

CENTRAL BUSINESS DISTRICT WEST

REDEVELOPMENT & URBAN RENEWAL PLAN

KNOXVILLE, TN ♦ NOVEMBER 2007



KNOXVILLE CITY GOVERNMENT



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*Central Business District West Redevelopment and Urban Renewal Plan
Knoxville, Tennessee November, 2007*

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION



**Knoxville's Community
Development Corporation**

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I. INTRODUCTION



The Central Business District (CBD) West is an eclectic mix of buildings anchored by the Summer Place Building and the City of Knoxville Fire Station to the north and the State Supreme Court Building to the south. Some of the more notable buildings are:

Kendrick Place: 600-610 & 601-613 Union Avenue (1916). These are the last remaining row houses in downtown Knoxville. They are Victorian Vernacular in design and are representative of residential living in downtown Knoxville in the early 20th century. The row houses are eligible for listing on the National Register of Historic Places and as an H-1 Historic Overlay District.



Pembroke: This art deco inspired apartment building is significant for its representation of downtown through its architectural design, use of materials, and distinctive canopy that highlights the building's design and provides protected ground floor entrances to the building. The building is eligible for listing as an H-1 Historic Overlay and on the National Register of Historic Places.



YMCA: The YMCA is listed on the National Register of Historic Places and eligible for H-1 Historic Overlay. It was designed by BarberMcMurry in the Mediterranean Revival style and used the Italian Pallazzo motifs that Charles Barber executed so masterfully. The four-story brick building

is set on a stone basement and contains an interior courtyard and fourth story loggias. Its construction date is 1929-1930.

There are two other buildings in the area that may have National Register eligibility. One of these, the Masonic Temple, is a conversion from an older significant house. The exterior changes may have acquired significance in themselves, and the condition and architectural elements on the interior of the building have not been explored. If work is proposed dealing with this building, KCDC would recommend that a determination of eligibility be sought from the State Historic Preservation Officer. The second building is the UT-owned former



department store on Locust between Clinch and Church. That building is faced in a distinctive polychrome glazed brick, and contains other design elements typical of a mid-20th century modern style. Any work dealing with this building should also be preceded by a determination of eligibility from the State Historic Preservation Officer.¹

II. EXISTING CONDITIONS

The redevelopment area is clearly eligible to be a redevelopment project within the meaning of Section 13-20-202(a) of the Tennessee Code Annotated. Based on physical inspections of the area conducted by Knoxville's Community Development Corporation (KCDC), the redevelopment area is blighted due to dilapidation of a number of its buildings. The redevelopment area also clearly qualifies as an urban renewal project

¹ Source: Ann Bennett, Historic Preservation, Knoxville/Knox County Metropolitan Planning Commission

within the meaning of Section 13-20-212(a) of the Tennessee Code Annotated because the area, based upon physical inspection by KCDC, when considered as a whole, is blighted, deteriorated and deteriorating. Blight is defined as “areas with buildings or improvements which by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors that are detrimental to the safety, health, morals or welfare of the community.”



The Knoxville City Council adopted a resolution on September 11, 2007, requesting that KCDC create a redevelopment and urban renewal plan for the CBD West. Accordingly, KCDC has prepared this plan as a result of that request and has submitted the plan as both a redevelopment plan under Section 13-20-203(B) of the Tennessee Code An-

notated and an urban renewal plan under Section 13-20-211 of the Tennessee Code Annotated.

III. LEGAL DESCRIPTION

LOCATED in the First (1st) Civil District of Knox County, Tennessee, and within the Sixth (6th) Ward of the City of Knoxville, Tennessee, and being an area of land more fully described as follows:

BEGINNING at the point of intersection of the southwest right-of-way line of Henley Street and the south right-of-way line of Cumberland Avenue;

Thence with the south line of said avenue in a northeasterly direction to the point of intersection with the northeast line of Locust Street;

Thence with the northeast line of said street in a northwesterly direction to the point of intersection with the southeast line of Union Avenue;

Thence with the southeast line of said avenue in an easterly direction to the point of intersection with the northeast line of Walnut Street:

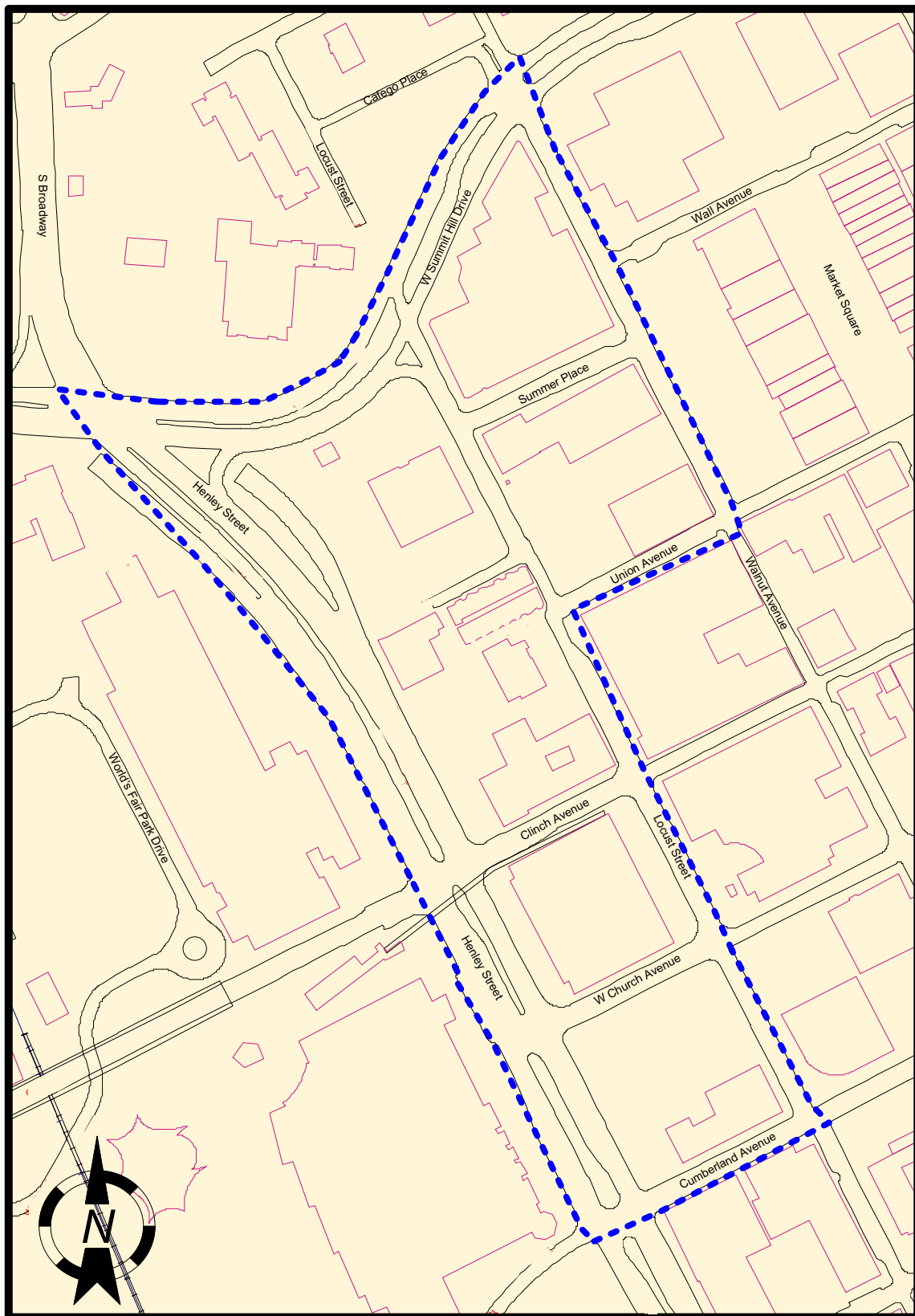
Thence with the northeast line of said street in a northwesterly direction to the point of intersection with the north line of W. Summit Hill Drive;

Thence with the north line of said drive in a southwesterly direction to the point of intersection with the southwest line of Henley Street;

Thence with the southwest line of said street in a southeasterly direction to the point of intersection with the south right-of-way line of Cumberland Avenue;
POINT OF BEGINNING.



EXHIBIT A: SITEMAP – PROJECT AREA
CBD WEST REDEVELOPMENT & URBAN RENEWAL PLAN



IV. REDEVELOPMENT PLAN OBJECTIVES

- ◆ To facilitate the redevelopment of the area with mixed land uses, including commercial, office, cultural and residential uses.
- ◆ To protect the unique architectural and historic character of the redevelopment district.
- ◆ To eliminate conditions of blight and blighting influences and incompatible and inappropriate land uses.
- ◆ To provide adequate parking and promote vehicular and pedestrian circulation within the redevelopment district and between the district and surrounding areas.
- ◆ To stimulate and facilitate economic development growth in the Center City Business Neighborhood.
- ◆ To expand the economic tax base and generate sufficient revenues to maintain and improve the public infrastructure for the benefit of both the community and the neighborhood businesses.
- ◆ To redevelop the square block area bounded by Summer Place, Walnut, Union and Locust Streets.
- ◆ To redevelop the square block area bounded by Locust, Cumberland, Henley and Church Streets.
- ◆ To assist development of the area through tax increment financing.
- ◆ To foster high quality design consistent with the Downtown Knoxville Design Guidelines.

A. RELATIONSHIP TO LOCAL OBJECTIVES

Public Utilities

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

Recreational and Community Facilities

The redevelopment area is resplendent with recreation and community facilities, including City of Knoxville Greenways, the Northshore Waterfront and the World's Fair Park, for pedestrian and bicycling purposes, in close proximity. The Convention Center is

located across Henley Street and the Knoxville Museum of Art, the Candy Factory and the Kid's Fort are also in close proximity to the plan area. The University of Tennessee campus is two blocks away from this site.

Improved Traffic and Public Transportation

Pedestrian Access and Public Transportation: Pedestrian traffic will be key to supporting new mixed use development and creating linkages between this area and the rest of downtown. As development progresses, opportunities may occur to improve pedestrian facilities (widen sidewalks, improve directional signage, etc.) The downtown area is the center of the public transportation network for Knoxville. The present system of trolleys serving the entire downtown market and the existing bus lines serving adjoining areas are adequate to meet the needs of the redevelopment area.

B. RELOCATION OF RESIDENCES AND BUSINESSES

It is not anticipated that any residences or businesses will need to be relocated as a result of the redevelopment and urban renewal plan. However, in the event that any residents or businesses need to be temporarily or permanently displaced to permit redevelopment of the district, KCDC will assist such residents with relocation benefits and payments. If the need for any displacement arises, KCDC will comply with its own relocation policies and City relocation ordinances. Additionally, in the event that any businesses must be permanently relocated or temporarily displaced during the redevelopment of the area, KCDC will use its best efforts to assist those businesses in identifying suitable replacement space in the area in close proximity to the area they currently occupy. Any such relocations will be conducted in accordance with applicable policies.

C. LAND ACQUISITION AND DISPOSITION

Properties acquired by KCDC will be disposed of in accordance with state law and specifically Tennessee Code Annotated Sections 13-20-204 and 13-20-210. As provided in those statutes, KCDC may dispose of any acquired property at such value as KCDC determines such property should be made available in order that it may be redeveloped for the purposes set forth in the plan. Any such dispositions will be made

subject to such restrictions and covenants as KCDC deems necessary to (i) ensure completion of the redevelopment project after the transfer, (ii) maintain the quality of the redevelopment area, and (iii) ensure the continued maintenance of the properties in the area.

V. LAND USE PLAN

The zoning is designated C-2 Central Business District. C-2 allows a wide range of uses including retail, office, public/institutional, and residential. This area is also part of the D-1 Downtown Design Overlay District as described as following:

SECTION 26 D-1 DOWNTOWN DESIGN OVERLAY DISTRICT

A. GENERAL DESCRIPTION

This overlay district is intended to foster attractive and harmonious development and rehabilitation in Downtown Knoxville that reflects the goals of adopted plans, and the principles of the Downtown Design Guidelines that are to be adopted when the zoning map is amended to create this district. Additionally, a Downtown Design Review Board will be established to review and approve the plans for public and private improvements in the district. Pursuant to procedures and conditions provided in this chapter, the Design Review Board shall work to realize the following objectives:

1. Promote downtown as a place for a viable mix of commercial, office, civic and residential uses, including street level development that creates a pedestrian-friendly environment.
2. Create quality publicly-oriented spaces, including streets, pedestrian ways, parks and squares that are safe and beautiful.
3. Create harmony in architectural and landscape architectural elements to provide a pleasing environment and continuous commerce and interest along sidewalks.
4. Create efficient processes for the review and approval of downtown projects.

5. Establish a means for design review for public improvements and building development and renovation to protect overall downtown investments.
6. Foster new development that complements adjacent historic resources.
7. Provide for the development of areas of special character, including the older grid street district (including such streets as Gay and Market streets and Clinch and Cumberland avenues), the Warehouse District (the Jackson-Central vicinity) and areas that are characterized by boulevard-like streets (such as sites along Summit Hill Drive and Henley Street).

B. PERMITTED USES

Permitted uses shall be determined by the base zone of the property (such as the C-2 or O-2 zoning districts).

C. AREA REGULATIONS

The dimensional requirements of the base zone, such as the five foot front yard setback and the open space requirement for taller buildings in the C-2 zoning district, will not always be consistent with the intent of the Downtown Design Guidelines. The Downtown Design Review Board may issue a Certificate of Appropriateness (referenced in subsection F) to avoid the need for variances in cases where a development has been conceived to respect the historic context of the block, provide greater pedestrian activity at sidewalk level or meet other provisions of the guidelines.

D. DOWNTOWN OVERLAY DISTRICT DEFINED AND REQUIRED GUIDELINES

The Downtown Design Overlay District shall be shown on the City of Knoxville zoning map. Downtown Design Guidelines shall be adopted with changes to the zoning map to create boundaries for this overlay and shall be used by the Design Review Board as a basis of their recommendations and decisions.

Historic Zoning Overlay (H-1) Districts, which have their own boundaries and guidelines, shall not be included within the D-1 overlay.

E. DESIGN REVIEW BOARD: CREATION, RESPONSIBILITIES, MEMBERSHIP,
AND ADMINISTRATIVE RULES

For the purposes of making decisions relative to the Downtown Design Guidelines, a Downtown Design Review Board shall be established. The Design Review Board's function is not to impose any architectural preferences. In no way are the guidelines meant to bring uniformity in design or approach or to require specific materials. They are meant to be applied in as flexible manner as possible to meet the needs of the building designer while encouraging the design to respect the context of nearby buildings and the streetscape. The guidelines are thus not a rigid set of rules, but rather a set of key principles to guide development. The Review Board's task is to provide certainty that both immediate surroundings as well as downtown as a whole are taken into account with each building project. Administrative rules, including rules governing the board, terms of membership and application schedules, shall be approved by the Metropolitan Planning Commission. The responsibilities of the board and its membership are outlined below.

Responsibilities:

1. Review the designs for all public projects, including, but not limited to, street and sidewalk design, landscaping, park improvements, public facility improvements and public way-finding systems.
2. Review and approve private development plans, based upon the adopted design guidelines as set forth at the time of amendments to the zoning map
3. Advise the Mayor, City Council, Metropolitan Planning Commission and Historic Zoning Commission on means to improve downtown design, incentives that could be used to foster good design, and programs that should be pursued to foster beautification, safety and related public purposes downtown.

Composition:

1. Membership: The Design Review Board shall be appointed by the Mayor with the approval of a majority of the City Council and shall be composed of permanent staff and other rotating members set forth as outlined below.

Staff (Permanent Members):

- a. Metropolitan Planning Commission Executive Director (or designee)
- b. City's Director of Policy Development (or designee)

Other (Rotating Members):

- c. One architect (from a slate recommended by AIA Knoxville)
- d. One urban design professional with a background in architecture or urban planning (selected from nominations from AIA Knoxville and the local chapter of the American Planning Association)
- e. Two downtown residents
- f. Two businesses, development or real estate professionals whose work is largely focused upon Downtown
- g. A member of the Central Business Improvement District Board (from a slate proposed by the Board)
- h. A member of the City's Historic Zoning Commission.

Ex-Officio Members:

The following may be called on to serve as non-voting members when cases require their technical and professional expertise.

- a. Metropolitan Planning Commission and Historic Zoning Commission staff
- b. Building Official (or designee)
- c. City Engineering Director (or designee)
- d. Central Business Improvement District staff
- e. Knoxville Utilities Board staff
- f. Knoxville's Community Development Corporation staff.

Administrative Rules: The board shall adopt administrative rules and shall submit the rules to the Metropolitan Planning Commission for adoption. The rules shall outline the terms of Board members, election of its Chair, its schedule of meetings, voting procedures, application requirements regarding certificates of appropriateness, and appeal processes to the Planning Commission.

F. ADMINISTRATIVE PROCEDURES

Public Improvements

1. The design of projects that are initiated by the City and Knoxville Utility Board, such as improvements to or new construction of streets, sidewalks, way-finding and other signs, lighting, parks and civic buildings, must be submitted to the Review Board for approval. The Board shall send a report to the Mayor and City Council, and utility board director regarding their findings.
1. The Board may request the Mayor's assistance to pursue Board review of other public projects, including those of county, state and federal governments.

Private Development:

The Board must issue a Certificate of Appropriateness before a building permit can be issued. The following procedures are to be utilized:

1. The developer shall meet with staff (see Subsection E) to discuss preliminary concepts of the proposed development; staff may waive this provision should they find the project to be of a minor nature (such as window, door or sign board replacement) or if the renovation is not oriented to a publicly-oriented space (such as a street, plaza or pedestrian way). Sketches, draft architectural drawings or photographs of similar projects are means which may be used to provide an understanding of the project. Staff, in turn, will discuss the implications of the design guidelines relative to the proposed concept. A brief report will be provided to the developer.
2. An application for a Certificate of Appropriateness shall be filed with the Metropolitan Planning Commission and shall include the application form and the following information for the Review Board's consideration:
 - a. a site plan, including property lines, sidewalk location, building footprint, landscaping, and parking and access points (as applicable);
 - b. building elevations, showing entrances, windows, sign(s), construction materials and parapet or other structures to avoid visual or noise problems associated with heating/cooling or other utility units (other drawings such as perspectives are encouraged, but not required by the Review Board); and
 - c. a written description, stating the intended uses for the floors of the building(s); these may be presented as notes on the elevation(s).

3. Certificates of Appropriateness will be issued in accordance with the following:
 - a. all applications for Certificates of Appropriateness shall be considered by the Review Board, which shall have the power to approve, approve with conditions or deny Certificates of Appropriateness.
 - b. no permit shall be issued for the following activities without issuance of a Certificate of Appropriateness by the Design Review Board:
 1. new construction,
 2. façade changes to a publicly-oriented space or interior changes that would obscure windows and doors (such as drop ceilings or display cases), and
 3. parking facility development or redevelopment.
 - c. exemptions to the Board's review include ordinary repairs, removal of signs (without replacement), temporary signs or structures, emergency safety repairs and interior alterations that do not obscure windows.
 - d. staff may approve the following when they find that the design conforms to adopted guidelines: new signs, replacement of windows at ground level with transparent glass, or other replacements of building features that are consistent with the Design Guidelines.
 - e. the Review Board shall, within thirty (30) days following the availability of sufficient data, grant a Certificate of Appropriateness with or without attached conditions or deny said Certificate, and shall state the reasons for denial or the conditions attendant with the granting of a Certificate in writing.
 - f. appeals of the Review Board's decision shall be directed to the Metropolitan Planning Commission within 16 days of the notice of the Board's decision. Such appeals will be considered by MPC, consistent with their Administrative Rules and Procedures, which are established by the Review Board and approved by the Planning Commission.

Article 4
SECTION 8
C-2 CENTRAL BUSINESS DISTRICT

A. GENERAL DESCRIPTION

This district, with complementary office, medical, civic, residential, and historical areas, forms the metropolitan center for commercial, financial, professional, governmental, and cultural activities. The intent here is to protect and improve the central business district for the performance of its primary functions. In addition, uses are discouraged which do not require a central location or would create friction in the performance of functions that should be centralized.

B. USES PERMITTED

The following uses shall be permitted in the C-2 Central Business District:

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

17. Amended 5-15-90.
18. Utility sub-stations, easements, alleys and rights-of-way, and transportation easements, alleys and rights-of-way.
19. Outdoor advertising as regulated in Article 5, Section 10.
20. Other uses and structures which are customarily accessory and clearly incidental to permitted or permissible uses and structures and are not of a nature prohibited under "Prohibited Uses and Structures."
21. Any other store or shop for retail trade or for rendering personal, professional, or business service which does not produce more noise, odor, dust, vibration, blast or traffic than those enumerated above.
22. Dwelling units.
23. Private day nurseries and kindergartens, subject to:
 - a. Total building area shall equal seventy (70) square feet of usable play area per child. At least thirty-five (35) square feet of this area per child shall be designated for large motor skill activities.
 - b. There shall be a minimum of fifty (50) square feet of usable outdoor play area for each child on the playground at one time (maximum number of children to be permitted on the playground at one time to be established by the Tennessee Department of Human Services at the time of licensing).
 - c. The outdoor play area shall be fenced to a minimum height of four (4) feet.
 - d. The fenced play area shall be thirty-five (35) feet from any public street. Where the thirty-five (35) foot setback cannot be met, the applicant may have the option of installing a vehicle barrier that will meet the objectives of separation and safety. The barrier alternative shall be subject to approval by the Department of Engineering.
 - e. Asphalt, concrete, and other non-resilient surfaces shall be prohibited under and around outdoor play equipment where children could possibly fall more than one (1) foot. This includes:
 1. At least two (2) feet around any climbing apparatus.
 2. At least four (4) feet beyond the end of any slide.
 3. At least two (2) feet beyond the end of the arc of any swing.
24. Recycling collection facility as an accessory use only as regulated by Article 5, Section 18, B.

25. Call centers.

26. Halfway House subject to the following standards:

- a. No other halfway house located within one mile of this site.
- b. A site cannot be located within 300' of a park, school, or daycare center.
- c. The use shall comply with all applicable city, state, and federal codes and regulations.
- d. The site shall be within 1000 feet of an established transit route.
- e. Signs identifying a use as a halfway house are not permitted.
- f. The Knoxville Police Department must be provided with a written notification of the use prior to its occupancy.

C. USES PERMITTED ON REVIEW

1. Parking facilities consistent with the adopted Downtown Plan.
2. Marinas, subject to the requirements set forth in Article 5, Section 3(F).
3. Commercial telecommunications towers.

D. PROHIBITED USES AND STRUCTURES

The following uses are prohibited in the C-2 Central Business District:

1. Gasoline service stations, repair garages.
2. Manufacturing, except for production of products for sale at retail on the premises or as involved in production of jewelry, eye-glasses, hearing aid, and prosthetic appliances.
3. Service or repair of gasoline or diesel motors.
4. Warehousing and storage except as necessary to a permitted principal use.
5. Storage of goods except in completely enclosed buildings.
6. Elementary or high schools, public or private.
7. All uses and structures not of a nature specifically permitted herein.
8. Any use which the Planning Commission upon appeal and after investigating similar uses elsewhere, shall find to be potentially noxious, dangerous, or offensive to adjacent occupancies in the same or neighboring districts or to those who pass on public ways, by reason of odor, smoke, noise, glare, fumes, gas, vibration, threat of fire or explosion, emission of particulate matter, interference with radio or television reception, or radiation, or likely for other reasons to be

incompatible with the character of the district.

E. AREA REGULATIONS

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

1. Front Yard: There shall be a first story setback for all buildings on vehicular streets of not less than five feet.
2. Side and Rear Yard: There are no specified side or rear yard requirements.
3. Maximum Lot Coverage:

<u>Stories</u>	<u>Coverage</u>
6	100%
7-12	95%
13-16	90%
17-Over	85%

F. HEIGHT REGULATIONS

Unlimited.

G. OFF-STREET PARKING

None required.

H. OFF-STREET LOADING AND UNLOADING REQUIREMENTS

As regulated in Article 5, Section 9.

VI. FINANCING PLAN

Neither KCDC nor the City expects to fund the cost of private redevelopment projects within the redevelopment project except through the availability of tax increment financing. Both property owners and developers of projects within the redevelopment area will be expected to demonstrate the financial ability to undertake and complete any private redevelopment project. Although neither KCDC nor the City expects to pay the direct cost of private redevelopment projects, KCDC and the City can assist property owners and developers in connection with redevelopment projects through various means, and KCDC would encourage property owners and developers who submit

proposals to specifically identify what public assistance may be needed in connection with their redevelopment projects.

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

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

VII. LAND ACQUISITION POLICY

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

- ◆ Make every reasonable effort to acquire real property expeditiously through negotiated agreements
- ◆ Pay just compensation for all property interests acquired and conduct acquisition activities in a manner which minimized hardship to owners and tenants and which promotes public confidence in the land acquisition practices
- ◆ Assure consistent and fair treatment to all owners and tenants.

To that end, KCDC shall

- a. Provide the owner and tenant of property to be acquired with an official written notice of its intent to acquire the real property. Such notice shall be given as soon as feasible after the approval to acquire the property, but prior

- to the date on which negotiations to acquire the property are initiated. The Notice of Intent to Acquire shall include (or be accompanied by) a statement of explanation of the acquisition procedures, including condemnation, and shall explain the principal rights and options of the owner and/or tenant.
- b. All property interests to be acquired shall be appraised independently by a competent professional appraiser in private practice, which appraisals shall then be reviewed by a competent KCDC staff appraisal reviewer. No appraiser shall have any interest, financial or otherwise, in the property to be acquired.
 - c. The appraiser shall make an on-site inspection of the property to be acquired and shall give the owner or their designated representative an opportunity to accompany him during the inspection of the property. The name (s) of the individual (s) who accompanied the appraiser shall be denoted on each appraisal report.
 - d. The staff review appraiser shall determine the acceptability and adequacy of the appraisal reports and shall require any corrections or further documentation as may be deemed necessary.
 - e. After the staff review appraiser finds the appraisal reports acceptable and proper, he shall present to KCDC his report indicating opinion of the fair market value for the property to be acquired. Said value shall not be lower than the lowest appraisal or higher than the highest appraisal. The number of appraisals shall be determined by the complexity of the acquisition. "Fair market value" shall be defined, in general, as "what a willing buyer is willing to pay, but is under no compulsion to do so, and what a willing seller is willing to sell for, but is under no compulsion to sell."
 - f. Following acceptance of the staff review appraiser's recommendation, KCDC shall verify that the appraisers and the staff review appraiser have performed in a competent manner in accordance with applicable law, and shall then establish a fair market value (just compensation) for each identified property interest to be acquired.
 - g. Initiation of negotiations for the acquisition of property shall be commenced with each owner of a separately held compensable interest as soon as practicable after the fair market value of interest has been established.

- h. The basic negotiation procedures which shall be followed are:
 - 1. A written offer to the owner to acquire his property; delivered person, or if the owner (or his representative) is not available, may be mailed by certified or registered mail.
 - 2. The offer shall include the full purchase price and a statement explaining the basis for the amount established as just compensation for all interests in the property. It shall properly identify the property and shall include any other necessary information pertinent to the offer and to the acquisition of the property.
 - 3. The owner shall be advised that the normal closing costs, including title search and preparation of the deed, will be paid by KCDC. The owner shall also be advised that they are not required to pay a sales commission; however, all loans, liens, and outstanding taxes on the property must be satisfied prior to or at the time of settlement.
 - 4. KCDC shall make every reasonable effort to discuss the offer purchase with the owner, to explain the procedures fully, and shall give the owner a reasonable length of time to respond to the offer.
 - 5. If the owner presents evidence indicating the need of further review or revision in the fair market value as established, KCDC shall require the appraiser to update their appraisal or shall obtain a new appraisal.
- i. Before instituting a condemnation proceeding, KCDC shall make a diligent, conscientious effort to induce the owner to accept the established fair market value for their property. A final offer to acquire the property shall be made in writing to the owner or their representative, and reasonable time allowed for acceptance.
- j. No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty days prior to the date on which possession will be required. The owner-occupant or tenant shall further be advised of all property management policies which relate to their occupancy.
- k. Real property acquisition activities shall be coordinated with relocation activities to ensure that those persons displaced shall not suffer disproportionate

injuries as a result of programs designed for the benefit of the public as a whole.

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

VIII. RELOCATION PLAN AND POLICY

KCDC's Relocation Policy, prepared in accordance with state and local laws, serves as a guideline to be consistently followed and implemented throughout the relocation phase of the CBD West Redevelopment and Urban Renewal Plan. This redevelopment project, if solely financed through local sources, will be subject to the City's Relocation Ordinance. Further, if the project, or any part thereof, should receive federal funding, thus requiring compliance with additional or other guidelines, all applicable regulations will apply.

The relocation activities for the CBD West Redevelopment and Urban Renewal Plan shall be carried out in such a manner:

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

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

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

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

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

KCDC is mindful of the needs of the present occupants within the project area who may be displaced, and will make every effort to minimize the hardships to those displacees. Accordingly, the purchase of properties and the displacement of occupants will be scheduled and coordinated in such a manner to accommodate, to the maximum extent possible, those special needs which may require extraordinary assistance. No owner-occupant or tenant lawfully occupying real property shall be required to move without notification in writing from KCDC at least thirty days prior to the date on which

possession will be required. The owner-occupant or tenant shall further be advised of all property management policies which relate to their occupancy.

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

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

IX. LAND DISPOSITION PLAN

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

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

X. INTERIM USE OF ACQUIRED PROPERTIES

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

XI. PROPERTY MANAGEMENT

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

XII. PLAN AMENDMENTS

In the course of implementing this Redevelopment Plan, amendments to this plan may be warranted. Any amendments to this plan will only be adopted by City Council after a public hearing is conducted in the same manner as the hearing was conducted prior to the adoption of this plan and, where applicable, in compliance with the requirements of Section 13-20-205 of the Tennessee Code Annotated. Notice of any proposed amendments will be given to all property owners within the project area pursuant to the requirements of state law. If County Commission's approval of any amendment is required by state law, such approval will also be requested.

XIII. SEVERABILITY

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

Appendix A City Council Resolution

SEP-18-2007 16:17

RECORDS OFFICE CITY OF KN

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RESOLUTION

1 A RESOLUTION OF THE COUNCIL
2 OF THE CITY OF KNOXVILLE
3 AUTHORIZING KNOXVILLE'S
4 COMMUNITY DEVELOPMENT
5 CORPORATION TO PREPARE A
6 REDEVELOPMENT AND URBAN
7 RENEWAL PLAN RELATIVE TO
8 CERTAIN PROPERTY IN
9 DOWNTOWN KNOXVILLE, WITH
10 THE PLAN CONTAINING A
11 PROVISION FOR TAX INCREMENT
12 FINANCING, AND TO CONDUCT A
13 PUBLIC HEARING RELATIVE TO
14 SUCH PROPOSED PLAN.

RESOLUTION NO: R-363-07

REQUESTED BY: Policy Development

PREPARED BY: Law

APPROVED AS TO FORM AND

CORRECTNESS: Director of Law

APPROVED: 09-11-2007

APPROVED AS

AN EMERGENCY

MEASURE:

MINUTE BOOK 71 PAGE

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19 WHEREAS, the City of Knoxville ("the City") has procured a development strategy for the
20 redevelopment of certain property situated in downtown Knoxville, being an area generally bounded
21 by Henley Street, Summit Hill Drive, Walnut Street, Union Street, Locust Street and Cumberland
22 Avenue, as shown on the attached EXHIBIT 1 ("the Property"); and

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24 WHEREAS, to further the implementation of the development strategy, the City has
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1 determined that a redevelopment and urban renewal plan for the Property ("the Plan") should be
2 prepared by Knoxville's Community Development Corporation ("KCDC"), as the housing and
3 redevelopment authority for the City; and

4 WHEREAS, the City also desires to authorize KCDC to conduct a public hearing with
5 respect to the Plan; and

6 WHEREAS, the Property will be designated as an area to remove, prevent or reduce the
7 blighted areas and provide incentives for improvements within the area and promote economic
8 growth; and

9 WHEREAS, the cost of preparation of the amendment to the Plan, advertising, public
10 notices, legal fees, and conducting the public hearing is estimated to be Ten Thousand Dollars
11 (\$10,000.00); and

12 WHEREAS, the Plan will include a provision permitting tax increment financing within the
13 area of the Property:

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

16 SECTION 1: KCDC is hereby authorized and requested to prepare the Plan, which shall
17 include a tax increment financing provision for the Property.

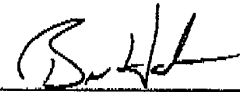
18 SECTION 2: KCDC is hereby authorized to conduct a public hearing pursuant to Tennessee
19 Code Annotated Section 13-20-203(b)(3) to determine the necessity for the adoption of the Plan.

20 SECTION 3: That Ten Thousand Dollars (\$10,000.00) is hereby authorized as payment for
21 expenses associated with the preparation of the Plan and conducting the public hearing.
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SECTION 4: This Resolution shall take effect from and after its passage, the welfare of the

City requiring it.

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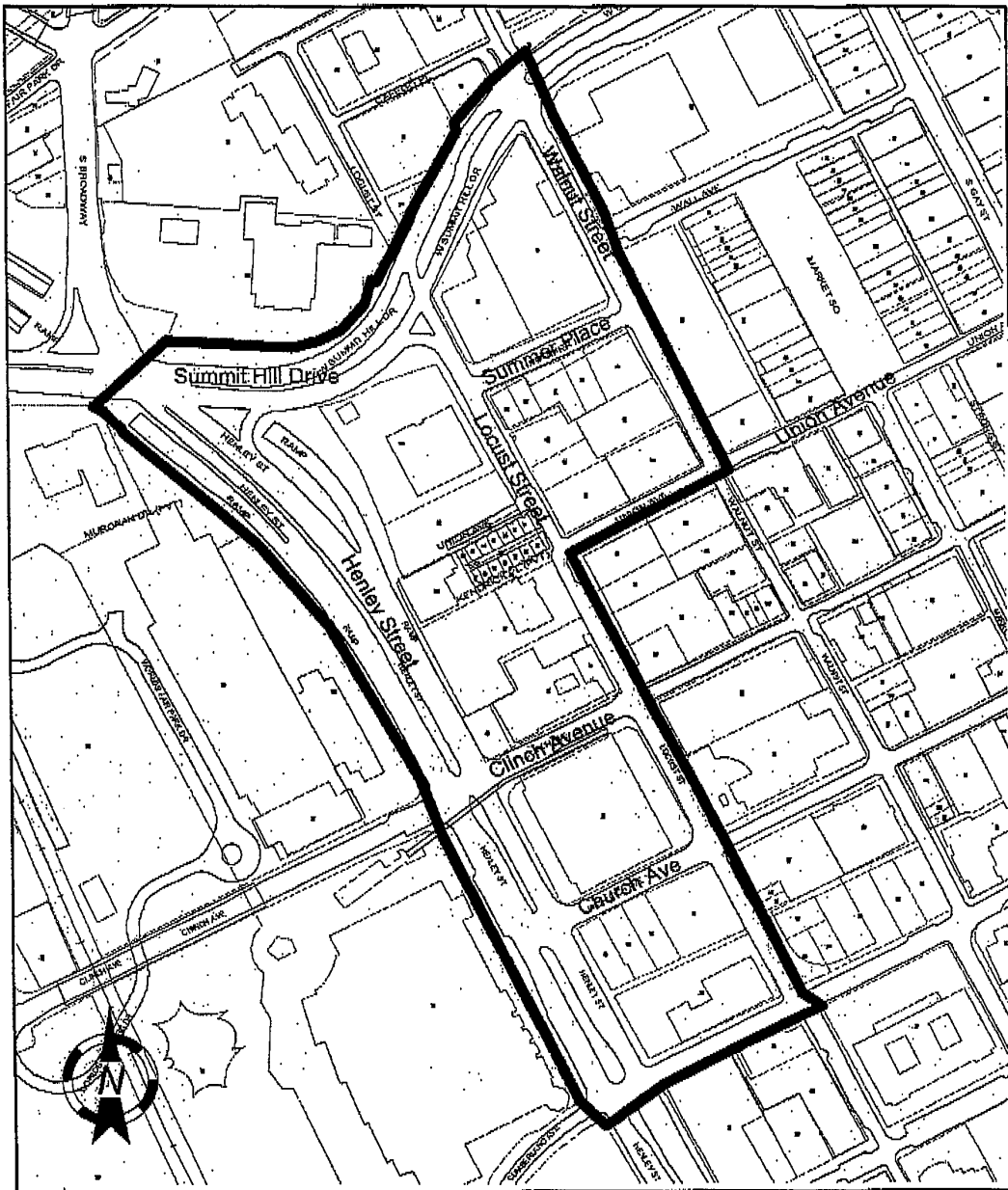


Presiding Officer of the Council



Recorder

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TOTAL P.05