



# ST. MARY'S HOSPITAL

REDEVELOPMENT & URBAN RENEWAL PLAN

2019



201951

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## **KNOXVILLE CITY GOVERNMENT**

MAYOR - HONORABLE MADELINE ROGERO

### **Council:**

Vice-Mayor – Finbarr Saunders

Councilwoman – Stephanie Welch

Councilman – Andrew Roberto

Councilwoman – Seema Singh-Perez

Councilwoman – Lauren Rider

Councilman – Mark Campen

Councilwoman – Gwen McKenzie

Councilman – George C. Wallace

Councilman – Marshall Stair

**KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION  
BOARD OF COMMISSIONERS**

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Commissioners:

Bob Whetsel, Vice Chairman

Gloria M. Garner, Treasurer

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## 1. INTRODUCTION

The City of Knoxville has identified the former Physicians Regional Medical Center site as an ideal area for redevelopment. Historically known as the St. Mary's Hospital site, the area encompasses approximately 30 acres on Scott Hill above Fulton High School and First Creek. The hospital facility is currently vacant except for ancillary and maintenance services.

St. Mary's Hospital had its beginnings in 1919 when a group of Knoxville physicians sought a sponsor for a local Catholic hospital. The group could not find a religious congregation to sponsor a local hospital but continued to look for a number of years. Finally, in 1927, the Sisters of Mercy of the Cincinnati Province agreed to sponsor a Catholic hospital in Knoxville. A local family donated property on Scott Hill overlooking First Creek in north Knoxville and over 60 doctors pledged financial support. The hospital opened to much fanfare in 1930.

The hospital expanded many times over the years to meet the growing demands of the north Knoxville area. The hospital also reorganized several times to meet the changing demands of the health care environment. Community Health Systems purchased the hospital from Mercy Health Partners in 2011 and rebranded it as Physicians Regional Medical Center under their Tennova Healthcare system umbrella. In 2018, Tennova Healthcare announced that Physicians Regional Medical Center would permanently close at the end of the year.

Knoxville's Community Development Corporation (KCDC), as the redevelopment authority of the City, has been asked by the City to assist with the redevelopment effort for the hospital site. On February 12, 2019, the City Council adopted a resolution requesting KCDC to develop a redevelopment and urban renewal plan for the area. Responding to that request, KCDC has prepared this plan (the "Plan") and has submitted it as both a redevelopment plan under §13-20-203(b) of the Tennessee Code Annotated (T.C.A.) and an urban renewal plan under § 13-20-211 of the T.C.A.

## 2. PROJECT AREA BOUNDARY AND EXISTING CONDITIONS

The area covered by this Plan (the "Redevelopment Area") is generally bounded by E. Churchwell Avenue, Saint Mary's Street, E. Woodland Avenue, and Huron Street. A more detailed description is below and is depicted on Exhibit A attached hereto (the "Redevelopment Area").

BEGINNING at the intersection of the northwest right of way line of E. Woodland Avenue and the northeast right of way line of Saint Mary Street; thence with the northeast line of Saint Mary Street north to the point of intersection of the north east line of Saint Mary Street and the northwest line of E. Churchwell Avenue; thence with the northwest line of E. Churchwell Avenue west to the point of intersection of the northwest line of E. Churchwell Avenue and the southwest line of Huron Street; thence with the northwest line of E. Churchwell Avenue west 50 feet, more or less, to a point corner to Lots 7 and 6, Block 44 of Scotts Oak Hill Addition; thence perpendicular to the line of E. Churchwell Avenue in a southeasterly direction to a point in the southeast line of E. Churchwell Avenue, corner common to Lots 4 and 5, Block 43 of Scotts Oak Hill Addition; thence with the common line of Lots 4 and 5 in southeasterly direction to a point in the southeast line of an unnamed alley, corner Lots 7 and 8, Block 43 of Scotts Oak Hill Addition; thence with the southeast line of said alley in an northeasterly direction to the point of intersection of the southwest line of Huron Street; thence with the southwest line of Huron Street in a southeasterly direction to the point of intersection of the southeast line of a 12 ft. unnamed alley, produced; thence with the southeast line of said alley produced in a northeasterly direction to a point in the southeast line of Lot 2, Joseph E. Cox Addition; thence perpendicular to the southeast line of Lot 2 in a northwestwardly direction to a point in the northwest line of said unnamed alley, corner common to Lots 13 and 14, Block 61 of Scotts Oak Hill Addition; thence with the common line of Lots 13 and 14, in a northwestwardly direction approximately 45 feet to a point in the common line; thence in a northeastwardly direction and roughly parallel to E. Woodland Avenue 138 feet, more or less to a point in the south line of Bluff Avenue; thence with the south line of Bluff Avenue east to the intersection of the south line of Bluff Avenue and the east line of Folsom Avenue; thence leaving the south line of Bluff Avenue and with the east line of Folsom Avenue north to the point of intersection of the north line of Bluff Avenue and the east line of Folsom Avenue; thence with the east line of Folsom Avenue north to the point of intersection of the Folsom Avenue line and the southeast line of E. Woodland Avenue, corner common to Lot 25, Block 61 of Scotts Oak Hill Addition; thence leaving the southeast line of E. Woodland Avenue and perpendicular in a northwestwardly direction to a point in the northwest line of E. Woodland Avenue; thence in a southwesterly direction to the point of intersection of the northwest line of E. Woodland Avenue and the northeast line of Saint Mary Street, POINT OF BEGINNING.

Pursuant to T.C.A. § 13-20-201, blighted areas and dilapidation is defined as "areas, including slum areas, with buildings or improvements that, by reason of dilapidation, obsolescence, overcrowding, lack of ventilation, light and sanitary facilities, deleterious land use, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community. Furthermore, dilapidation means "extreme deterioration and decay due to lack of repairs to and care of the area."

Upon inspection by KCDC staff and the City of Knoxville, the Redevelopment Area demonstrates evidence of several blighting factors, including but not limited to obsolescence, deleterious land use, vacancy, boarded-up windows, and areas of overgrown vegetation that are detrimental to the safety, health, morals, and welfare of the community. When considered as a whole, the Redevelopment Area qualifies as meeting the definition of T.C.A. § 13-20-201.

Pursuant to T.C.A § 3-20-202(a), any housing authority may carry out any undertaking called a “redevelopment project” and to that end may:

- A. Acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or other causes of blight.
- B. Acquire real property where the condition of the title, the diverse ownership of the real property to be assembled, the street or lot layouts, or other conditions, prevent a proper development of the property and where the acquisition of the area by the authority is necessary to carry out a redevelopment plan or urban renewal plan.
- C. Clear any areas acquired, including relocation of utility facilities and demolition of buildings and improvements and removal or remediation of any environmental contamination.
- D. Install, construct, or reconstruct streets, utilities, and site improvements essential to the preparation and development of the site for uses in accordance with a redevelopment or urban renewal plan.
- E. Pay expenses for relocation, administrative costs, planning and engineering costs, design costs, commissioning costs and fees (i.e., LEED), energy efficiency costs and legal expenses associated with exercising the powers granted in T.C.A. § 13-20-202 or with carrying out a redevelopment plan or urban renewal plan;
- F. Install, construct, add to, improve or reconstruct public infrastructure, including, but not limited to, water, solid waste, transportation, telecommunication, energy use capture and transmittal, power systems and alternative power systems or alternate power projects that incorporate principles of urban sustainability, eco-efficiency and global sustainable development.
- G. Take all other necessary actions designed to further the goals and local objectives articulated in the redevelopment plan or urban renewal plan.
- H. Accomplish a combination of the foregoing to carry out a redevelopment plan or urban renewal plan.
- I. Have and enjoy all the rights, powers, privileges and immunities granted to housing authorities under such law, and/or under any special act by which the authority may have been created, and/or any other provisions of law relating to slum clearance and housing projects for persons of low income; and
- J. Borrow money upon its bonds, notes or other evidences of indebtedness to carry out a redevelopment plan or urban renewal plan.

In addition, T.C.A. § 13-20-212 grants housing authorities all the powers necessary or convenient to undertake and carry out urban renewal plans and urban renewal projects, including the authority to acquire property by eminent domain or purchase, and to dispose of property, to issue bonds and other obligations, to borrow and accept grants from the federal government or other source and to exercise the other powers which this part confers on an authority with respect to redevelopment projects. An authority is also is specifically authorized to:

- A. Make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements.
- B. Make plans for enforcement of laws, codes, and regulations relating to the use of land and the use of occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements.

### **3. PLAN OBJECTIVES**

The primary objectives of this Plan are:

- A. To facilitate the redevelopment of the Redevelopment Area consistent with the needs of the City, the Oakwood neighborhood, and the Old North Knoxville neighborhood.
- B. To eliminate conditions of blight and blighting influences within the Redevelopment Area.
- C. To eliminate incompatible and inappropriate land uses by coordinating new investment within the Redevelopment Area.

- D. To assist with the implementation of new public improvements necessary to support the redevelopment of the Redevelopment Area.
- E. To achieve quality contextual design of new public and private investment.
- F. To seek private investment within the Redevelopment Area.
- G. To assist with the disposition of properties in the Redevelopment Area consistent with the objectives of this Plan.

## 4. RELATIONSHIP TO LOCAL OBJECTIVES

### Appropriate Land Uses

The land use in the Redevelopment Area has historically consisted of hospital and ancillary medical uses. The proposed land uses for the Redevelopment Area would be mixed-use development consisting of office, commercial, public/institutional uses, and residential development. In the event that any specific proposed use requires zoning approvals, KCDC will take steps to secure the proper zoning for the area.

### Improved Traffic and Public Transportation

The Redevelopment Area is already served by arterial streets of the City and has good access to the interstate highway system. Interior traffic improvements may be needed within the Redevelopment Area to facilitate redevelopment, and KCDC will collaborate with the City to implement any such improvements. In addition, the Redevelopment Area is well served by Knoxville Area Transit bus service.

### Public Utilities

The Redevelopment Area presently has full access to all public utilities. It is likely, however, that some utility improvements will be required to meet the demands of the redeveloped area.

### Recreational and Community Facilities

The Redevelopment Area is adjacent to Fulton High School and Christenberry Elementary School is only two blocks away. The surrounding area also includes Fulton Bicentennial Park, Ledgerwood Park, Christenberry Ballfields, Christenberry Recreation Center, Larry Cox Senior Center, and the nearby North Knoxville Public Library. The entrance to the First Creek Greenway is also within walking distance. As a design plan for the Redevelopment Area is finalized, it is expected that the Redevelopment Area will include public amenities such as sidewalks, parks and open spaces.

## 5. LAND USE PLAN

The Redevelopment Area is primarily zoned O-1 (office, medical, and related services district), C-1 (neighborhood commercial), and R-1/R-2 (low density residential district) and with IH-1 (infill housing overlay district) for a few parcels on the north side of the Area. The zoning matches many of the existing land uses: institutional, office, commercial, and surface parking. See Exhibit B – Existing Zoning for a visual representation.

The Central City Sector Plan adopted by the Knoxville/Knox County Metropolitan Planning Commission designates the Area as MU-CC8 (Medical Center Mixed Use District). However, the plan notes the existing zoning and land uses will need to be reexamined if the hospital closes. For example, the Sector Plan recommends consideration of high density residential, office, and retail along Woodland Avenue. Areas outside of the hospital currently designated office could convert to medium density residential/office designation or traditional neighborhood residential. Finally, the design and scale of any new construction should be complimentary to the surrounding neighborhood. See Exhibit C – Sector Plan for a visual representation of the existing Sector Plan.

KCDC will work with the Planning Commission to consider appropriate land uses and zonings to compliment development initiatives.



## **6. RELOCATION OF RESIDENCES AND BUSINESSES**

It is not anticipated that any residences or businesses will need to be relocated as a result of this Plan. However, in the event that any residents or businesses need to be temporarily or permanently displaced to permit redevelopment of the Redevelopment Area, KCDC will assist such residents and businesses with relocation benefits and payments. The acquisition and relocation activities shall be carried out in such a manner to:

- A. 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;
- B. Provide relocation assistance without regard to race, creed, color, sex or national origin;
- C. Provide relocation assistance in a fair manner so that no displaced resident, business, or non-profit organization shall suffer disproportionate injuries as a result of the project.

KCDC will comply with its own relocation policies and City relocation ordinances if replacement is required. Additionally, KCDC will use its best efforts to assist those businesses in identifying suitable replacement space. KCDC will follow the Federal Uniform Relocation and Property Acquisition Policies Act of 1970, as amended, in the event that federal funds are used in the Redevelopment Area.

## **7. LAND ACQUISITION AND DISPOSITION PLAN**

Except as provided in the next paragraph, the only property that KCDC will acquire under this Plan will be at the request of the City to facilitate redevelopment. It is expected that the City will acquire property from Tennova Healthcare and may transfer portions of such property to KCDC to assist with private redevelopment.

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

## **8. PROPERTY MANAGEMENT**

In the event KCDC acquires any properties in the Redevelopment Area under the circumstances described above, such properties may be under management by KCDC at various times during the redevelopment process. It is not expected that any properties acquired by KCDC will have any occupancy, and KCDC expects to only manage vacant lots and structures until demolished or disposed of in connection with redevelopment.

## **9. APPROVAL PROCESS**

Pursuant to T.C.A. § 13-20-203, the process for the approval of this Plan is as follows:

- A. The Authority shall publish notice of a public hearing in a newspaper of general circulation in the City at least once per week for three (3) consecutive weeks prior to the date of the public hearing. The notice must include the time, place and purpose of the hearing. Further, the notice must identify at least two (2) locations, one (1) of which shall be the offices of KCDC, where a map of the Redevelopment Area, with the streets or other lines marking the boundaries of the area clearly indicated. Not more than 30 days, but not less than 10 days before the public hearing, by mail, postage prepaid, or delivered, a written notice of the public hearing shall be sent to at least one (1) of the owners or at least one (1) of the occupants of each parcel of property within the Redevelopment Area of the time, place and purpose of the public hearing. After providing the notices described in subsection (a), the Authority shall hold a public hearing relating to the proposed Plan. Following such public hearing, the Authority may submit the Plan to the City and the County for their approval.
- B. The City Council of the City must approve this Plan for such Plan to be effective. The Plan may be approved by resolution of the City Council, whether or not the local charter provisions of the City provide otherwise. Because this Plan does not contain a tax increment financing provision, the approval of this Plan by Knox County is not required.

## **10. PROCEDURE FOR PLAN AMENDMENTS AND TERMINATION**

Plan amendments may be warranted, particularly if tax increment financing is needed to support particular redevelopment projects. In addition to complying with the notice and public hearing requirements described in the preceding section with respect to each amendment, any amendments contemplating the use of tax increment financing for a particular redevelopment project(s) must comply with applicable law relating to such amendments.

This Plan and the provisions thereof shall terminate on the date that is the later of thirty (30) years from the date of approval of this plan by the City Council of the City unless this Plan is extended by resolution of the Board of Commissioners of KCDC and the City Council of the City.

## **11. SEVERABILITY**

The invalidation of any one or more of the foregoing provisions of this Redevelopment Plan as approved by the City Council of the City by any court of competent jurisdiction shall not in any way affect the validity of any other such provisions of the Plan, but the same shall remain in full force and effect.

## **12. EXHIBITS**



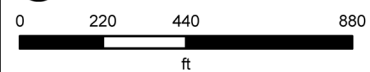
## Redevelopment Area

**DRAFT**

**Knoxville - Knox County - KUB Geographic Information System**

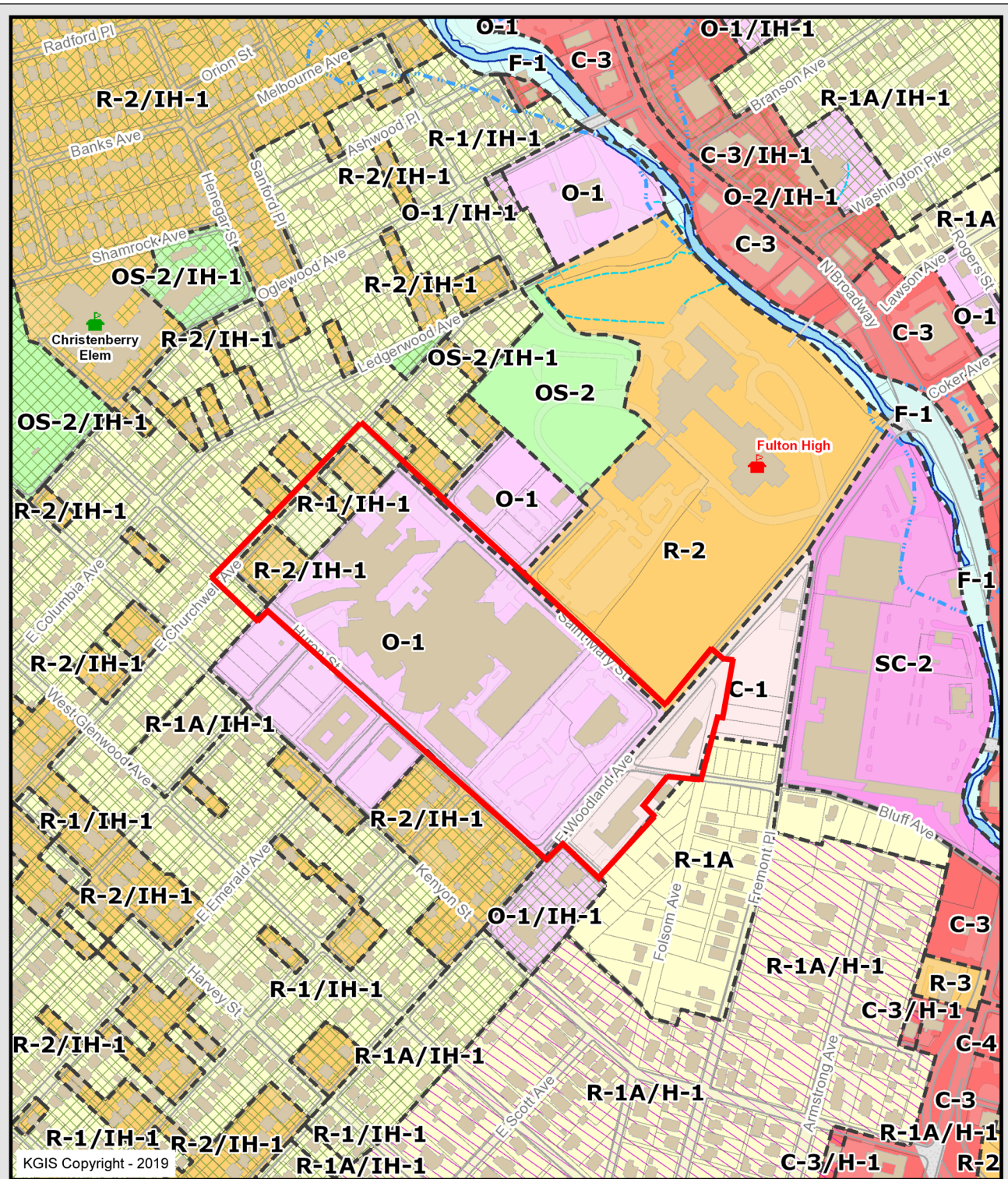


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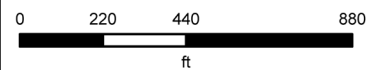
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## Existing Zoning *DRAFT*

Knoxville - Knox County - KUB Geographic Information System



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## CITY OF KNOXVILLE, TENNESSEE

## City Council

**AGENDA INFORMATION SHEET**

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**AGENDA DATE:** May 7, 2019

**DEPARTMENT:** Office of Redevelopment

**DIRECTOR:** Dawn-Michelle Foster

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**AGENDA SUMMARY** A Resolution of the Council of the City of Knoxville approving the St. Mary's Redevelopment and Urban Renewal Plan prepared by Knoxville's Community Development Corporation for the former Tennova/St. Mary's Hospital campus, bounded generally by E. Churchwell Avenue to the North, Saint Mary's Street to the East, East Woodland Avenue to the South, and Huron Street to the West.

**COUNCIL DISTRICT(S) AFFECTED**

All Districts - Project located specifically within the 5<sup>th</sup> District - Councilman Campen

**BACKGROUND**

On February 12, 2019, City Council approved Resolution R-58-2019 authorizing Knoxville's Community Development Corporation (KCDC) to study and prepare a redevelopment and urban renewal plan for the former Physician's Regional/Tennova/Historic St. Mary's hospital site.

KCDC serves as the redevelopment agency for the City of Knoxville. The City seeks a partnership with KCDC to establish a redevelopment plan that incorporates the former hospital campus to encourage revitalization and reuse of vacant property and foster economic development through both public and private investments.

Based on the study process, KCDC has determined that the Tennova/St. Mary's redevelopment area is eligible to be a redevelopment project, and also qualifies as an urban renewal project. On April 25, 2019, the KCDC Board considered the matter and was presented information on the study. On May 6, 2019, KCDC will conduct a public hearing as required by T.C.A. §§ 13-20-203(b) and 13-20-205(c) to determine the necessity for adoption of a redevelopment and urban renewal plan.

**RECOMMENDATION**

Approve the resolution authorizing the establishment of the St. Mary's Hospital Redevelopment and Urban Renewal Plan.

**ESTIMATED PROJECT SCHEDULE**

Multi-year, phase redevelopment of the site. The KPD/KFD/Municipal Court/Pension Office work will commence in late 2019 or early 2020.



**PRIOR ACTION/REVIEW**

January 10, 2019 City Council Workshop on the proposed redevelopment of former Tennova/St. Mary's campus for use as a public safety complex.

February 12, 2019 City Council approval of a resolution requesting KCDC to create a St. Mary's Hospital Redevelopment and Urban Renewal Plan.

May 6, 2019 KCDC Public Hearing for the establishment of a St. Mary's Hospital Redevelopment and Urban Renewal Plan.

**FISCAL INFORMATION**

\$15,000 for KCDC to prepare the plan

**ATTACHMENTS:**

- Resolution (DOC)
- St. Mary's Hospital Redevelopment Plan 2019 (PDF)

## RESOLUTION

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KNOXVILLE APPROVING THE ST. MARY'S REDEVELOPMENT AND URBAN RENEWAL PLAN PREPARED BY KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION FOR THE FORMER TENNOVA/ST. MARY'S HOSPITAL CAMPUS, BOUNDED GENERALLY BY E. CHURCHWELL AVENUE TO THE NORTH, SAINT MARY'S STREET TO THE EAST, EAST WOODLAND AVENUE TO THE SOUTH, AND HURON STREET TO THE WEST.**

**RESOLUTION NO:** \_\_\_\_\_

**REQUESTED BY:** Office of Redevelopment

**PREPARED BY:** Law

**APPROVED:** \_\_\_\_\_

**APPROVED AS AN EMERGENCY MEASURE:** \_\_\_\_\_

**MINUTE BOOK:** \_\_\_\_\_ **PAGE** \_\_\_\_\_

**WHEREAS**, on February 12, 2019, the Council of the City of Knoxville ("City Council"), requested Knoxville's Community Development Corporation ("KCDC") study and prepare a redevelopment and urban renewal plan for the former Tennova/St. Mary's hospital campus and conduct a public hearing to determine the necessity for the adoption of said redevelopment and urban renewal plan; and

**WHEREAS**, the Redevelopment Area presently consists of the vacant hospital facility, related office and healthcare facilities, a retail strip center and a number of vacant parking lots and is generally bounded by East Churchwell Avenue to the North, Saint Mary's Street to the East, East Woodland Avenue to the South, and Huron Street to the West; and

Attachment: Resolution (6788 : St.Mary's Hospital Redevelopment Plan)

**WHEREAS**, after study, KCDC determined that the Redevelopment Area is eligible to be a redevelopment project within the meaning of Tennessee Code Annotated (“T.C.A.”) § 13-2-202(a) and also qualifies as an urban renewal project within the meaning of T.C.A. § 13-20-212(a), therefore KCDC prepared the St. Mary’s Hospital Redevelopment & Urban Renewal Plan (the “Plan”); and

**WHEREAS**, on April 25, 2019, the KCDC Board heard a presentation with regard to the Plan; and

**WHEREAS**, on May 6, 2019, KCDC conducted a public hearing as required by the T.C.A. §§ 13-20-203(b) and 13-20-205(c) to determine the necessity for the adoption of the Plan; and

**WHEREAS**, the Plan has been submitted by KCDC to the City.

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

**SECTION 1:** The St. Mary’s Redevelopment and Urban Renewal Plan prepared by KCDC for the former Tennova/St. Mary’s hospital campus and presented to the City, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, is hereby approved.

**SECTION 2:** The City Recorder is hereby directed to file a copy of said Redevelopment and Urban Renewal Plan with the minutes of this meeting of the Council of the City of Knoxville.

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

\_\_\_\_\_  
Presiding Officer of the Council

\_\_\_\_\_  
Recorder

Attachment: Resolution (6788 : St.Mary’s Hospital Redevelopment Plan)