More Questions. Who Will Answer Them?

If you have further questions after reading this information, contact the Agency and discuss your concerns with the Agency representative listed below:

*Daniel W. Tiller, Redevelopment Director
Knoxville's Community Development Corporation
901 N. Broadway
Knoxville, Tennessee 37917
(615) 521-8708
Monday through Friday, 7:30 A.M. - 4:00 P.M.*

WHEN A PUBLIC AGENCY ACQUIRES YOUR PROPERTY

INTRODUCTION

This fact sheet describes important features of the proposed Real Property Acquisition Policy, and provides general information about public acquisition of real property (real estate) that should be useful to you.

If you are notified that your property will be acquired for such a project, it is important that you learn your rights under the Law.

This fact sheet may not answer all of your questions. If you have more questions about the acquisition of your property, contact the Agency responsible for the project.

GENERAL QUESTIONS

What Right Has Any Public Agency To Acquire My Property?

Governments have certain powers which are necessary for them to operate effectively. For example, they have the power to levy taxes and the power to maintain order. Another government power is the power to acquire private property for public purposes. This is known as the power of eminent domain. Under State Law, KCDL has the power to acquire and convey to private developers in redevelopment districts.

The rights of each of us are protected, however, by the Fifth and Fourteenth Amendments of the U.S. Constitution and by state constitutions and eminent domain laws which guarantee that if a public agency takes private property it must pay "just compensation" to the owner.

Who Made The Decision To Buy My Property?

The decision to acquire a property for a public project usually involves many persons and many determinations. The final determination to proceed with the project is made only after a thorough review which include public hearings to obtain the views of interested citizens.

If you have any questions about the project or the selection of your property for acquisition, you should ask a representative of the Agency which is responsible for the project.

How Will The Agency Determine How Much To Offer Me For My Property?

Before making you an offer, the Agency will obtain at least one appraisal of your property by a competent real property appraiser who is familiar with local property values. The appraiser will

inspect your property and prepare a report that includes his or her professional opinion of its current fair market value. After the appraiser has completed his work, a review appraiser will examine the appraisal report to assure that the estimate is fair and the work conforms with professional appraisal standards.

The Agency must offer you "just compensation" for your property. This amount cannot be less than the appraised fair market value of the property. "Just compensation" for your property does not take into account your relocation needs. If you are eligible for relocation assistance, it will be additional.

What Is Fair Market Value?

Fair market value is sometimes defined as that amount of money which would probably be paid for a property in a sale between a willing seller, who does not have to sell, and a willing buyer, who does not have to buy.

The fair market value of a property is generally considered to be "just compensation". Fair market value does not take into account intangible elements such as sentimental value, good will, business profits, or any special value that your property may have for you or for the Agency.

How Does An Appraiser Determine The Fair Market Value Of My Property?

Each parcel of real property is different and therefore no single formula can be devised to appraise all properties. Among the factors an appraiser typically considers in estimating the value of real property are:

- * How it compares with similar properties in the area that have been sold recently.
- * How much rental income it could produce.
- * How much it would cost to reproduce the buildings and other structures, less any depreciation.

Will I Have A Chance To Talk To The Appraiser?

Yes. You will be contacted and given the opportunity to accompany the appraiser on his or her inspection of your property. You may then inform the appraiser of any special features which you believe may add to the value of your property. It is in your best interest to provide the appraiser with all the useful information you can in order to insure that nothing of allowable value will be overlooked.

If you are unable to meet with the appraiser, you may wish to have a person who is familiar with your property represent you.

When Will I Receive A Written Purchase Offer?

Generally, this will depend on the amount of the work required to appraise your property. In the case of a typical single-family house, it is usually possible to make a written purchase offer within 45 to 60 days of the date an appraiser is selected to appraise the property.

Promptly after the appraisal has been reviewed (and any necessary corrections obtained), the Agency will determine just compensation and give you a written purchase offer in that amount. No negotiations are to take place before you receive the written purchase offer.

Must I Accept The Agency's Offer?

No. You are entitled to present your evidence as to the amount you believe is the fair market value of your property and to make suggestions for changing the terms and conditions of the offer. The Agency will consider your evidence and suggestions. When fully justified by the available evidence of value, the offer price will be increased.

May Someone Represent Me During Negotiations?

Yes. If you would like an attorney or anyone else to represent you at your expense during negotiations, please inform the Agency.

If I Reach Agreement With The Agency, How Soon Will I Be Paid?

If you reach a satisfactory agreement to sell your property and your ownership (title to the property) is clear, payment will be made at a mutually acceptable time. Generally, this should be possible within 30 to 60 days after you sign a purchase contract. If the title evidence obtained by the Agency indicates that further action is necessary to show that your ownership is clear, you may be able to hasten the payment by helping the Agency obtain the necessary proof. (Title evidence is basically a legal record of the ownership of the property. It identifies the owners of record and lists the restrictive deed covenants and recorded mortgages, liens, and other instruments affecting your ownership of the property.)

What Happens If I Don't Agree To The Agency's Purchase Offer?

If you are unable to reach an agreement through negotiations, the Agency may file a suit in court to acquire your property through an eminent domain proceeding. Eminent domain proceedings are often called condemnations. If your property is to be acquired by condemnation, the Agency will file the condemnation suit without unreasonable delay.

What Happens After The Agency Condemns My Property?

You will be notified of the action. Condemnation procedures vary, and the Agency will explain the procedures which apply in your case.

Generally, when an Agency files a condemnation suit, it must deposit with the court (or in an escrow account) an amount not less than its appraisal of the fair market value of the property. You should be able to withdraw this amount, less any amounts necessary to pay off any mortgage or other liens on the property and to resolve any special ownership problems. Withdrawal of your share of the money will not affect your right to seek additional compensation for your property.

During the condemnation proceeding, you will be provided an opportunity to introduce your evidence as to the value of your property. Of course, the Agency will have the same right. After hearing the evidence of all parties, the court will determine the amount of just compensation. If that amount exceeds the amount deposited by the Agency, you will be paid the difference, plus any interest that may be provided by law.

To help you in presenting your case in a condemnation proceeding, you may wish to employ an attorney and an appraiser. However, in most cases, the costs of these professional services and other costs which an owner incurs in presenting his or her case to the court must be paid by the owner.

What Can I Do If I Am Not Satisfied With The Court's Determination?

If you are not satisfied with the court judgment, you may file an appeal with the appropriate appellate court for the area in which your property is located. If you are considering an appeal, you should check on the applicable time limit for filing the appeal and consult with your attorney on whether you have a basis for the appeal. The Agency may also file an appeal if it believes the amount of the judgment is too high.

Will I Have To Pay Any Closing Costs?

You will be responsible for the payment of the balance on any mortgage and other liens on your property. Also, if your ownership is not clear, you may have to pay the cost of clearing it. But the Agency is responsible for all reasonable and necessary costs for:

- * Property survey, preparation of a legal description and deed, title evidence, recording fees, revenue stamps, transfer taxes and any other expenses that are incidental to transferring ownership of the property to the Agency.
- * Penalty costs and other charges related to prepayment of any recorded mortgage on the property that was entered into in good faith.
- * Real property taxes covering the period beginning on the date the Agency acquires your property.

Whenever possible, the Agency will make arrangements to pay these costs directly. If you must incur any of these expenses yourself, you will be repaid -- usually at the closing. If you later discover other costs for which you should be repaid, you should request repayment from the Agency immediately. The Agency will assist you in filing a claim. Finally, if you believe that you were not properly repaid, you may appeal the decision to the Agency.

May I Keep Any Of The Buildings Or Other Improvements On My Property?

Very often, many or all of the improvements on the property are not required by the Agency. This might include such items as a fireplace mantel, your favorite shrubbery, or even an entire house. If you wish to keep any improvements, please let the Agency know as soon as possible.

If you do arrange to keep any improvement, the Agency will deduct only its salvage value from the purchase price you would otherwise receive. (The salvage value of an item is its probable selling price if offered for sale on the condition that the buyer will remove it at his or her own expense.) Of course, if you arrange to keep any real property improvement, you will not be eligible to receive a relocation payment for the cost of moving it to a new location.

Can The Agency Take Only A Part Of My Property?

Yes. But if the purchase of only a part of your property reduces the value of the remaining part(s), you will be paid for the loss in value. Also, if any remaining part would have little or no utility or value to you, the Agency will offer to buy that remaining part from you.

Occasionally, a public project will increase the value of the part which is not acquired by the Agency. Under some eminent domain laws, the amount of such increase in value is deducted from the purchase payment the owner would otherwise receive.

Will I Have To Pay Rent To The Agency After My Property Is Acquired?

If you remain on the property after the acquisition, you may be required to pay a fair rent to the Agency. Such rent will not exceed the market rent for comparable properties in the area.

How Soon Must I Move?

If possible, a mutually agreeable date for the move will be worked out. Unless there is an urgent need for your property (e.g., your occupancy would present a health or safety emergency), you will not be required to move without at least ninety (90) days advance written notice.

If you reach a voluntary agreement to sell your property, you will not be required to move before you receive the agreed purchase price. If the property is acquired by condemnation, you cannot be required to move before the estimated fair market value of the property has been deposited with the court so that you can withdraw your share.

If you are being displaced from your home, you will not be required to move before a comparable replacement home is available to you.

My Property Is Worth More Now. Must I Pay Capital Gains Tax On The Increase?

When a public agency acquires real property for public purposes, the property owner usually may postpone the payment of Federal capital gains taxes on any profit from the sale if he or she

reinvests the profit in similar property within a certain replacement period. To take advantage of this right, you should file the details in a statement with your Federal Income Tax return for the tax year in which you realize the gain.

Internal Revenue Service (IRS) Publication 549 explains how the Federal Income Tax would apply to a gain or loss resulting from the condemnation of real property, or its sale under the threat of condemnation, for public purposes. If you have any questions about the IRS rules, you should discuss your particular circumstances with your personal tax advisor or your local IRS office.

I'm A Veteran. How About My VA Loan?

After your VA home mortgage loan has been repaid, you will be permitted to obtain another VA loan to purchase another property. Check on such arrangements with your nearest Veterans Administration Office.

Is It Possible To Donate Property?

Yes. You may donate your property or sell it to the Agency for less than its fair market value. The Agency must obtain an appraisal of the property and offer just compensation for it, unless you release the Agency from these obligations.

I Have More Questions. Who Will Answer Them?

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