

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: April 20, 2023

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**
Board Meeting of the Board of Commissioners
Thursday, April 27, 2023, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval is requested to execute the minutes for the regular meeting held on March 30, 2023. [\(Item 2 Attachment\)](#)
3. Motion to add, delete or postpone agenda items.
4. Reports of officers and special presentations.

NEW BUSINESS

REDEVELOPMENT (Jim Hatfield)

5. Resolution approving the submission of a Section 18 application to HUD associated with the portion of Western Heights that is covered by HUD's CNI grant award. [\(Item 5 Attachment\)](#)

ADMINISTRATION (Jim Barker)

6. Resolution authorizing amendments to the Board Policies (A-100, A-110, A-120, A-140, B-180, E-111, E-123, E-124, E-152 and E-153). [\(Item 6 Attachment\)](#)

RENTAL ASSISTANCE (Ben Bentley for Matt Tillery)

7. Approval is requested to increase the Section 8 Housing Choice Voucher Payment Standards. [\(Item 7 Attachment\)](#)

EXECUTIVE (Ben Bentley)

8. Resolution authorizing execution of documents entering into a subordinate tax increment note in the amount of \$20 million and to grant those funds to the Sports Authority. [\(Item 8 Attachment\)](#)

THIS MEETING AND ALL COMMUNICATIONS BETWEEN MEMBERS IS SUBJECT TO THE PROVISIONS OF THE TENNESSEE OPEN MEETINGS ACT, TENN. CODE ANN. §8-44-101, *et seq.*

9. Resolution authorizing execution of documents entering into a tax increment finance note in the amount of \$6 million and to support the construction of mixed use surrounding the multi purpose stadium and to grant those funds back to the Sports Authority. [\(Item 9 Attachment\)](#)

Unfinished Business
Public Forum
Adjournment

Next month's agenda review meeting will be held
Thursday, May 18, 2023 @ 5 p.m.

Next month's board meeting will be held
Thursday, May 25, 2023 @ 5 p.m.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Resolution approving the submission of a Section 18 application to HUD associated with the portion of Western Heights that is covered by HUD's CNI grant award.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President, Redevelopment
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>BBS</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? Board approval is required to submit a Section 18 application to HUD. The Section 18 application will allow for KCDC to remove the 3-4 section / portion of Western Heights that is subject to the CNI grant from public housing inventory.</p> <p>2. Why is the action needed now? Section 18 approval is required in order to for KCDC to pursue a mixed finance redevelopment plan as part of the CNI grant project. KCDC expects to break ground at the end of the year on phase 1 and the Section 18 process can take several months to get approved.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? HUD's Special Applications Center will review and approve the Section 18 application. HUD's CNI team will approve demolition of existing units. KCDC will handle application and communication to obtain approvals.</p> <p>4. What are the long-term and short-term exposures? None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC was awarded a HUD CNI grant in late 2022 to redevelop Western Heights.
ATTACHMENTS	Resolution, Master Plan

RESOLUTION NO. _____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
APPROVING SUBMISSION OF SECTION 18 INVENTORY REMOVAL
APPLICATION FOR WESTERN HEIGHTS**

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is the housing, redevelopment and urban renewal authority of the City of Knoxville, Tennessee (the "City") and is duly incorporated pursuant to Sections 13-20-101 *et seq.*, Tennessee Code Annotated; and

WHEREAS, KCDC currently owns 196 units of public housing located at approximately 1621 Jourlman Avenue in the City (collectively, the "Western Heights Units"); and

WHEREAS, KCDC is the recipient of a Choice Neighborhoods Implementation Grant (the "CNI Grant") from HUD, the proceeds of which will be used to assist KCDC with the redevelopment of the Western Heights Units; and

WHEREAS, in connection with the redevelopment, KCDC intends to demolish and/or dispose of the existing Western Heights Units; and

WHEREAS, Section 18 of the United States Housing Act of 1937, as amended, and 24 CFR Part 970 provide that HUD approval is required for a public housing agency's demolition or disposition (in whole or in part) of public housing developments; and

WHEREAS, the Board of Commissioners of KCDC desires to authorize the submission of a Section 18 Demolition and Disposition application to HUD with respect to the Western Heights Units.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the Board of Commissioners hereby approves the submission of a Section 18 Demolition and/or Disposition Application to HUD with respect to the Western Heights Units.

RESOLVED, that the Executive Director and CEO of KCDC, Chairman, Vice-Chairman and/or any other officer of KCDC, acting alone or in combination with one another (individually and collectively the "Authorized Officers"), is/are authorized and empowered to execute and deliver to HUD all documents, instruments and/or agreements that may be required in connection with the Section 18 Demolition and/or Disposition Application.

RESOLVED, that upon HUD's approval of the Section 18 Demolition and/or Disposition Application authorized by these resolutions, the Authorized Officers, acting individually or collectively, are hereby authorized to negotiate, execute, deliver and record all such other documents, instruments and agreements as may be deemed necessary by such Authorized Officer(s) to complete the demolition and/or disposition of the Western Heights Units.

RESOLVED, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to execute and deliver any of the agreements, documents or instruments authorized by the foregoing resolutions, or to take any of the other actions authorized by the foregoing resolutions, and all acts of the Authorized Officers that are in conformity with the purposes and intent of these resolutions, are hereby approved, ratified and confirmed in all respects.

Adopted this 27th day of April, 2023.

KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION

By: _____
Secretary



Fig 21. Western Heights Site Plan



- KEY**
- A. Hillside Park & Overlook Plaza
 - B. Destination Park
 - C. Overlook Walking Trail
 - D. Safe Walking Paths to Beaumont Elementary & the Boys & Girls Club
 - E. Expanded Boys & Girls Club
 - F. Entry Feature & Stormwater Enhancement
 - G. Pocket Parks & New Playgrounds
 - H. New CAC Head Start
 - I. Anchor Building
 - J. Entrepreneurship Center & Knoxville Police Sub-Station

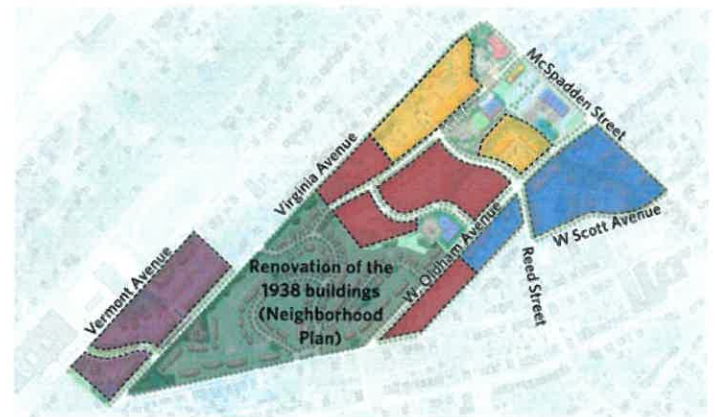


Fig 22. Phasing Plan



Attachment 35: Conceptual Site Plan Design

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing amendments to the Board Policies (A-100, A-110, A-120, A-140, B-180, E-111, E-123, E-124, E-152 and E-153).
SUBMITTED BY	Name, Title / Department: Jim Barker, VP Administration
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
<p>1. What is the objective of this action? To ensure board policies remain complete, current, accurate and relevant.</p> <p>2. Why is the action needed now? Annual review.</p> <p>3. Who are the parties involved and what are their roles (if appropriate)? Board of Commissioners - Authoritative CEO - advisory VP Administration - advisory</p> <p>4. What are the long-term and short-term exposures? None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	The Board of Commissioners established policies in accordance with KCDC's mission. These policies inform management's operational decision of procedures.
ATTACHMENTS	Resolution Policy Revision recommendations

RESOLUTION NO. 2023-_____

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION
AUTHORIZING AMENDMENTS TO THE KCDC BOARD POLICIES**

WHEREAS, Knoxville's Community Development Corporation ("KCDC") is committed to excellence and efficiency in fulfillment of its mission; and

WHEREAS, KCDC's Board of Commissioners establishes policy directed to the fulfillment of KCDC's mission; and

WHEREAS, Management establishes internal control procedures in response to the Board policies;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION:

RESOLVED, that the KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION BOARD OF COMMISSIONERS' POLICIES are hereby amended as shown on Exhibit A, superseding all policies of similar purpose previously in effect.

RESOLVED, that the Executive Director/CFO is authorized to act upon these policies by implementation of guidelines and procedures for efficient and effective administration of KCDC personnel and operations.

Adopted this _____ day of April, 2023.

**KNOXVILLE'S COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Secretary

EXHIBIT A

A-100	Ehics and Std of Conduct	Para 20	VP-administration now designated as the Ethics Officer
A-110	Anti-Fraud	Para 10	add "or designee"
A-110	Anti-Fraud	Para 10	Remove "will be reviewed annually". This should be global
A-120	Affirmative Action	Para 4b	add "sexual orientation" after age
A-140	Vehicle Allowance	Para 12	Clarification of method of calculation and taxation
B-180	Audit Policy	Para 1	States Exec staff shall be the audit committee. Change to members of the executive committee and CEO designees.
E-111	Social Media Policy	Update	Made applicable to KCDC employment, not just job duties
E-123	Promo, Tsf, Demotion	Para 2	Chg Hiring Policy reference to Recruitment & Selection Policy (corr of reference error)
E-124	Severence	Para 3	Severence decision by CEO raised from 30 days to 90 days
E-124	Separation	Para 2	Resignation notice period shall be limited to 2 weeks, unless otherwise approved by management
E-124	Celebration	Para 6	Change to \$25/year from flat \$175.
E-152	Holidays	Para 2	Add 3 additional days to allow closure between Christmas and New Year's Day, or at CEO's discretion.
E-153	Annual leave	Grid	Change "8 years through 25 years" to "8 years through 15 years". 7 yrs thru 25 yrs is too large a gap.

Section A: Administration	Knoxville's Community Development Corporation	
	Ethics and Standards of Conduct Policy	A-100
		<div>Amended/Issued:</div> <div>47/274/202306</div> <div>Adopted:</div> <div>0412/2742/2319</div>

1. **Purpose:** The maintenance of high standards of honesty, integrity, impartiality and ethics by Commissioners, officers, employees (KCDC representatives) is essential to assure the proper performance of business and the maintenance of confidence by the public in KCDC (the company). This Ethics and Standards of Conduct Policy provides guidelines which shall not be considered fully encompassing. Every decision and action serving the mission and business interest of KCDC must be guided by the highest principles of ethical behavior by representatives of KCDC.
2. **Civility:** KCDC representatives are expected to exhibit a high degree of personal integrity, civility and professionalism when interacting with others in KCDC interactions may include verbal, nonverbal, physical, written, through imagery, electronic or digital means.
3. **Build Trust and Credibility:** KCDC is dependent on the trust and confidence earned by representatives of KCDC. The Agency gains credibility by adhering to its commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. KCDC representatives must avoid any action that might result in or create the appearance of using one's position for private gain, giving preferential treatment to anyone, impeding company efficiency or economy, making a company decision outside official channels or eroding the public's confidence in KCDC's integrity.
4. **Personal Interest:** KCDC representatives must be particularly careful that personal interests and activities do not negatively impact or conflict with KCDC duties. Personal interests include:
 - a. Any financial, ownership or employment interest in the subject of a vote by the Board of Commissioners not otherwise regulated by state statutes on conflicts of interest;
 - b. Any financial, ownership or employment interest in a matter to be regulated or supervised;
 - c. Any such financial, ownership or employment interest of a Commissioner, officer or employee's spouse, parent(s), stepparents(s), grandparent(s), sibling(s), child(ren) or

stepchild(ren); The words "employment interest" include a situation in which a Commissioner, officer, employee or a designated family member is negotiating possible employment with a person or organization that is the subject of the vote or that is to be regulated or supervised; or

- d. In any situation in which a personal interest is also a conflict of interest under state law, the provisions of the state law take precedence over the provisions of this Code.

- 5. Disclosure of Personal Interest by Official with Vote: A KCDC Board Commissioner with the responsibility to vote on a measure shall disclose, during the meeting at which the vote takes place, before the vote and so it appears in the minutes, any personal interest that affects or that would lead a reasonable person to infer that it affects the Commissioner's vote on the measure. In addition, the Commissioner may recuse him/herself from the vote or may be required to do so by the by-laws or the Board.
- 6. Disclosure of Personal Interest in Non-Voting Matters: An officer or employee who must exercise discretion relative to any matter, other than casting a vote, and who has a personal interest in the matter that affects or that would lead a reasonable person to infer that it affects the exercise of the discretion shall disclose, before the exercise of the discretion when possible, the interest on a form provided by and filed with the Chief Executive Officer (the Chairman of the Board of Commissioners if the personal interest involves the Chief Executive Officer). In addition, the officer or employee may, to the extent allowed by law, charter, resolution or policy, may recuse him/herself from the vote or may be required to do so by the by-laws or the Board.
- 7. Acceptance of Gifts and Favors: A representative of KCDC may not accept, directly or indirectly, any money, gift, gratuity or other consideration or favor of any kind from anyone:
 - a. For the performance of an act, or refraining from performance of an act, that would be expected to perform, or refrain from performing, in the regular course of duties; or
 - b. That might reasonably be interpreted as an attempt to influence the action, or be rewarded for past action, in executing company business; provided, however, that a gift or gratuity that is not cash or a cash equivalent (such as a check or gift card), and which has a value of \$50.00 or less, shall not be interpreted as an attempt to influence the action of the representative of KCDC.
- 8. Use of information: A representative of KCDC may not disclose any information obtained in association with KCDC that is made confidential under state or federal law except as authorized by law. Further, a representative of KCDC may not use or disclose information

obtained in association with KCDC with the intent to achieve financial gain for any person or entity other than KCDC.

9. Use of KCDC Time and Property: A representative of KCDC may not use or authorize the use of company time, facilities, equipment or supplies for private gain or advantage. Additionally, a representative of KCDC may not use or authorize the use of company time, facilities, equipment or supplies for private gain or advantage to any private person or entity, except as authorized by legitimate contract or lease that is determined by the Board of Commissioners to be in the company's best interests.
10. Use of Position or Authority: A representative of KCDC may not make or attempt to make private purchases for cash or otherwise, in the company name. A Commissioner, officer or employee may not use or attempt to use their position to secure any privilege or exemption for self or others that is not authorized by the charter, general law, bylaws, resolution or company policy.
11. Personal Gain from Official Position or Action: A representative of KCDC may not participate personally and substantially in any matter in which the individual has a financial interest. There is no minimum amount of value or control that constitutes a financial interest. This prohibition also applies if the representative's spouse and children have a financial interest in the matter. The representative of KCDC is also prohibited from participating in matters involving an organization in which that individual has a financial interest. Further, a Commissioner, officer or employee shall not be involved in any matter relating to a person or organization with which the individual is seeking employment or has an arrangement for prospective employment when the individual has a financial interest in the matter.
12. Solicitation: Commissioners, officers and employees are encouraged to take an active part in civic affairs and worthy charitable activities. However, soliciting of any kind while on company owned or leased property and/or while on duty is prohibited except for company sponsored activities. Distribution of literature while on company owned or leased property and/or while on duty is strictly prohibited. In order to promote confidence in the manner in which the company handles public funds and conducts its business, Commissioners, officers and employees are prohibited from directly or indirectly requesting, soliciting or raising funds, materials or services from any employee, contractor or subcontractor for any profit or non-profit organization, campaign or cause whatsoever. Staff shall avoid even the appearance of the exertion of undue influence, favoritism or other impropriety.
13. Outside Employment: A Commissioner, officer or employee may not accept or continue any outside employment if the work unreasonably inhibits the performance of any affirmative duty of a company position or conflicts with any provision of the charter, bylaws, resolution or policy.

14. Use of KCDC Property for Personal Reasons: KCDC representatives have a clear responsibility to protect and conserve company property and obey all rules and regulations governing its use. KCDC representatives cannot directly or indirectly use or allow another individual to use company property for other than officially approved activities. This includes property the company has leased.
15. Use of KCDC Credit Card: Commissioners, officers and employees who have been issued corporate purchasing cards (P-Cards) are to use them for business purposes only.
16. Contact with Residents: KCDC representatives' interactions with residents must be only professional at all times. Inappropriate behavior will not be tolerated. KCDC representatives are not permitted to give or accept personal loans of monetary value from residents of company properties. However, such persons may participate in company-wide collections or donations events designed to assist residents.
17. Use of Information Obtained Through KCDC Involvement: KCDC representatives may not use information obtained through KCDC involvement for furthering a private interest that has not been made available to the general public. Specifically, these individuals may not use information that has not been dispersed by the company or is only available by special request to the public.
18. Political Activity: Employees may be candidates in non-partisan elections. However, before deciding to run for public office, employees should be aware of possible conflict of interest. If an employee is elected to office, the matter will be reviewed to determine if a conflict of interest exists. If a conflict is deemed to exist, actions necessary to resolve the conflict will be identified. An employee may express opinions on political subjects and candidates by displaying stickers or posters on personal property, making speeches, writing on behalf of candidates or soliciting voters to support or oppose a candidate while not on company time. In addition, an employee may take an active part in political managements or campaigns by engaging in the following activities while not on company time: holding office; attending meetings; voting on candidates and issues; managing the club or party; attending a political convention; participating in the deliberations, proceedings, or committees of a political convention; signing nominating petitions; driving voters to the polls; serving as a checker, watcher or challenger for a political party candidate; or making a financial contribution to a political candidate, party or organization. The Hatch Act places certain restrictions on employees of agencies who receive federal funds and/or grants. An employee is prohibited from engaging in the following political activities while employed by the company (including while on leave of absence irrespective of pay status):

- a. Using one's official authority or influence for the purpose of interfering with or affecting the results of an election or nomination for office including activities such as threatening to deny promotion to any employee who does not vote for certain candidates;
- b. Coercing directly or indirectly, attempting to coerce, commanding or advising another employee to pay, lend or contribute anything of value to a party, committee, organization or person for political purposes including requiring an employee to contribute money to a political fund, influencing an employee to buy tickets to political fundraising dinners and matters of similar nature; or
- c. Being a candidate for elective office in a partisan election.

19. Post-Service Restrictions: Section 19(A)(1) of HUD's Annual Contributions Contract (ACC) (Form HUD-53012A dates 7/95) provides:

A(A)(1) In addition to any other applicable conflict of interest requirements, neither the housing authority (HA) nor any of its contractors or their subcontractors may enter into any contract, subcontract, or arrangement in connection with a project under this ACC in which any of the following classes of people has an interest, direct or indirect, during tenure or for one year thereafter:

A(i) Any present or former member or officer of the governing body of the HA, or any member of the officer's immediate family. There shall be excepted from this prohibition any present or former tenant commissioner who does not serve on the governing body or a resident corporation, and who otherwise does not occupy a policymaking position with the resident corporation, the HA or a business entity.

A(ii) Any employee of the HA who formulates policy or who influences decision with respect to the project(s), or any member of the employee's immediate family or the employee's partner.

A(iii) Any public official, member of the local governing body, or state or local legislator, or any member of such individual's immediate family, who exercises functions or responsibilities with respect to the project(s) or the HA.

For purposes of this section, the term immediate family member means the spouse, mother, father, brother, sister or child of a covered class member (whether related as a full blood relative, or as a half or step relative, e.g., a half-brother or stepchild).

20. Ethics Complaints: The Vice President – ~~Redevelopment and Legal Services~~ Administration is designated as the Ethics Officer. Upon the written request of a party potentially affected

by a provision of this section, the Ethics Officer shall notify the Chairperson of the request and the Ethics Officer shall render an oral or written advisory ethics opinion based upon this section and other applicable law.

Except as otherwise provided in this subsection, the Ethics Officer shall investigate any credible complaint against a Commissioner, officer or employee charging any violation of this Ethics and Standards of Conduct Policy, or may undertake an investigation on their own initiative when information is acquired indicating a possible violation and make recommendations to the Board of Commissioners for action to end or seek retribution for any activity that, in the Ethics Officer's judgment, constitutes a violation of this Ethics and Standards of Conduct Policy.

The Ethics Officer may request that the Board of Commissioners hire another attorney, individual or entity to act as Ethics Officer when a conflict of interest in a particular matter has occurred or will occur.

When a complaint of a violation of any provision of this Ethics and Standards of Conduct Policy is lodged against a member of the Board of Commissioners, the Board of Commissioners shall by majority vote determine that the complaint has merit, determine that the complaint does not have merit or determine that the complaint has sufficient merit to warrant further investigation. If the Board of Commissioners determines that a complaint warrants further investigation, it shall authorize an investigation by the Ethics Officer or another individual or entity chosen by the Board of Commissioners.

The interpretation that a reasonable person in the circumstances would apply shall be used in interpreting and enforcing this Ethics and Standards of Conduct Policy. When a violation of this Ethics and Standards of Conduct Policy also constitutes a violation of a Human Resources policy, rule or regulation, the violation shall be dealt with as a violation of the Human Resources policy rather than as a violation of this Ethics and Standards of Conduct Policy.

21. Ethics Violations: A Commissioner violating any provision of this Ethics and Standards of Conduct Policy is subject to disciplinary action or punishment as provided by the charter, bylaws or other applicable law and in addition is subject to censure by the Board of Commissioners. The Board of Commissioners, by majority vote, may also recommend to the appointing authority that the offending Commissioner be removed from the Board of Commissioners.

Section A: Administration	Knoxville's Community Development Corporation		
	Anti-Fraud Policy	A-110	
		Amended: 47/274/202306	Adopted: 0412/2712/2318

1. Purpose: This anti-fraud policy facilitates the development of controls that will aid in the detection and prevention of fraud against Knoxville's Community Development Corporation (also referred to as KCDC). KCDC is to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.
2. Applicability of Policy: This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, and/or any other parties with a business relationship with KCDC. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to KCDC.
3. General Statement of Policy: Fraud by any individual, fraud of any type and fraud resulting in any amount of loss to KCDC, its employees, its contractors, its vendors its tenants or any other constituents will not be tolerated. Management is responsible for the implementation of internal control procedures designed for the detection and prevention of fraud, misappropriations, and other irregularities.

Each member of KCDC management will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any employee of KCDC should call to the attention of the appropriate person, identified in item 7 below, their knowledge of or suspicion of any fraud affecting KCDC.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the matter.

4. Fraud Defined: Fraud is generally defined as the wrongful or criminal deception intended to result in financial or personal gain. For this policy the term fraud includes all instances of taking, cheating and deceit misappropriation and fiscal irregularities.

Examples of fraud include but are not limited to the following:

- a. Any dishonest or fraudulent act;
 - b. Misappropriation of funds, securities, supplies, or other assets;
 - c. Impropriety in the handling or reporting of money or financial transactions;
 - d. Disclosing confidential information to outside parties unless required by law;
 - e. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to KCDC;
 - f. Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
 - g. Any similar or related irregularity.
5. Confidentiality: All instances of reported, suspected or known fraud shall be treated with utmost confidentiality.
6. Investigation details *shall not be disclosed or discussed* with anyone other than those who have a legitimate need to know or except as required by law. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.
7. Authorization for Investigating Suspected Fraud: Any external agency authorized to investigate an allegation of fraud will have:
- a. Free and unrestricted access to all KCDC's records and premises, whether owned or rented relevant to the investigation; and
 - b. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage

facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

8. Reporting Procedures: Care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

Any fraud that is detected or suspected must be reported immediately to the Human Resources Director who in turn reports to the Executive Director/CEO or designee who coordinates all investigations under guidance from legal counsel, both internal and external. If the Executive Director/CEO or designee is the person involved in the allegation, then the Human Resources Director reports directly to the Board Chairman. If the Human Resources Director is the person involved in the allegation, the report should be made directly to the Executive Director/CEO.

The employee or other complainant may remain anonymous to the extent permitted by law. All inquiries from the suspected individual, his or her attorney or representative, or any other inquirer concerning the investigation should be directed to the Human Resources Director, Executive Director/CEO or Board Chairman as applicable. No information concerning the status of an investigation will be given out except to the extent required by law. The proper response to any inquiry is, "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- a. Do not contact the suspected individual in an effort to determine facts or demand restitution.
 - b. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Human Resources Director, Executive Director/CEO or Board Chairman, as applicable.
9. Termination: If an investigation results in a recommendation to terminate an individual, then KCDC's current termination policy will apply.
10. Administration: The Vice President - Administration ~~Human Resources Director~~ is responsible for the administration and application of this policy

under the supervision of the Executive Director/CEO or designee. ~~This policy will be reviewed annually and revised as needed.~~

Section A: Administration	Knoxville's Community Development Corporation		
	Affirmative Action Policy	A-120	
		Amended: <u>47/271/2023</u> 06	Adopted: <u>412/2712/23</u> 19

1. **Purpose:** This policy is set forth to establish guidance to management for KCDC's compliance with Civil Rights, equal opportunity and nondiscrimination requirements.
2. **Authority:** The Board of Commissioners authorizes the Executive Director/CFO to establish plans, protocols and procedures sufficient to ensure compliance.
3. **Applicability of Federal, State and Local Guidance:** KCDC activities shall be conducted in accordance with federal, state and local laws, regulations, rules, guidance and procedures as applicable. These requirements include, but shall not be limited to, compliance with the following authorities: Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d; 24 CFR part I); the Fair Housing Act (42 U.S.C. 3601-3619; 24 CFR part 100); section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794; 24 CFR part 8); the Age Discrimination Act of 1975 (42 U.S.C. 6101- 6107; 24 CFR part 146); the Americans with Disabilities Act (Pub L101-336, approved July 26, 1990; 28 CFR part 35); Executive Order 11063 on Equal Opportunity in Housing (24 CFR part 107); Executive Order 11246 on Equal Employment Opportunity, as amended by Executive Order 11375 (41 CFR part 60); and Executive Order 12892 on Affirmatively Furthering Fair Housing.
4. **Requirements:**
 - (A) KCDC shall comply with all statutory, regulatory, and executive order requirements pertaining to civil rights, equal opportunity, and nondiscrimination, as those requirements now exist, or as they may be enacted, promulgated, or amended from time to time.
 - (B) In connection with the development or operation of any project, KCDC shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, disability, age, sexual orientation or national origin. KCDC shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex, disability, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

KCDC shall insert the foregoing provision (modified only to show the particular contractual relationship) in all its contracts in connection with the development or operation of any project, except contracts for standard commercial supplies or raw materials and contracts referred to in subsection (C) of this section, and shall require all contractors to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials. KCDC shall post at the projects, in conspicuous places available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscriminatory clause.

(C) KCDC shall incorporate the language required by Executive Order 11246, codified at 41 CFR §60-1.4(b) (or any successor provision), into any contract for construction work, or any modification thereof, which is paid for in whole or in part with funds obtained under Annual Contributions Contract with HUD. In addition, KCDC will be bound by the equal employment opportunity provisions set forth at 41 CFR §60-1.4(b) (or any successor provision) with respect to its own employment practices when it uses its own staff to carry out federally assisted construction work.

5. Enforcement: The Executive Director/CEO will establish the procedures necessary to implement this policy while ensuring fairness, impartiality and reasonableness.
6. Responsibility: The Executive Director/CEO may delegate authority to staff designees for Human Resources, Procurement, Admissions and Occupancy, etc.

Section A: Administration	Knoxville's Community Development Corporation		
	Vehicle Policy	A-140	
		Amended: 4/27/2023 4/27/2023	Adopted: 4/27/23 4/27/23

1. Purpose: The KCDC Vehicle Policy guides management regarding the use of, care of and controls over all types of KCDC owned and leased vehicles and drivable equipment. Safety is of utmost concern. KCDC Board of Commissioners authorizes Management, under the direction of the Executive Director/CEO or designee, to establish guidelines and procedures which are sufficient to ensure ongoing adherence to this policy.
2. Authorized Vehicle Use: KCDC vehicles may be used only for the conduct of authorized KCDC business. Personal use of KCDC vehicles is prohibited except for the *de minimis* provision associated with drive-home vehicle assignments.
3. Transport of Passengers or Materials: KCDC vehicles may not be used for the transporting of passengers or materials except as needful for conducting KCDC business.
4. Out-of-Town Vehicle Use: KCDC may provide vehicles for out-of-town travel required for legitimate KCDC business when automotive travel is the most efficient and cost-effective means of transportation. KCDC vehicles shall not be taken out of the continental U.S. without Board or Executive Director/CEO approval.
5. Vehicle Maintenance: Vehicles must be maintained in sound working order. Routine maintenance at prescribed intervals is required as long as the subject vehicle is in service. No vehicle shall be allowed in service which is known to have issues which compromise safety.
6. Vehicle Appearance: KCDC vehicles operated on public roadways shall be clean and in good repair. KCDC vehicles shall reflect KCDC's commitment to quality, excellence and efficiency.
7. Eligible Drivers: Only KCDC employees are authorized to drive KCDC vehicles. Management shall establish eligibility criteria for employees. These criteria will include licensure, safe driving record, drug and alcohol free, and insurability. Other criteria may be determined by management. Management shall revoke driving eligibility whenever an employee ceases to meet minimum established requirements.

8. Safe Driving Practices: Management shall establish and maintain standards of safety and courtesy to be followed by drivers of KCDC vehicles. Any citations for traffic violations while operating a KCDC vehicle shall be reported promptly to management. Seat belts must be worn at all times by drivers and passengers in a KCDC vehicle.
9. Vehicle Identification: All KCDC vehicles shall bear a KCDC decal and governmental entity license plate.
10. Title, Registration and Insurance: KCDC shall obtain and manage titles, registration and insurance as would be considered best practice for a governmental entity.
11. Use of Personal Vehicles in the Conduct of KCDC Business:
 - a. All requirements regarding safety shall apply to employees using personal vehicles in KCDC business.
 - b. Employees other than executive management shall be reimbursed at the IRS approved rate per mile for use of personal vehicles when such use has been authorized by management.
12. Vehicle Allowance: Members of executive management ~~(and other staff as approved by the CEO) shall receive~~have the option to either receiving a monthly vehicle allowance in an amount determined ~~annu~~periodically by ~~Management~~the Board. Currently the amount is based on the AAA-estimated cost of operating a mid-size vehicle 15,000 miles annually. Such amount is included in taxable wages. , Optionally, the employee may choose to~~or to~~ receive mileage reimbursementss at the IRS approved rate.
13. Vehicular Accidents: Immediate care for and safety of motorists, passengers and any other involved individuals takes precedence over other concerns. Other post-accident guidelines shall be established by management.

Section B: Fiscal Policies	Knoxville's Community Development Corporation		
	Audit Procurement and Monitoring Policy	B-180	
		Amended: <u>47/274/202306</u>	Adopted: <u>0412/2712/2319</u>

1. Audit Committee Selection: The Board of Commissioners shall establish a committee to oversee all of KCDC's financial audits. The committee will be composed of members of the Executive Staff and others designated by the CEO~~Executive Staff~~.
2. Scope: The audit committee will be directly responsible for all aspects of audit management including the annual independent audit of KCDC in accordance with the "Uniform Guidance" found in 2 CFR Part 200 or superseding guidance, as well as audits of all other entities under operational management by KCDC.
3. Areas of Responsibility:
 - a. Determining the appropriate scope of the financial audits;
 - b. Preparation of a Request for Proposal (RFP);
 - c. Evaluating the technical qualifications of proposing audit firms and making a recommendation on auditor selection to the Board of Commissioners;
 - d. Review of the unaudited and audited annual financial statements with special emphasis on changes that have occurred since the issuance of the previous year's financial statements;
 - e. Review of the independent auditor's reports accompanying the audited financial statements;
 - f. Evaluating management's proposed corrective action of any noted deficiencies;
 - g. Monitoring corrective action taken;
 - h. Evaluating auditor performance; and
 - i. Reporting to the Board of Commissioners in matters contained in Generally Accepted Auditing Standards regarding auditor's communication with those in charge of governance.

Section E: Human Resources	Knoxville's Community Development Corporation		
	Social Media Policy	E-111	
		Amended: <u>410/2731/2023</u> 13	Adopted: <u>412/2712/23</u> 19

1. Purpose: To establish standards of professional integrity regarding social media participation when representing KCDC.
2. Scope: This policy applies to all KCDC employees who utilize social media ~~as part of their job duties~~ in connection with KCDC employment. Nothing in this policy is intended to inhibit an employee's right to free speech.
3. General Principles: All communications on behalf of the agency issued through social media must be professional, respectful, responsible, accurate, and clear.
4. Specific Requirements: KCDC management shall issue specific guidance to staff as a supplement to and clarification of this policy.

Section E: Human Resources	Knoxville's Community Development Corporation		
	Promotions, Transfers, <u>and</u> Demotions Policy	E-123	
		Amended: <u>47/274/2023</u> 06	Adopted: <u>412/2712/23</u> 19

1. Purpose: To establish guidelines for management regarding reclassification of existing employees.
2. Promotions: KCDC will provide promotional opportunities to qualified employees consistent with the Agency's Recruitment and Selection~~Hiring~~ Policy (E-119). Employees are encouraged to prepare for these opportunities by obtaining additional education and training, performing at a high level, having an excellent attendance history, and showing an interest in obtaining more responsible work.
3. Transfers: Management may transfer employees from one location to another without a change in classification. Employees who refuse a transfer may be discharged. An employee may also request a transfer. Management will evaluate the request to determine if it is mutually beneficial to approve the transfer request.
4. Demotions: Management may initiate involuntary demotions for reasons it deems appropriate, such as poor performance. An employee may voluntarily request a demotion. An employee may also apply for vacant positions that are at a lower skill level than his/her current classification. When an employee is selected for a voluntary demotion, the pay will be determined according to policy. Voluntary demotions are not subject to the KCDC's Grievance Policy.

Section E: Human Resources	Knoxville's Community Development Corporation		
	Separation Policy	E-124	
		Amended: 4/27/2023	Adopted: 4/27/23

1. **Purpose:** To establish guidelines for Management regarding exiting employees.
2. **Resignation:** An employee who desires to terminate employment should submit a signed, written resignation. The resignation period shall be limited to two weeks unless otherwise approved by the CEO. ~~with a two week advance notice.~~ Withdrawal of a tendered resignation shall be accepted only is at the discretion upon approval of management.
3. **Severance:** The Executive Director/CEO or designee has the authority to offer severance packages to individuals that have tendered their resignation. Severance packages that include more than 9030 days of compensation are subject to Board of Commissioners' approval.
4. **Involuntary Separation:** The agency may initiate involuntary separations for reasons it deems appropriate, such as performance failure or employee misconduct.
5. **Retirement:** An employee is eligible for retirement when the employee's age plus years of service total 70 points with at least 7 years of service. Points are accumulated at the rate of one point for every year of continuous service as a full-time employee and one point for every complete year of the employee's age. Years of employment as both temporary, full-time and regular, full-time are included in the point total.
6. **Celebration:** ~~When a~~ An employee who officially retires from KCDC, shall be given a parting gift of \$25 for each full year of service. a \$175 gift certificate will be given. The agency may also host a retirement celebration in honor of the retiree ~~with the cost not to exceed \$500.~~ The retiring employee may elect to donate the \$500 to a charity in lieu of a celebration party.
7. **Reduction in Force:** An employee may be laid off when it is deemed necessary by the Executive Director/CEO or designee.

Section E: Human Resources	Knoxville's Community Development Corporation		
	Holiday Policy	E-152	
		Amended: <u>47/274/2023</u> 06	Adopted: <u>46/247/23</u> 2

1. **Purpose:** To establish official agency holidays and related wage payment guidelines
2. **Paid Holidays:** KCDC recognizes certain days of historic importance as official holidays and pays employees for the time off on these days in accordance with certain eligibility rules. The following days are paid holidays:
 - a. New Year's Day (January 1)
 - b. Martin Luther King, Jr.'s Birthday (3rd Monday in January)
 - c. Good Friday (Friday before Easter)
 - d. Memorial Day (Last Monday in May)
 - e. Juneteenth (June 19)
 - f. Independence Day (July 4)
 - g. Labor Day (First Monday in September)
 - h. Thanksgiving (Fourth Thursday in November)
 - i. Day After Thanksgiving (Fourth Friday in November)
 - j. Christmas Eve (December 24)
 - k. Christmas Day (December 25)
- k. The CEO shall also designate up to 3 additional paid days off within each calendar year.
3. **Eligibility:** All regular, full-time employees are eligible to receive holiday pay upon hire. Temporary and part-time employees are not eligible for holiday pay or additional paid days off.
4. **Alternate Observance Date:** Holidays that fall on Saturday will be observed the preceding Friday. Holidays that fall on Sunday will be observed the following Monday. The Executive Director/CEO or designee may decide to have the holiday observed on an alternate date.
5. **Loss of Paid Holiday:** Any employee on leave without pay (e.g. unpaid leave of absence, suspension under KCDC's disciplinary policy, etc.) the day prior to a paid holiday shall not be eligible to receive holiday pay.
6. **Working on a Holiday:** All regular, full-time, nonexempt employees scheduled to work on observed holidays shall receive time and one half for hours worked in addition to holiday pay (i.e., 2 and ½ times pay for working on a holiday).

Section E: Human Resources	Knoxville's Community Development Corporation		
	Annual Leave Policy	E-153	
		Amended: 47/274/202306	Adopted: 442/2742/2349

1. **Purpose:** KCDC's employee leave provisions have been designed with the health and well-being of its employees in mind. While leave privileges and other benefits add to the security of employees, they also aid KCDC in attracting and retaining capable employees.
2. **Eligibility:** Regular, full-time employees accrue a stated amount of annual leave each pay period based on the employee's years of continuous regular, full-time service. The Executive Director/CEO may grant exceptions to the Annual Leave Policy when deemed appropriate.
3. **Accrual Rates:** Annual leave is accrued each pay period the eligible employee's sum of works and hours of paid leave total 40 hours or more. The amount of annual leave accrued is as follows:

Years of Continuous Service	Annual Leave Accrual Rate
0 through 3 years	10 days (3.08 hours per pay period)
4 through 7 years	15 days (4.62 hours per pay period)
8 years through 12 5 years	20 days (6.16 hours per pay period)
12 6 years to Retirement	25 days (7.70 hours per pay period)

4. **Available Balance:** Annual leave must be earned and credited before it can be granted.
5. **Leave Requests:** Employees will request leave in advance of the leave date. Employees will give equal notice for equal time. A supervisor may require more advanced notice depending on departmental staffing needs and work deadlines. Use of annual leave is a benefit not an entitlement. Leave requests may be denied if proper notice is not given or if the work load will not permit. Annual leave may only be taken when approved by the direct supervisor.

6. Holidays While on Annual Leave: Official holidays occurring during annual leave absences shall not be charged to annual leave.
7. Maximum Accrual: Annual leave not used during the calendar year may be carried over to the following year up to a maximum of 240 hours. At the end of the second pay period in December each year, annual leave in excess of 240 hours shall be converted to sick leave.
8. Annual Leave at Separation: KCDC will pay the value of unused annual leave less any money owed to KCDC including but not limited to insurance premiums, accounts receivable, reimbursement for KCDC property, and tuition reimbursement. Employees who retire with 70 points may elect to convert up to 240 hours of annual leave to sick leave at separation.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Approval is Requested to Increase the Section 8 Housing Choice Voucher Payment Standards.
SUBMITTED BY	Name, Title / Department: Matt Tillery, VP of Rental Assistance
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>To preserve and expand landlord participation in the Housing Choice Voucher program, and to provide residents with more options for rental housing on the private market.</p>	
<p>2. Why is the action needed now?</p> <p>Rents continue to increase in the Knoxville market as the supply of rental housing remains constrained. This increase in payment standards is necessary to remain somewhat competitive with private market rents and prevent the loss of existing Section 8 landlords.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>KCDC - Housing Choice Voucher Program Administrator</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	KCDC typically adjusts payment standards annually based on HUD updated Fair Market Rents (FMRs). This is a routine update of those payment standards.
ATTACHMENTS	FMR/Payment Standard Schedule

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing KCDC to execute all documents to enter into a subordinate tax increment note in the amount of \$20 million and to grant those funds to the Sports Authority.
SUBMITTED BY	Name, Title / Department: Ben Bentley, CEO/Executive Director
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>Mark Mamantov</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>To provide \$20 million in funds to support the development of a multi use stadium and surrounding mixed use in the Magnolia Avenue Warehouse Redevelopment Area.</p>	
<p>2. Why is the action needed now?</p> <p>The Sports Authority is in the process of closing on the financing for the stadium, and this approval represents \$20 million of that total financing package.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>Boyd Entity - Buyer of TIF Note KCDC - Borrower and Pledger of TIF Sports Authority - Builder/Owner of Mixed Use Stadium</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	The City of Knoxville, Knox County, Sports Authority, KCDC, and IDB have been working with the Tennessee Smokies on the development and financing of a multipurpose stadium. The development agreement for the stadium has been finalized, but this agreement must be approved prior to selling of bonds.
ATTACHMENTS	TIF Note Development Agreement

KCDC has an important role in the development and financing of proposed multi-use stadium that will be located in Magnolia Warehouse Redevelopment Area created by KCDC. KCDC's involvement is significant in three different areas as follows:

- The public infrastructure that will be constructed around the stadium will be paid for through a tax increment loan in the amount of \$14 million from the City to KCDC. The documents providing for this loan have already been approved by the City and KCDC. This loan is secured by a senior lien on the tax increment revenues from a tax increment area surrounding the stadium (other than the buildings to be constructed immediately adjacent to the stadium as part of the stadium development). No action on this loan will need to be taken at this month's Board meeting.
- Randy Boyd (or an entity controlled by Mr. Boyd) has agreed to purchase a second tax increment note secured by the tax increment revenues from the same area as the first tax increment note to the City, with a subordinate lien on those revenues, in the amount of \$20 million. The proceeds of that tax increment note will be contributed by KCDC to the Sports Authority to assist with the construction of a redevelopment project, which in this case is the development of a public stadium. The documents related to this second tax increment note and the contribution agreement with the Sports Authority will be on the agenda for next Thursday's meeting.
- As part of the overall stadium development, private developers have agreed to construct two buildings immediately adjacent to the stadium. A third building across from the stadium is expected to be constructed within the next few years. The tax parcels on which these buildings will be located are not part of the tax increment financing described above. One of the first two buildings is a mixed-use building consisting of commercial and apartment uses, and it will be the subject of a payment-in-lieu-of-tax ("PILOT") agreement which will be handled by the Industrial Development Board (managed by KCDC). The other building to be constructed with the stadium will be a condominium with commercial/office development on the lower floors and residential condominiums on the upper floors. The commercial/office portion will also be subject to a PILOT agreement, but the upper floors with residential condominiums cannot be legally subject to a PILOT agreement. To capture the tax increment from those condominiums, a separate tax increment financing will need to be undertaken with respect to those condominiums. To do this, the Sports Authority will loan a portion of its bond proceeds (approximately \$6 million) to KCDC pursuant to a tax increment financing note, and the tax increment from those condominiums would be used to pay that note and then used by the Sports Authority to pay debt service on the Sports Authority's bonds. The approximately \$6 million in proceeds received by KCDC would be immediately contributed back to the Sports Authority in the same manner as is described above for the \$20 million subordinate tax increment financing in order to pay costs of the Stadium. The documents relating to this tax increment financing will be on the agenda for next Thursday's meeting.

KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Resolution authorizing KCDC to execute all documents to enter into a tax increment finance note in the amount of \$6 million to support the construction of mixed use surrounding the multi purpose stadium, and to grant those funds back to the Sports Authority.
SUBMITTED BY	Name, Title / Department: Ben Bentley, CEO/Executive Director
MEETING TYPE	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input checked="" type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds:
APPROVAL / REVIEWS	<input type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input checked="" type="checkbox"/> Legal Counsel: <u>Mark Mamantov</u> Other – Name/Title:
<u>BACKGROUND</u>	
<p>1. What is the objective of this action?</p> <p>To provide \$6 million in tax increment funds to support the development of a multi purpose stadium.</p>	
<p>2. Why is the action needed now?</p> <p>The Sports Authority is in the process of closing on the financing for the stadium, and this approval represents \$6 million of that total financing package.</p>	
<p>3. Who are the parties involved and what are their roles (if appropriate)?</p> <p>KCDC - Borrower and Pledger of TIF Sports Authority - Bond Issuer and Builder/Owner of Mixed Use Stadium</p>	
<p>4. What are the long-term and short-term exposures?</p> <p>None.</p>	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	The City of Knoxville, Knox County, Sports Authority, KCDC, and IDB have been working with the Tennessee Smokies on the development and financing of a multipurpose stadium. The development agreement for the stadium has been finalized, but this agreement must be approved prior to selling of bonds.
ATTACHMENTS	TIF Note Development Agreement

WESTERN HEIGHTS 1 GP CORPORATION

Date: April 20, 2023

To: Board of Directors

From: Nancy White, Secretary

Subject: **SPECIAL AGENDA**
Board Meeting of the Board of Directors
Thursday, April 27, 2023, 5 p.m.
901 N. Broadway Street
Knoxville, TN 37917

1. Call to Order.
2. Approval to execute the minutes from the initial meeting of February 23, 2023. **(Attached)**

REDEVELOPMENT (Jim Hatfield)

3. Approval is requested to enter into a contract with Smith Gee Studio, LLC or its affiliates for architectural and design related services in connection with the first phase of development at Western Heights in an amount NTE \$1.3M. **(Attached)**
4. Adjourn.

WESTERN HEIGHTS 1 GP CORPORATION

BOARD ACTION FORM

MEETING DATE	April 27, 2023
AGENDA ITEM DESCRIPTION	Approval is requested to enter into a contract with Smith Gee Studio, LLC or its affiliates for architectural and design related services in connection with the first phase of development at Western Heights in an amount NTE \$1.3M.
SUBMITTED BY	Name, Title / Department: Jim Hatfield, Vice President Redevelopment
MEETING TYPE	<input type="checkbox"/> Regular <input checked="" type="checkbox"/> Special <input type="checkbox"/> Annual
CLASSIFICATION	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
BUDGET / FINANCIAL IMPACT	Budgeted: \$ 1,300,000 Expenditure: \$ 1,300,000 Source of Funds: Anticipated tax credit equity, debt, and CNI pre-development funds
APPROVAL / REVIEWS	<input checked="" type="checkbox"/> Department Head /VP <input type="checkbox"/> Budget/Finance <input checked="" type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ Other – Name/Title: _____
<u>BACKGROUND</u>	
1. What is the objective of this action? Approval for Western Heights 1 LP, owner entity of phase 1, to enter into an architect agreement with Smith Gee Studio architects to provide design services for phase 1 of the CNI development in an amount NTE \$1,300,000.	
2. Why is the action needed now? The project is expected to start construction in late 2023 or early 2024. Design is needed to begin now in order to meet that anticipated construction start date.	
3. Who are the parties involved and what are their roles (if appropriate)? HUD's Special Applications Center will review and approve the Section 18 application. HUD's CNI team will approve demolition of existing units. KCDC will handle application and communications with HUD to obtain approvals.	
4. What are the long-term and short-term exposures? None.	
HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)	In 2021, KCDC issued a public RFQ for A&E services. Smith Gee Studio was approved and qualified from that solicitation.
ATTACHMENTS	None.