

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: November 30, 2023

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**  
Board Meeting of the Board of Commissioners  
**Thursday, December 7, 2023, 5 p.m.**  
901 N. Broadway Street  
Knoxville, TN 37917

1. Call to Order.
- 1.1 Park City Redevelopment & Urban Renewal Plan Public Hearing
2. Motion to add, delete or postpone agenda items.
3. Reports of officers and special presentations.
4. Approval is requested to execute the minutes for the meeting held on October 26, 2023.  
([Item 4 Attachment](#))

## **NEW BUSINESS**

### **HOUSING** (Sabrina Draplin)

5. Approval is requested to implement a change to the Affordable Housing waiting list guidelines to change housing offers from preference-based to time/date-based. ([Item 5 Attachment](#))

### **REDEVELOPMENT** (Jim Hatfield)

6. Approval is requested to authorize a proposal from Civil & Environmental Consultants (CEC) for an amount NTE \$150,000 for the infrastructure design at the 2/3 phases of Western Heights. ([Item 6 Attachment](#))
7. Approval is requested for the Park City Redevelopment and Urban Renewal Plan. ([Item 7 Attachment](#))

**ADMINISTRATION (Jim Barker)**

8. Approval is requested to award Painting Services Q2404 with Competitive Edge Refurbishing and Mitchell & Everett Construction, Inc. [\(Item 8 Attachment\)](#)
9. Approval is requested to award Section 8 Housing Quality Standards (HQS) Inspection Services Q2405 to McCright and Associates, LLC. [\(Item 9 Attachment\)](#)
10. Approval is requested to award Bulky Debris and Set Out Services Q2406 with Competitive Edge Refurbishing. [\(Item 10 Attachment\)](#)

Unfinished Business

Public Forum

Adjournment

Next agenda review meeting will be held

**Thursday, January 18, 2024 @ 5 p.m.**

Next board meeting will be held

**Thursday, January 25, 2024 @ 5 p.m.**

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## BOARD MEETING MINUTES

The Board of Commissioners of the Knoxville's Community Development Corporation met on **October 26, 2023** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared present at 5:01 p.m.

**Present:** Chair Kimberly Henry  
Vice Chair Scott Broyles  
Commissioner Robert Whetsel  
Commissioner Kathy Hill

**Absent:** Commissioner Robyn McAdoo  
Treasurer Felix Harris

Approval to execute the minutes for the *regular* meeting held on September 28, 2023. **Commissioner Broyles moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."**

### **REDEVELOPMENT** (Jim Hatfield)

Approval to execute a change order increasing contract C23008 value by an amount not to exceed \$450,000.00. **Commissioner Winemiller moved to approve. Commissioner Broyles seconded the motion. All other Commissioners present voted "Aye."**

Approval to negotiate and execute an architectural contract with Shapiro & Company Architects for an amount not to exceed \$1,250,000.00. **Commissioner Broyles moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."**

### **RENTAL ASSISTANCE** (Interim VP Debbie Taylor-Allen)

Approval to increase Housing Choice Voucher payment standards and Small Area Fair Market Rents (SAFMR) to 110% of Fair Market Rent. **Commissioner Winemiller moved to approve. Commissioner Whetsel seconded the motion. All other Commissioners present voted "Aye."**

### **PUBLIC FORUM**

None

### **UNFINISHED BUSINESS**

None

### **ADJOURNMENT**

With no further business to come before the Board, the meeting adjourned by consent at 5:21 p.m.

\_\_\_\_\_  
Kimberly K Henry, Chair

Approved:

**ATTEST:**

\_\_\_\_\_  
Benjamin M. Bentley, Secretary

Approved:

DRAFT



## BOARD ACTION FORM ITEM #5

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to implement a change to the Affordable Housing waiting list guidelines to change housing offers from preference-based to time/date-based.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Sabrina Draplin, VP of Housing
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ <u>N/A</u> <b>Expenditure:</b> \$ <u>N/A</u> <b>Source of Funds:</b> <u>N/A</u>
<b>APPROVAL / REVIEWS</b>	<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: _____
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b> This change is expected to improve the application process, making it easier and faster for applicants to be housed, while increasing fairness and transparency related to unit offers.</p> <p><b>2. Why is the action needed now?</b> Preferences are a hold-over from the former Low-Income Public Housing (LIPH) Program which no longer exists since KCDC has transitioned all properties to Project-Based Rental Assistance (PBRA) via the Rental Assistance Demonstration (RAD).</p> <p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> This affects existing and future applicants to KCDC's PBRA properties, as well as some community stakeholders who assist individuals with applying for subsidized housing.</p> <p><b>4. What are the long-term and short-term exposures?</b> In the short term, we anticipate an immediate reduction in required verification paperwork for the applicant and a more static waiting list that will allow applicants a more reliable estimate of wait times and will allow staff to work faster to house.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	*The KCDC Former/Current Preference will continue for purposes of relocation/ redevelopment/maintenance issues/etc. *Elderly and Disabled categories may be eliminated as preference and used from an eligibility standpoint *VAWA will not be a preference for applicants, but will be an option for existing tenants *Government Action/Involuntarily Displaced will be addressed as temporary preference if/when mandated, such as with Hurricane Katrina
<b>ATTACHMENTS</b>	

## BOARD ACTION FORM ITEM # 6

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to authorize a proposal from Civil & Environmental Consultants (CEC) for an amount NTE \$150,000 for the infrastructure design at the 2/3 phases of Western Heights.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Hatfield, Vice President, Redevelopment
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ 150,000 <b>Expenditure:</b> \$ 150,000 <b>Source of Funds:</b> COK approved infrastructure funds
<b>APPROVAL / REVIEWS</b>	<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: _____
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b> The proposal provided by CEC covers the infrastructure civil design services for the 2nd and 3rd phases of development at Western Heights. In summary, CEC's scope under the proposal is to provide construction drawings and construction administration for all of the new infrastructure to be installed to support phase 2 and 3 of residential development as well as the non-residential / community uses contemplates as part of the master plan. The infrastructure includes mass grading, new roads, curb and gutter, as well as the design for new wet and dry utilities.</p> <p><b>2. Why is the action needed now?</b> We need to engage CEC now to begin drawing production in order to be able to start construction by 2Q24. The concept site plan was approved by Knox Planning last month.</p> <p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> KCDC as owner and developer of the infrastructure. CEC as the civil engineer of record.</p> <p><b>4. What are the long-term and short-term exposures?</b> None.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	This scope of work is consistent with the 2022 board-approved CNI master plan. In 2021, KCDC conducted an open RFQ period for A&E services. CEC was one of the A&E firms selected under that RFQ process.
<b>ATTACHMENTS</b>	Proposal and current site plan



November 14, 2023

Via email: [jhatfield@kcdc.org](mailto:jhatfield@kcdc.org)

Mr. James Hatfield  
Vice President of Redevelopment  
Executive Management Team  
Knoxville's Community Development Corporation (KCDC)  
901 N Broadway Street  
Knoxville, TN 37917

Dear Mr. Hatfield:

Subject: Proposal for Civil Engineering Services  
KCDC Western Heights Redevelopment  
Phase 2 Site Infrastructure  
CEC Project 333-365

Civil & Environmental Consultants, Inc. (CEC) appreciates your interest in our Civil Engineering Services and the opportunity to work together on the second phase of the KCDC Western Heights redevelopment project. We are providing a Scope of Services and Fee based on our previous knowledge of the Western Heights neighborhood, the master plan developed by Urban Design Associates (UDA), the Schematic Design plans developed by CEC, and our discussions during the project review meetings with you. If we have not adequately addressed your needs, please let us know and we will make the appropriate revisions to this proposal.

## 1.0 PROJECT UNDERSTANDING

CEC understands that the proposed project will include infrastructure development to support the second phase of housing to be redeveloped in the Western Heights neighborhood. The second phase includes the lot that is located west of McSpadden Street between Virginia Avenue and West Oldham Avenue. We are submitting this proposal to move the project beyond the Schematic Design phase which was performed under a previously agreed to proposal.

## 2.0 SCOPE OF SERVICES

2.1	<i>SCHEMATIC DESIGN (SD)</i>	<i>AGREEMENT (JUNE 30, 2023)</i>
2.2	<i>REZONING</i>	<i>CHANGE ORDER (OCTOBER 31, 2023)</i>
2.3	<i>CONCEPT PLAN SUBMITTAL</i>	<i>CHANGE ORDER (OCTOBER 31, 2023)</i>
2.4	<i>RIGHT-OF-WAY CLOSURE</i>	<i>CHANGE ORDER (OCTOBER 31, 2023)</i>



## **2.5 CONSTRUCTION DOCUMENTS (CD)**

### **2.5.1 Construction Drawing Package**

CEC will prepare construction documents for the proposed project for obtaining competitive bids from contractors and submit for permits from the City of Knoxville. Based on our conversations with you, CEC has assumed that the construction drawing package will include:

- Mass grading of the entire project site;
- Full design plans for the proposed public streets (including surface finishes);
- Stormwater infrastructure for the public streets;
- Stormwater detention for the entire project;
- Public utilities and stub-outs for future housing development;
- Erosion Control Plans; and
- Construction Details.

Based on the proposed master plan, CEC has assumed that retaining walls will be required for the proposed project. The City of Knoxville requires that all retaining walls over 4-feet in height be designed by a geotechnical or structural engineer (depending on wall type) who is a Registered Professional Engineer (P.E.) in the State of Tennessee. CEC will provide a grading plan with adequate topological information to the wall designer and will coordinate the submittal with the City of Knoxville. The design of the retaining walls, as well as any professional services associated with the design (i.e., geotechnical engineering), is not included in this agreement. It is assumed that the wall designer will contract directly with KCDC.

We have assumed that the final drainage plan for the project will include finalized locations, sizes, and depths for the storm sewer network in the proposed public streets. Stub-out connection points will be included for roof drains, yard/landscape drains, and parking lot drains for the future housing construction project. CEC has assumed that stormwater detention and treatment (e.g. water quality) will be required for the project. CEC has also assumed that sufficient space is available for above-ground detention. If additional detention design is required to meet City requirements (e.g. permeable pavers, underground detention) it is not included in our Scope of Services; we can provide a change order to include these services as required. CEC will provide calculations and a narrative report for the proposed development that complies with the City of Knoxville Stormwater Ordinance.

CEC has assumed that new public utilities (water and sanitary sewer) will be required by KUB in the right-of-way of the new public streets to serve the new development. CEC has also assumed



that we will include stub-outs to serve future buildings. This scope of work includes preparing a separate drawing package for KUB review and approval that includes proposed public utilities.

CEC has assumed that upgrades, relocation, or replacement of existing public utilities will not be required for this project. However, the existing utility infrastructure surrounding the proposed development was constructed in the late 1800's and early 1900's. It is a possibility that KUB will require upgrades to existing utility lines to support the proposed development. The scope of services in this agreement does not include any upgrades to existing utilities. CEC can provide a change order for these design services if they are required.

#### **2.5.2 Stormwater Pollution Prevention Plan (SWPPP) and Notice of Intent (NOI)**

The purpose of this task is to prepare an erosion and sedimentation control program and NOI for a National Pollutant Discharge Elimination System (NPDES) general permit for coverage for the proposed site construction activities (mass grading and road construction). CEC will prepare a SWPPP narrative report, NOI, and associated forms that will coincide with the erosion control drawings prepared under Task 2.5.1.

#### **2.5.3 Design Team Meetings and Drawing Coordination**

CEC has assumed that the Project Manager will attend several meetings during the construction document phase to provide progress updates to KCDC, review design questions, and coordinate finalization of the proposed construction drawings. This scope of services includes effort required to update the infrastructure construction documents to coordinate with the future “vertical construction” package being designed by others. Based on our experience with the Western Heights Phase 1 project, we have assumed eighty (80) hours of time for this task. CEC will notify the Client if additional effort is requested beyond this scope. Additional services will be billed hourly.

#### **2.5.4 KUB Water and Sanitary Sewer Plans**

This task is to provide a separate drawing package to submit to KUB for review and approval of the public water mains and public sewer mains. The drawing package will include the following:

- **Public Water Plan and Profiles** – a utility plan that shows locations for the proposed public water system including main lines, fire hydrants, meters, blow-off valves, and air-release valves. This plan will be prepared in accordance with the requirements of KUB and TDEC. CEC will participate in a pre-design meeting with KUB and the Client to coordinate the proposed public water main connection(s) and layout. Hydraulic calculations for the proposed public water main infrastructure will be prepared and provided in a report format for submittal to TDEC.

- **Public Sanitary Sewer Plan and Profiles** – a utility plan that shows location for the proposed public sanitary sewer system including gravity main lines and manholes. This plan will be prepared in accordance with the requirements of KUB and TDEC. CEC will participate in a pre-design meeting with KUB and the Client to coordinate the proposed public sanitary sewer main connection(s) and layout. Hydraulic calculations for the proposed public gravity sanitary sewer infrastructure will be prepared and provided in a report format for submittal to TDEC. The design of sanitary sewer pump stations and/or force mains is not included. If required, CEC can provide these design services for an additional fee.

#### 2.5.5 Traffic Impact Analysis

The City of Knoxville will require a Traffic Impact Analysis (TIA) as part of the permitting documents. Based on a preliminary scoping meeting with the City of Knoxville engineering staff the TIA will need to:

- Include the impact due to the Western Heights Phase 1 project.
- Include the existing Head Start and Boys and Girls Club.
- Include the proposed future commercial component for Phase 2.
- Include the proposed future residential component for Phase 2.
- Analyze the following intersections:
  - W. Oldham Avenue at McSpadden Street
  - McSpadden Street at Virginia Avenue
  - W. Oldham Avenue at Reed Street
- Validate intersection sight distance at proposed Reed Street at W. Oldham.

If it is discovered during design that significant additional scope (e.g., additional counts, larger study area, etc.) is required, CEC can provide these design services for an additional fee.

## 2.6 **CONSTRUCTION ADMINISTRATION (CA)**

### 2.6.1 Erosion Control Inspection

As required by the City of Knoxville, a CEC staff member registered as a P.E. in the State of Tennessee will visit the site to review the initial erosion control measures after they have been installed by the Contractor and prepare a stamped letter approving their installation. We have included one site visit for this task, assuming the erosion control measures will be installed properly the first time, plus time for preparation of the approval letter and coordination with the City of Knoxville. Subsequent visits for erosion control inspections, if required, will be considered as additional services and be billed hourly.

#### 2.6.2 Site Visits and Coordination

CEC has assumed that construction of the infrastructure phase will take approximately ten (10) months and that CEC will participate in two (2) construction progress meetings per month. In addition to the meetings described above, CEC will review contractor shop drawings and submittals for compliance with the design plans and respond to contractor related requests for information (RFIs). Based on our experience with similar projects, CEC has budgeted ninety (90) hours to review shop drawings, respond to RFIs, conduct site visits, and attend construction progress meetings. CEC will notify the Client if additional effort is requested beyond this scope. Additional services will be billed hourly.

### 3.0 LUMP SUM FEES

The lump sum fees for providing professional services, as described above, are summarized below. Upon request, CEC will provide the Client with estimates of fees for proposed additional services (and receive approval prior to commencement).

<b>Task 2.5</b>	<b><i>Construction Documents (CD)</i></b>	
2.5.1	Construction Drawing Package	\$ 68,500
2.5.2	SWPPP and NOI	\$ 5,000
2.5.3	Design Team Meetings and Drawing Coordination	\$ 16,000
2.5.4	KUB Water and Sanitary Sewer Plans	\$ 18,000
2.5.5	Traffic Impact Analysis	<u>\$ 12,000</u>
		\$119,500
<b>Task 2.6</b>	<b><i>Construction Administration (CA)</i></b>	
2.5.1	Erosion Control Inspection	\$ 1,000
2.5.2	Site Visits and Coordination	<u>\$ 18,000</u>
		\$ 19,000
<b>Proposed Services Lump Sum Total</b>		<b>\$138,500</b>

CEC will commence providing services upon notice to proceed. Client shall pay CEC for services based on Lump Sum amounts shown above. The portion of the fee amount billed monthly will be based upon CEC's estimate of the percentage of the total services completed during the billing period. If an alternate invoicing schedule is anticipated, Client shall provide specific schedule, fee break down, and payment conditions to CEC prior to initiation of work. Reimbursable expenses will be invoiced at cost plus a 15% administrative fee.

These tasks will be performed in accordance with the Terms and Conditions of the original Phase 2 Site Infrastructure Schematic Design agreement dated June 30, 2023. Any changes to our Terms and Conditions must be agreed to in writing by both parties prior to your authorization to proceed. Substitution of alternate Terms and Conditions after authorization to proceed will not be considered. Your written authorization (email is acceptable) to proceed will form a binding contract and indicates your acceptance of our Terms and Conditions.

#### **4.0 EXCLUSIONS AND LIMITATIONS**

Expenses consisting of travel, printing/reproduction, postage/shipping, etc. are included in our base fee. Plans review, recording fees, application fees and permit fees are not included in our fees and are assumed to be paid by the Client. CEC's scope of services also excludes the following items:

- Landscape architecture and irrigation design
- Retaining wall design
- Pump/booster stations
- Site lighting
- Gas, electric, and tele-communication design
- Environmental permitting (e.g., wetlands, ARAP, Sinkhole)
- Property entitlement (e.g., Rezoning, Special Use, BZA)
- Right-of-Way and easement permitting (e.g., TDOT, TVA, railroad)
- Off-site improvements outside of the property boundaries (e.g., public roads, public utilities, traffic signals, off-site stormwater, etc.)
- Preparation of Opinion of Probable Construction Costs (OPCC)
- Project manual and bidding services
- Change in scope of services including value engineering

The construction documents for this phase of the project are to be prepared in a single iteration and no intermediate deliverables will be required for the project. Unit counts to determine general demand for water and sewer will be provided by others. We have assumed adequate capacity is available in the Right-of-Way for all proposed utilities. We have assumed that geotechnical information for the existing project site will be provided by others. If geotechnical testing has not been conducted for the project, CEC can provide these services; however, they will affect the overall project schedule and price.

CEC believes the following services will be required for this project, but we are unable to determine the required scope of services at this time. These services are not included under this proposal; however, CEC can provide these services for an additional fee once the required scope has been determined.

**Post-Construction As-Built Survey:** The City of Knoxville will require a post-construction as-built of the public street and all stormwater infrastructure (including the detention ponds) and

Mr. James Hatfield– KCDC  
CEC Project 333-365  
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certification by the engineer of record prior to the release of the bond by the City. KUB will require an as-built survey of all public utilities that is also certified by the engineer of record.

## **5.0 SCHEDULE**

CEC will begin work within two (2) weeks of receiving authorization to proceed and endeavor to submit final construction documents to the City of Knoxville and KUB within twelve (12) weeks after commencing. If authorization to proceed is not provided within ten business days of the date of this proposal, CEC reserves the right to revise the estimated schedule. Delays in the final project schedule beyond CEC's control (e.g., if the project is put on hold, significant change in master plan, etc.) may require additional fees.

## **6.0 CLOSING**

CEC appreciates this opportunity to present our proposal to Knoxville's Community Development Corporation. We are available to meet with you to discuss the scope of services, fees, or schedule outlined herein. We can modify the proposed scope of services, if necessary, to accommodate specific constraints. CEC looks forward to working with you on this project. Please do not hesitate to contact us if you have any questions or would like to discuss further.

Sincerely,

CIVIL & ENVIRONMENTAL CONSULTANTS, INC.



Adam Wilson, P.E.  
Project Manager



James I. Smith, P.E.  
Principal



Phase 3 Data:		
	Total Site	
Number of bedrooms per unit	Required	Provided
1 Bedrooms	51	51
2 Bedrooms	48	48
3 Bedrooms	23	23
4 Bedrooms	4	4
5 Bedrooms	2	2
Total Units	128	128
Total Required Parking	183	
Total Parking Provided	232	
Parking Ratio 232/128 = 1.86 spaces per unit.		

Unit Count Data: Building Type 1, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
2 Bedrooms	3	30%
3 Bedrooms	7	70%
Total Units	10	100%
Parking Count: Building Type 1, (2/3 SpH)		
Required Parking		
1 Bedrooms - (2 x 1.25) + (3 x 2) =	4.4	
2 Bedrooms - (3 x 1.5) + (2 x 2) =	11.5	
Total Required Parking for Building Type 1	16.3	

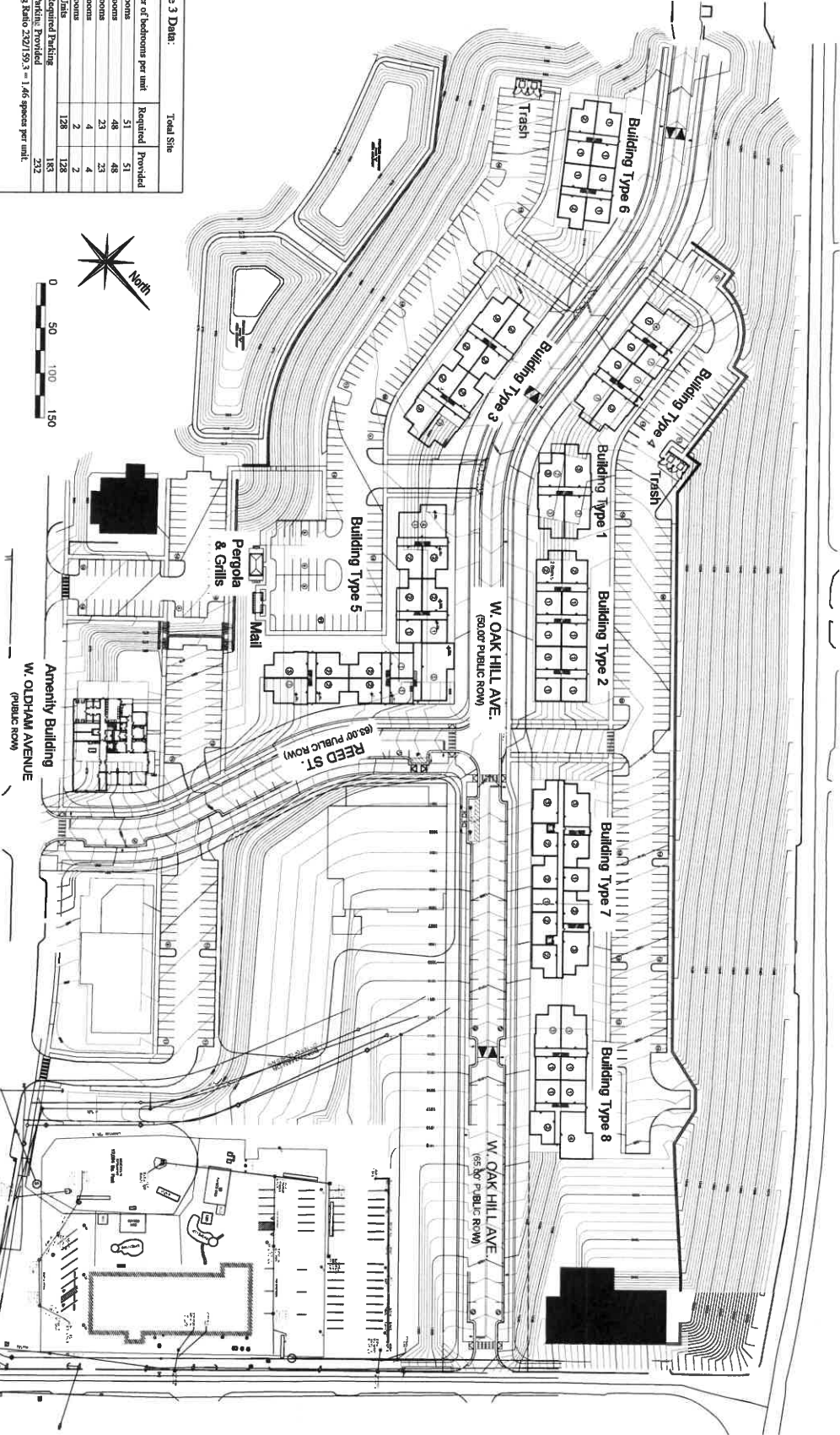
Unit Count Data: Building Type 2, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
1 Bedrooms	20	80%
2 Bedrooms	5	20%
Total Units	25	100%
Parking Count: Building Type 2, (2/3 SpH)		
Required Parking		
1 Bedrooms - (20 x 1) + (20 x 2) =	24	
2 Bedrooms - (5 x 1.25) + (5 x 2) =	7.3	
Total Required Parking for Building Type 2	31.3	

Unit Count Data: Building Type 3, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
1 Bedrooms	10	63%
2 Bedrooms	6	37%
Total Units	16	100%
Parking Count: Building Type 3, (2/3 SpH)		
Required Parking		
2 Bedrooms - (10 x 1.25) + (10 x 2) =	14.5	
3 Bedrooms - (6 x 1.5) + (6 x 2) =	10.2	
Total Required Parking for Building Type 3	24.7	

Unit Count Data: Building Type 4, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
1 Bedrooms	11	61%
2 Bedrooms	5	29%
3 Bedrooms	2	11%
Total Units	18	100%
Parking Count: Building Type 4, (2/3 SpH)		
Required Parking		
1 Bedrooms - (11 x 1) + (11 x 2) =	13.2	
2 Bedrooms - (5 x 1.5) + (5 x 2) =	8.5	
3 Bedrooms - (2 x 2) + (2 x 2) =	4.4	
Total Required Parking for Building Type 4	26.1	

Unit Count Data: Building Type 5, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
1 Bedrooms	10	26%
2 Bedrooms	20	51%
3 Bedrooms	5	13%
4 Bedrooms	2	5%
Total Units	37	100%
Parking Count: Building Type 5, (2/3 SpH)		
Required Parking		
1 Bedrooms - (10 x 1) + (10 x 2) =	12	
2 Bedrooms - (20 x 1.25) + (20 x 2) =	29	
3 Bedrooms - (5 x 1.5) + (5 x 2) =	8.5	
4 Bedrooms - (2 x 1.5) + (2 x 2) =	4.4	
Total Required Parking for Building Type 5	57.3	

Unit Count Data: Building Type 6, (2/3 SpH)		
	Shown	
Number of bedrooms per unit	number of units	
1 Bedrooms	10	50%
2 Bedrooms	10	50%
Total Units	20	100%
Parking Count: Building Type 6, (2/3 SpH)		
Required Parking		
1 Bedrooms - (10 x 1.25) + (10 x 2) =	12	
2 Bedrooms - (10 x 1.25) + (10 x 2) =	14.5	
Total Required Parking for Building Type 6	26.5	



1 Site Plan  
Scale: 1" = 40'-0"

<b>Shapiro &amp; Company</b> ARCHITECTS, P.C. Memphis Office, Suite 200 1000 North Main Street Memphis, TN 38103 PH: 901.655.0001 www.shapiroandcompany.com		CONSULTANT NAME:	
DEVELOPER NAME:		PROJECT NAME: <h2 style="text-align: center;">Western Heights</h2> <h3 style="text-align: center;">Knoxville, TN</h3>	
DATE: 9/20/2023		NO. DESCRIPTION / REVISIONS:	
1 2 3 4 5 6 7 8 9 10		1 2 3 4 5 6 7 8 9 10	
PROJECT NUMBER: 2006 DATE: 1/19/2006 SHEET TITLE: Site Plan		SHEET NUMBER: A001	



## BOARD ACTION FORM ITEM #7

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Resolution approving the Park City Redevelopment and Urban Renewal Plan.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Hatfield, Vice President, Redevelopment
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ <u>n/a</u> <b>Expenditure:</b> \$ <u>n/a</u> <b>Source of Funds:</b>
<b>APPROVAL / REVIEWS</b>	<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> <b>Other – Name/Title:</b>
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b></p> <p>This action seeks the board's approval of a new redevelopment plan that will cover four parcels of land located on East Magnolia Avenue in East Knoxville. The redevelopment plan, will among other things, allow for the use of tax increment financing, to facilitate the redevelopment of four substandard, historic buildings, into new residential units. The redevelopment project within the plan contemplates a \$13M project that will include 65 residential units including 57 for-sale condos and 8 rental units that will be designated as workforce housing units (rent and income capped at 80% of AMI).</p>	
<p><b>2. Why is the action needed now?</b></p> <p>The developer has applied for a development incentive to facilitate this project. The developer has provided all necessary documents to conduct a thorough review of the project's merits and economics. Following the board's approval, the plan will go before City Council and County Commission later this month for approval.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b></p> <p>KCDC, as the public housing authority and manager of the redevelopment plan, as well as the conduit lender under any TIF financing structures. Courtland Group as the developer of the project within the redevelopment area.</p>	
<p><b>4. What are the long-term and short-term exposures?</b></p> <p>None. Any TIF loans provided by KCDC will be guaranteed and backstopped by the developer.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	This redevelopment plan has been made publicly available on KCDC's website and has been available at the City-County building since November 20, 2023.
<b>ATTACHMENTS</b>	Resolution and Redevelopment Plan



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

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
KNOXVILLE'S COMMUNITY DEVELOPMENT  
CORPORATION APPROVING THE PARK CITY  
REDEVELOPMENT AND URBAN RENEWAL PLAN**

**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**, to facilitate the redevelopment of property located at 2724, 2730, 2736 and 2733 East Magnolia Avenue in the City of Knoxville, KCDC's staff has prepared the Park City Redevelopment and Urban Renewal Plan (the "Plan"), the form of which is attached hereto as Exhibit A hereto; and

**WHEREAS**, KCDC conducted a public hearing on December 7, 2023, as required by Section 13-20-205 of the Tennessee Code Annotated, as amended, and considered any comments received at such public hearing in connection with presenting the proposed Plan; and

**WHEREAS**, the form of the Plan has been presented to the Board of Commissioners of KCDC (the "Board") for consideration.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Knoxville's Community Development Corporation that the Board hereby approves the Park City Redevelopment and Urban Renewal Plan in substantially the form attached hereto as Exhibit A.

Approved this 7th day of December, 2023.

KNOXVILLE'S COMMUNITY  
DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Secretary

**EXHIBIT A**

**PARK CITY REDEVELOPMENT AND URBAN RENEWAL PLAN**

SEE ATTACHED

# PARK CITY

## REDEVELOPMENT & URBAN RENEWAL PLAN



## **I. INTRODUCTION**

The City of Knoxville (the “City”) has identified the Redevelopment Area (as defined in the Section of this Plan entitled “Project Area and Boundary Existing Conditions”) as an ideal area for redevelopment. The Redevelopment Area, which is located in the eastern part of Knoxville, is located in a part of the City that has a rich history.

During the mid-19<sup>th</sup> century, a road named Craig Street ran from Broadway to just east of First Creek. Before the Civil War, the area along Craig Street was developed into a pioneer subdivision called Shieldstown. Both Confederate and Union forces occupied this area during the Civil War. Craig Street later became known as Park Street, and Park Street was eventually renamed Magnolia Avenue.

After the Civil War, the farmland along Magnolia Avenue began to be developed. In 1875, a New York teacher named Fernando Cortes Beaman purchased 1,100 acres of property east of First Creek. From his 1,100 acres, Beaman carved out a 64-acre park with a large spring-fed pool that became a destination for swimming, canoeing and fishing. This resource, which he called Lake Ottosee (Ought-To-See), would later become known as Chilhowee Park. The area between First Creek and Lake Ottosee became prime real estate for small farms and residential development.

In 1890, the Knoxville Street Railway Company line offered electric round-trip service from Gay Street to Lake Ottosee. The company also offered lines along McCalla Avenue and Washington Avenue, which promoted the development of trolley suburbs. The resulting collection of neighborhoods would become known as Park City.

Park City was incorporated as a municipality in 1907 and comprised much of the land south of I-40, east to Chilhowee Park, south to Selma Avenue, and west to the First Creek area. At the time, Park City’s population was around 7,000.

In 1917, Park City was annexed into the City of Knoxville. Development continued with the construction of single-family homes. In the 1930s and 1940s, several attractive apartment buildings were developed in the Park City area, including the Aston at 2736 E. Magnolia Avenue, the Lakewood at 2730 E. Magnolia Avenue, Shenandoah at 2724 E. Magnolia Avenue, and the Graham at 2733 E. Magnolia Avenue.

After World War II, much of the residential property in the Park City area was converted to commercial use, particularly along Magnolia Avenue. The 1960s witnessed the growth of motels, gas stations, and fast-food establishments catering to the increased automobile traffic and the development at Chilhowee Park. However, the completion of I-40 reduced the demand once enjoyed by these commercial establishments, as the major east/west flow of traffic moved to I-40. Today, many of the lots in the Park City area are vacant, dilapidated, or boarded up. The four apartment buildings identified above are prime examples.

In 2023, Courtland Group, LLC, acquired the Aston, Lakewood, Shenandoah and Graham buildings. At the time of acquisition, the buildings were in significant disrepair and had become eyesores along the Magnolia corridor. The Courtland Group has proposed to redevelop the four buildings by investing in a significant renovation of the building’s interiors and exteriors (the “Redevelopment Project”). As part of the Redevelopment Project, approximately 57 existing apartment units will be converted to for-sale

condominiums, and approximately eight apartments located within the Graham building will remain as for-rent apartments as Workforce Housing units.

Given the history of the Redevelopment Area and the existing conditions of blight, the City has identified the area for redevelopment and has determined to incentivize the revitalization of the Redevelopment Area. Knoxville's Community Development Corporation ("KCDC"), as the redevelopment and urban renewal authority of the City, has been asked by the City to assist with this redevelopment effort. 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 and an urban renewal plan under § 13-20-211 of the Tennessee Code Annotated.

## **II. PROJECT AREA AND BOUNDARY EXISTING CONDITIONS**

The map of the area that will be subject to this plan (the "Redevelopment Area") is shown on Exhibit A attached hereto. A list of the parcels included in the Redevelopment Area is also attached as part of Exhibit A. The Redevelopment Area is hereby declared to be subject to this Plan.

The Redevelopment Area clearly is eligible to be a redevelopment project within the meaning of Section 13-20-202(a) of the Tennessee Code Annotated. Based on physical inspections of the area conducted by KCDC, the Redevelopment Area is blighted due to dilapidation of the buildings located within the Redevelopment Area. The Redevelopment Area also clearly qualifies as an urban renewal project within the meaning of Section 13-20-212(a) of the Tennessee Code Annotated because the area, based upon physical inspection by KCDC, 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."

## **III. REDEVELOPMENT PLAN OBJECTIVES**

The primary objectives of this Plan are as follows:

- To facilitate the redevelopment of the Redevelopment Area for residential uses.
- To encourage conservation, restoration, and reuse of historic resources.
- To protect the unique architectural and historic character of the Redevelopment Area.
- To eliminate conditions of blight and blighting influences within the Redevelopment Area.
- To assist the development of the Redevelopment Area through tax increment financing.

## **IV. Relationship to Local Objectives**

### **Expansion of Housing Stock & Appropriate Land Use**

- Development of quality, permanent housing supply, geared toward family, workforce, or senior demographics.

#### Improved Traffic and Public Transportation

- The E. Magnolia Avenue area is on the existing public transportation network for Knoxville. There are also bicycle lanes marked on the streets.

#### Public Utilities

- The area has full access to all public utilities. However, some utility improvements may be required to meet the demands of the renovated structures.

#### Recreational and Community Facilities

- The area has a high school, recreation, and community facilities within a few blocks.

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

It is not anticipated that any existing residences or businesses will need to be relocated as a result of this Plan. However, if any residents or businesses need to be temporarily or permanently displaced to permit redevelopment of the Redevelopment Area, 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, if 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 reasonably near the area they currently occupy. Any such relocations will be conducted in accordance with applicable policies.

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

KCDC may acquire property under this Plan to become a part of a redevelopment project to permit the flow of tax increment financing to the project. Additionally, KCDC may acquire property in the Redevelopment Area by condemnation if necessary to cure title defects or to facilitate the construction or improvement of public infrastructure. Any condemnation of properties shall be in compliance with state law and KCDC's acquisition policies. 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 this 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, (b) maintain the quality of the Redevelopment Area, and (c) ensure the continued maintenance of the properties in the area.

### **VII. LAND USE PLAN**

The existing C-G General Commercial Zoning District is intended to provide for a heterogeneous mix of retail, personal service, office, and residential uses within and along Knoxville's commercial nodes and corridors. The C-G District is intended to promote mixed-use development in a pedestrian-oriented environment that recalls the City's traditional business districts, and offers flexibility in the creation of integrated commercial, office, and residential spaces. The C-G District is divided into three levels of intensity related to the overall form and design of the development; however, uses are the same across



all levels. The target properties are zoned C-G-2 which are consistent with their former and proposed reuse. Buildings within the Redevelopment Area will be renovated under current building codes.

### **VIII. TAX INCREMENT FINANCING**

(a) Distribution of Taxes. Property taxes imposed on real property located within the Redevelopment Area shall be allocated and distributed as provided in this subsection:

(i) Property taxes, if any, that were levied by the City and/or Knox County, Tennessee (the "County") (the City and the County are hereinafter referred to collectively or sometimes individually, as a "Taxing Agency") and payable with respect to the property within the Redevelopment Area (other than any portion of such taxes that is a debt service amount) for the year prior to the date this Redevelopment Plan was approved ("Base Taxes") and that portion of property taxes, if any, designated by a Taxing Agency to pay debt service on the Taxing Agency's debt ("Dedicated Taxes") shall be allocated to and shall be paid to the respective Taxing Agencies as taxes levied by such Taxing Agencies on all other property are paid; provided, that in any year in which the taxes on any property are less than the Base Taxes and Dedicated Taxes, there shall be allocated and paid to the respective Taxing Agencies only those taxes actually imposed and collected; and

(ii) Subject to any limitations in applicable law, any excess of taxes levied by a participating Taxing Agency, over the Base Taxes and Dedicated Taxes, shall be allocated to and shall be paid to KCDC (a "Tax Increment Agency") for the purpose of paying principal of and interest on bonds, loans or other indebtedness incurred or to be incurred by KCDC to finance or refinance, in whole or in part, the redevelopment project contemplated by this Redevelopment Plan or as otherwise provided in applicable law or reserved for purposes permitted by applicable law, provided (i) a portion of the excess taxes may be allocated for administrative purposes of KCDC, the City and the County as provided by applicable law and by the policies of the respective governmental entities, and (ii) excess taxes beyond amounts necessary to fund or reserve for eligible redevelopment expenditures under applicable law ("Eligible Costs"), may be applied to principal and interest of debt incurred to finance such eligible expenditures, or shall revert to the Taxing Agency general fund.

Pursuant to applicable law and this Redevelopment Plan, up to five percent (5%) of incremental tax revenues generated by the redevelopment project may be set aside for administrative purposes.

KCDC is hereby authorized to make all calculations of tax increment revenues on the basis of each parcel within in the Redevelopment Area instead of on an aggregate basis as permitted by the Tax Increment Financing Act of 2012. If KCDC opts to have such calculations made based upon each parcel, KCDC shall give notice to the City and the County that such methodology will be used prior to the first allocation date of any tax increment revenues. KCDC is also authorized to separately group one (1) or more parcels within the Redevelopment Area for purposes of calculating and allocating the tax increment revenues under this Plan and applicable law, and in such cases, the allocation of tax increment revenues shall be calculated and made based upon each such parcel or group of parcels, and not the entire area subject to the Plan. KCDC shall give notice of any such grouping of parcels to the City and the County. KCDC is also authorized to designate that the allocation of tax increment revenues with respect to a parcel or

group of parcels within the Redevelopment Area may begin in subsequent or different years in order to match tax increment revenues with the purposes for which such revenues will be applied as determined by KCDC. KCDC shall give notice of any such designation to the City and the County.

(b) TIF Obligations. In order to pay certain Eligible Costs, KCDC expects to use all or a portion of the incremental tax revenues that it will receive as a result of the adoption of this Plan (other than amounts to be paid to the City and/or the County as provided above or to pay other Eligible Costs as provided below) to pay debt service on obligations that may be incurred to finance such costs. This tax increment financing or financings, if issued, would be structured as follows:

(i) KCDC may borrow funds through the issuance and sale of notes, bonds or other obligations of KCDC in one or more emissions. KCDC shall pledge all or a portion of the TIF Revenues allocated to KCDC pursuant to this Plan to the payment of such notes, bonds or other obligations, including, without limitation, principal and interest thereon. In no event will the obligations issued by KCDC be considered a debt or obligation of the County or the City in any manner whatsoever, and the source of the funds to satisfy KCDC's payment obligations thereunder shall be limited solely to the TIF Revenues and shall otherwise be non-recourse to KCDC.

(ii) The proceeds of the notes, bonds or obligations shall be used to pay Eligible Costs, costs of issuances relating to notes, bonds or obligations and capitalized interest on the notes, bonds or other obligations to the extent permitted by the Act.

(iii) Any tax increment financing may be refinanced by KCDC at any time as permitted by the Act, and upon such refinancing, available tax increment revenues shall be applied to the payment of such refinancing debt to the extent such tax increment revenues were to be used to pay the debt that is being refinanced.

(c) Maximum Amount. The aggregate principal amount of notes, bonds and obligations issued by the KCDC as described in subsection (b) above shall not in any event exceed \$500,000.

(d) Time Period. Taxes on the real property within the Redevelopment Area will be divided and distributed as provided in this Section of the Plan for a period, as to each parcel in the Redevelopment Area, not in excess of fifteen (15) tax years as to any parcel, but, in any event, such allocations shall cease when there are not Eligible Costs, including debt service, to be paid from the TIF Revenues. KCDC may approve an allocation period that is less than fifteen (15) years as to any parcel if KCDC determines that a shorter allocation period will provide sufficient incentive to promote the development of that parcel. KCDC currently anticipates that the allocation of tax increment financing for the Redevelopment Project shall be for a period of approximately fourteen (14) years ("Allocation Period"). The initial tax year of the Allocation Period shall be designated by KCDC and shall commence no later than thirty-six months from adoption of this Plan by both the City and County. Until an allocation of TIF Revenues as to any parcel commences as described in subsection (a) above, no TIF Revenues shall be allocated to KCDC as to such parcel.

(e) Economic Information Related to Tax Increment. State law requires that certain financial information be set forth in a redevelopment plan with respect any redevelopment project that utilizes tax increment financing. The estimated cost of the Redevelopment Project is approximately \$13.0 million. The sources that are expected to be used to pay the costs of the Redevelopment Project include a

construction loan of \$7.5 million, a grant from tax increment financing not to exceed \$500,000 and owners' equity of \$5.0 million<sup>1</sup>.

The tax increment financing provision in this Plan is expected to have a positive impact on the City and County. The ad valorem real property taxes for the year 2023 for the parcels within the Redevelopment Area were \$19,415 for the City and \$13,997 for the County. The Redevelopment Project is expected to increase the value of the real property within the Redevelopment Area, leading to an increase in ad valorem real property taxes. Upon completion of the Redevelopment Project, the annual ad valorem real property taxes for the Redevelopment Area are expected to be \$88,231 for the City and \$63,608 for the County based upon the current tax rates. Of this estimated total, the City will receive approximately \$35,647 in annual taxes during the Allocation Period (Base Tax of \$18,001 plus Dedicated Tax of \$17,646), for a total of \$499,058 over the estimated 14-year Allocation Period, and the County will receive \$23,519 in annual taxes during the Allocation Period (Base Tax of \$10,797 plus Dedicated Tax of \$12,722), for a total of \$329,266 over the estimated 14-year Allocation Period, calculated using estimated debt service rate of 20.0% for both City and County. These annual taxes, of which \$16,232 and \$9,522 are incremental to the City and County, respectively, will immediately benefit the City and the County. After the tax increment financing is fully paid, the entire increased property tax revenues will be payable to the City and the County. The additional taxes accruing to the City and the County described above would not be expected to occur but for the tax increment financing authorized by this Plan.

#### **IX. CERTAIN TAXES EXCLUDED**

Notwithstanding anything to the contrary in this section, taxes levied by or for the benefit of the State of Tennessee, shall not be subject to allocation as provided in subsection (a), but shall be levied against such property and, when collected, paid to such taxing agency as taxes levied by such taxing agency on all other property are paid and collected.

#### **X. PLAN AMENDMENTS AND TERMINATION**

During implementation of this plan, amendments 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 conducted prior to the adoption of this plan and, where applicable, in compliance with the requirements of Tennessee Code Annotated Section 13-20-205. 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. This plan, and the provisions thereof, shall terminate on the date that is the later of (a) the date that no tax increment financing remains outstanding with respect to any portion of the redevelopment area or (b) twenty (20) years from the commencement of the Allocation Period hereunder.

#### **XI. SEVERABILITY**

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

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<sup>1</sup> Includes owner equity as well as net sale proceeds from sale of residential condominiums.

**Exhibit A**  
(to Redevelopment and Urban Renewal Plan)

**Parcels comprising the Redevelopment Area**

082KC006  
082FS015

**Map of the Redevelopment Area**





## **CITY OF KNOXVILLE, TENNESSEE**

### **City Council**

#### **AGENDA INFORMATION SHEET**

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**AGENDA DATE:** December 12, 2023

**DEPARTMENT:** Administration

**DIRECTOR:** Rebekah Jane Justice

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#### **AGENDA SUMMARY**

A Resolution approving a Park City Redevelopment and Urban Renewal Plan (the "Plan") prepared by Knoxville's Community Development Corporation, the purpose of which is to facilitate the redevelopment of property located at 2724, 2730, 2736 and 2733 East Magnolia Avenue, Knoxville, having parcel IDs of 082KC006 and 082FS015 (collectively, the "Redevelopment Area"). The Plan will contain tax increment financing provisions in connection with the renovation and preservation of the existing improvements located in the Redevelopment Area.

#### **COUNCIL DISTRICT(S) AFFECTED**

Council District 6 – Gwen McKenzie

#### **BACKGROUND**

Courtland Group, LLC (the "Developer") has proposed the redevelopment of four historic structures located in the Redevelopment Area. The four buildings located in the Redevelopment Area were acquired by the Developer in 2023 and are known as the Aston, Lakewood, Shenandoah and Graham buildings. At the time of Developer's acquisition, the buildings were in significant disrepair and have contributed to blight along parts of the Magnolia Avenue corridor. The Courtland Group has proposed to redevelop the four buildings by investing in a significant renovation of the building's interiors and exteriors (the "Redevelopment Project"). As part of the Redevelopment Project, approximately 57 existing, substandard apartment units, will be converted to for-sale condominiums, and approximately eight apartments located within the Graham building will remain as for-rent apartments and will be restricted as Workforce Housing. Implementation of the Plan is needed in order to allow for, among other things, the use of a \$500,000 tax increment financing grant which has been requested by the Developer to make the Redevelopment Project economically feasible.

This project offers multiple benefits to the City and meets several Key Development Priorities of the City:

- Expansion of the permanent housing supply which includes affordable workforce housing units
- Preservation, restoration, and reuse of historic structures
- Sites where development would include blight remediation
- Knoxville's primary transit corridors, particularly locations served by Knox Area Transit (KAT)

- Leverage recent City investments in public infrastructure (Magnolia Avenue Streetscapes approximately one mile to the west)

The Redevelopment Area is located along on the East Magnolia Avenue corridor near the intersection with North Hembree Street in East Knoxville. The buildings were originally constructed in the 1930s and 1940s. The buildings have historically been used for residential purposes; however, over the last several years, the buildings have fallen into significant disrepair. The Redevelopment Project contemplates a total investment by the Developer of approximately \$13,000,000, inclusive of \$8,000,000 of hard construction costs. The project scope includes a significant renovation of all four buildings in the Redevelopment Area to bring the buildings and units up to market standards with all new unit finishes, windows, mechanical systems, roofs, windows, life-safety systems as well as new exterior parking and amenity areas. Three of the buildings, comprising of approximately 57 two-bedroom units, will be converted into for-sale condominium units. The anticipated sale prices of these condominium units are projected by the Developer to be approximately \$255,000, which, based on industry standard benchmarks, would be affordable to a two-person household with an annual income of 120% - 130% of area median income for Knoxville, or approximately \$86,500 (\$43,250 per person or ~\$21.00 per hour). The Graham building, located at 2733 East Magnolia, will be renovated into approximately eight one-bedroom, for-rent apartment units that will be set aside as Workforce Housing units which will be income and rent restricted at 80% of area median income (\$48,400 for one person) for a period of ten (10) years following construction completion. The 2023 80% area median income monthly rental rates are \$1,167 per month. The Workforce Housing units represent 12% of the Redevelopment Project's total number of units.

A tax increment financing grant in an amount not to exceed \$500,000 is necessary to make the project economically feasible for the Developer. As has been the typical practice in connection with similar incentive requests, a third-party review of the financial projections relating to proposed Redevelopment Project was undertaken by MuniCap, Inc. at the request of the City and KCDC. The report supports the conclusion that \$500,000 of tax increment financing does not result in an excessive internal rate of return (IRR) to the Developer. Tax increment financing will enable the Developer to access additional capital to support the redevelopment of the Redevelopment Area.

The plan will allow for an Allocation Period (as defined in the Plan) of up to fifteen (15) years. Based on the projected appraised value of the Redevelopment Project upon completion, it is estimated that the Allocation Period will be no longer than fourteen (14) years and shall commence after a construction period not to exceed three (3) years.

### **OPTIONS**

Approve or Deny

### **RECOMMENDATION**

Approve

### **ESTIMATED PROJECT SCHEDULE**

The Developer has indicated that the construction of the Project is expected to begin in the first quarter of 2024 and take approximately three years to complete.

**PRIOR ACTION/REVIEW**

The Plan was approved by Knoxville's Community Development Board on December 7<sup>th</sup>, 2023 following a public hearing.

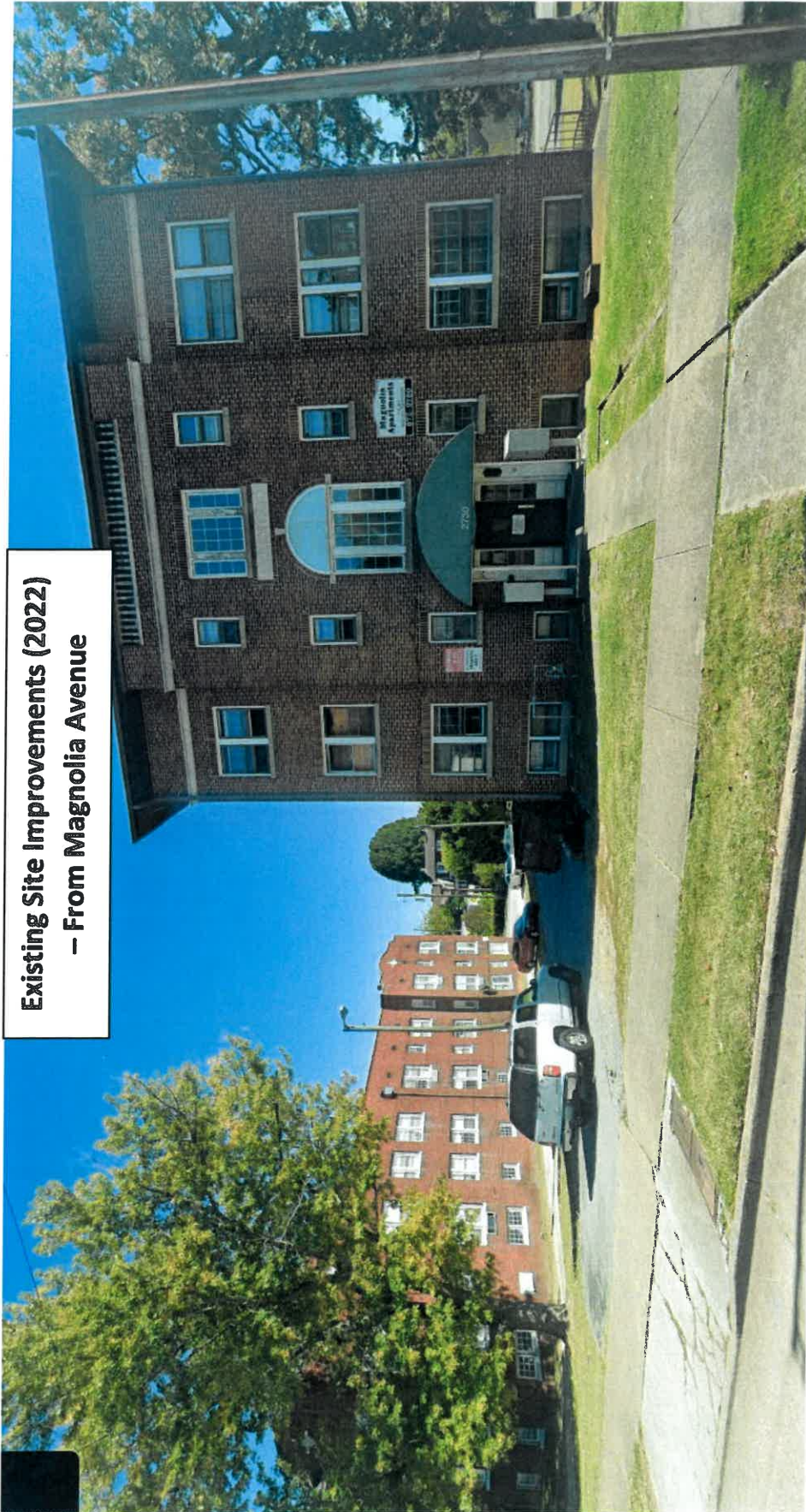
**FISCAL INFORMATION**

The tax increment financing provision in this Plan is expected to have a positive impact on the City and County. The ad valorem real property taxes for the year 2023 for the parcels within the Redevelopment Area were \$19,415 for the City and \$13,997 for the County. The Redevelopment Project is expected to increase the value of the real property within the Redevelopment Area, leading to an increase in ad valorem real property taxes. Upon completion of the Redevelopment Project, the annual ad valorem real property taxes for the Redevelopment Area are expected to be \$88,231 for the City and \$63,608 for the County based upon the current tax rates. Of this estimated total, the City will receive approximately \$35,647 in annual taxes during the Allocation Period (Base Tax of \$18,001 plus Dedicated Tax of \$17,646), for a total of \$499,058 over the estimated 14-year Allocation Period, and the County will receive \$23,519 in annual taxes during the Allocation Period (Base Tax of \$10,797 plus Dedicated Tax of \$12,722), for a total of \$329,266 over the estimated 14-year Allocation Period, calculated using estimated debt service rate of 20.0% for both City and County. These annual taxes, of which \$16,232 and \$9,522 are incremental to the City and County, respectively, will immediately benefit the City and the County. After the tax increment financing is fully paid, the entire increased property tax revenues will be payable to the City and the County. The additional taxes accruing to the City and the County described above would not be expected to occur but for the tax increment financing authorized by this Plan.



## “Park City on Magnolia” TIF Request – Project Summary

<b>Project Name</b>	Park City Apartments on Magnolia Avenue
<b>Council Meeting Date</b>	12/12/23
<b>Commission Meeting Date</b>	12/18/23
<b>Developer (HQ location)</b>	Courtland Group, Jeffrey Nash (Knoxville, TN)
<b>Location (see attached map)</b>	Magnolia Avenue at Hembree Street (2724, 2730, 2733, 2736 Magnolia Avenue)
<b>Project Scope</b>	<ul style="list-style-type: none"> <li>• \$13.0M+/- total investment</li> <li>• Acquisition and renovation of four residential buildings; all originally built in the 1920s and early 1930s</li> <li>• \$8.0M (\$123K/unit) of renovation investment resulting in a gut-rehab of all four buildings; new parking lots, landscaping, and site security included</li> <li>• Project to include three, newly renovated condo buildings containing 57, two-bedroom units and one apartment/rental building containing 8, one bedroom units</li> </ul>
<b>Developer’s Incentive</b>	\$500,000 of tax increment financing; ~13-year repayment term
<b>Public Benefits</b>	<ul style="list-style-type: none"> <li>• Project Type: Significant reinvestment in four blighted buildings and 65 units of previously substandard housing; 8 of the units will be restricted as workforce housing that will be income and rent restricted to 80% of area median income (AMI) for a period of 10 years; condo sale prices projected to be in the low-to-mid \$200K’s</li> <li>• Project Location: Represents a unique, significant private reinvestment on Magnolia Avenue, a significant East Knoxville transportation corridor</li> <li>• Project Characteristics: Reinvestment in and preservation of four, iconic, historical buildings in East Knoxville</li> <li>• KAT bus stop located directly in front of development</li> </ul>
<b>Timing</b>	Start construction 41Q 2024; complete construction 4Q 2026
<b>Tax Summary / Estimated Post-Completion Property Taxes</b>	Four buildings currently appraised at \$2.3M and pay \$19K in COK property taxes; post-redevelopment appraised value estimated at \$14.8M and COK annual property tax contribution of \$83K



**Existing Site Improvements (2022)  
– From Magnolia Avenue**



**Existing Site Improvements (2019)**  
– From Alley







3D Existing Aerial









## BOARD ACTION FORM ITEM # 8

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to award contract Q2404 for painting services with Competitive Edge Refurbishing and Mitchell & Everett Construction, Inc.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Barker, Vice President of Administration
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ 271,484.00 <b>Expenditure:</b> \$ 271,484.00 <b>Source of Funds:</b> Operating Funds
<b>APPROVAL / REVIEWS</b>	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ <b>Other – Name/Title:</b> Terry McKee/Procurement Director
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b>          This action approves the award of our solicitation for Bulky Debris Services and Set Out Services to Competitive Edge Refurbishing.</p>	
<p><b>2. Why is the action needed now?</b>          The existing award expires at the end of December so this award needs to be in place to allow staff to utilize these vendors to keep our properties tidy and to provide set out services when they are needed.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b>          The vendor will work with site staff and the Knox County Sheriff's Department as set out needs arise. The vendor will complete a route across all of our properties daily to pick up bulky debris items left near the dumpsters. Bulky Debris items include things like mattresses, furniture, tires and similar. The vendor takes these to an approved landfill for disposal.</p>	
<p><b>4. What are the long-term and short-term exposures?</b>          Annually, Bulky Debris Services are expected to cost \$146,484 while Set Out Services are estimated at \$125,000 per year (based on this year's costs to date but ultimately determined by the number of set outs that are required).</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	KCDC did away with its own bulky debris crew some years ago and has relied on contracted services since then. The contract has been bid and awarded twice since then and this is a continuation of that service.
<b>ATTACHMENTS</b>	Bid Tabulation Form



**Benjamin M. Bentley, Executive Director/CEO**

901 N. Broadway • Knoxville, TN 37917  
865.403.1100 • Fax 865.403.1117  
800.848.0298 (Tennessee Relay Center)  
www.kcdc.org

**TO:** The KCDC Board

**FROM:** Benjamin M. Bentley, Secretary

**DATE:** November 17, 2023

**SUBJECT:** Approval of the award of contracts for Painting Services Q2404 with Competitive Edge Refurbishing and Mitchell & Everett Construction, Inc.

KCDC's Procurement Policy requires written formal solicitations (publicly advertised and opened) in all cases where the aggregate cost of the item(s) or service(s) requested is \$50,000 or more. Staff requests Board approval of the following recommendation.

<b>Scope of Work</b>	Provide painting services (as needed) for KCDC's various sites at pre-determined costs.
<b>Funding Source</b>	Operating funds
<b>Total Award Amount</b>	This award is expected to be approximately \$200,000 per year based on 2023 actual usage data. The total cost is determined by the combination of apartment sizes that actually get painted (efficiencies, one bedroom, two bedrooms, three bedrooms, four bedrooms and five bedrooms).
<b>Review Committee</b>	Jack Canada, Maintenance & Construction Director Tim Hatmaker, Maintenance Director Jane Shrader, Housing Operations Director Kristie Toby, Housing Operations Director Terry McKee, Procurement Director
<b>Solicitation Type</b>	Invitation for Bids

<b>Company</b>	<b>Cost</b> For bid analysis purposes this is simply the cost for painting one of each apartment size across the KCDC portfolio	<b>Recommended for Approval</b>
Competitive Edge Refurbishing	\$29,220.00	Yes
Fix All Construction	\$163,455.10	No
Legacy Painting	\$161,763.00	No
M & P Services	\$331,726.00	No
Mitchell & Everett+	\$26,350.00	Yes





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KCDC property offices for publication on their bulletin boards	
Associated Construction Women*	Associated General Contractors of Tennessee
Atlanta Chapter <i>National Association of Black Women in Construction</i> *+	Black Contractors Association+
Centro Hispano de East Tennessee+	Construction Market Data
Dodge Data & Analytics	Knox County's Supplier Diversity Office*+
Knoxville Area Urban League+	Knoxville Builder's Exchange
Knoxville Chamber Partnership	Knoxville's DBAC Office*+
Knoxville Equity Partners+	SCORE
SERC	Small Business Administration
Tennessee Small Business Development Center	Tennessee Minority Supplier Development Council+
WJBE Radio+	
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## BOARD ACTION FORM ITEM # 9

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to award contract W2405 for Section 8 Housing Quality Standards (HQS) Inspection Services Q2405 to McCright and Associates, LLC.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Barker, Vice President of Administration
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ 110,000.00 <b>Expenditure:</b> \$ 110,000.00 <b>Source of Funds:</b> Operating Funds
<b>APPROVAL / REVIEWS</b>	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ <b>Other – Name/Title:</b> Terry McKee/Procurement Director
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b>          This action approves the award of our solicitation for Section 8 Housing Quality Standards (HQS) Inspection Services to McCright and Associates, LLC.</p>	
<p><b>2. Why is the action needed now?</b>          The existing award expires at the end of December so this award needs to be in place to allow staff to utilize this vendor to continue obtaining Section 8 Housing Quality Standards Inspections when they are needed.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b>          The vendor will work with Section 8 staff to provide these services as the needs arise. KCDC staff will assign and review the work product.</p>	
<p><b>4. What are the long-term and short-term exposures?</b>          Annually, this this service is expected to cost \$110,000 per year (based on this year's costs to date but ultimately determined by the number and mix of services that are required each year).</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	KCDC relies on contractors to provide this service. The recommended vendor has previously held this award.
<b>ATTACHMENTS</b>	Bid Tabulation Form



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www.kcdc.org

**TO:** The KCDC Board

**FROM:** Benjamin M. Bentley, Secretary

**DATE:** November 17, 2023

**SUBJECT:** Approval of the award of a contract for Section 8 Housing Quality Standards (HQS) Inspection Services Q2405 with McCright and Associates, LLC.

KCDC's Procurement Policy requires written formal solicitations (publicly advertised and opened) in all cases where the aggregate cost of the item(s) or service(s) requested is \$50,000 or more. Staff requests Board approval of the following recommendation.

<b>Scope of Work</b>	Provide Section 8 Housing Quality Standards Inspections Services as needed.
<b>Funding Source</b>	Operating funds
<b>Total Award Amount</b>	\$110,000.00
<b>Review Committee</b>	Debbie Taylor-Allen, Vice President Section 8 Kim Trame, Director of Rental Assistance Terry McKee, Procurement Director
<b>Solicitation Type</b>	Request for Proposals

<b>Company</b>	<b>Total Evaluation Team Score</b>	<b>Recommended for Approval</b>
Gilson Software Solutions-PHA, LLC	165.94	No
Inspection Experts, Inc.	137.18	No
McCright and Associates, LLC	198.00	Yes

<b>Major Cost Components</b>			
<b>Item</b>	<b>Gilson Software</b>	<b>Inspection Services</b>	<b>McCright &amp; Associates</b>
Annual Inspection	\$32.00	\$51.47	\$34.50
Initial Inspections	\$33.00	\$51.47	\$34.50
Self-cert Inspections	\$32.00	\$22.00	\$16.25
Inconclusive Inspections	\$16.00	\$22.00	\$9.75
Rent Reasonableness Studies	\$15.00	\$18.00	\$7.50
<b>Subtotal</b>	<b>\$128.00</b>	<b>\$164.94</b>	<b>\$102.50</b>



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Atlanta Chapter <i>National Association of Black Women in Construction</i> *+	Black Contractors Association+
Centro Hispano de East Tennessee+	Construction Market Data
Dodge Data & Analytics	Knox County's Supplier Diversity Office*+
Knoxville Area Urban League+	Knoxville Builder's Exchange
Knoxville Chamber Partnership	Knoxville's DBAC Office*+
Knoxville Equity Partners+	SCORE
SERC	Small Business Administration
Tennessee Small Business Development Center	Tennessee Minority Supplier Development Council+
WJBE Radio+	
U.S. Department of Commerce Minority Business Development Agency+	

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## BOARD ACTION FORM ITEM #10

<b>MEETING DATE</b>	December 7, 2023
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to award contract Q2406 for bulky debris and set out services to Competitive Edge Refurbishing.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Barker, Vice President of Administration
<b>MEETING TYPE</b>	<input checked="" type="checkbox"/> Regular <input type="checkbox"/> Special <input type="checkbox"/> Annual
<b>CLASSIFICATION</b>	<input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Approval
<b>BUDGET / FINANCIAL IMPACT</b>	<b>Budgeted:</b> \$ 271,484.00 <b>Expenditure:</b> \$ 271,484.00 <b>Source of Funds:</b> Operating Funds
<b>APPROVAL / REVIEWS</b>	<input checked="" type="checkbox"/> Department Head /VP <input checked="" type="checkbox"/> Budget/Finance <input type="checkbox"/> Executive Director/CEO <input type="checkbox"/> Legal Counsel: _____ <b>Other – Name/Title:</b> Terry McKee/Procurement Director
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b>            This action approves the award of our solicitation for Bulky Debris Services and Set Out Services to Competitive Edge Refurbishing.</p>	
<p><b>2. Why is the action needed now?</b>            The existing award expires at the end of December so this award needs to be in place to allow staff to utilize these vendors to keep our properties tidy and to provide set out services when they are needed.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b>            The vendor will work with site staff and the Knox County Sheriff's Department as set out needs arise. The vendor will complete a route across all of our properties daily to pick up bulky debris items left near the dumpsters. Bulky Debris items include things like mattresses, furniture, tires and similar. The vendor takes these to an approved landfill for disposal.</p>	
<p><b>4. What are the long-term and short-term exposures?</b>            Annually, Bulky Debris Services are expected to cost \$146,484 while Set Out Services are estimated at \$125,000 per year (based on this year's costs to date but ultimately determined by the number of set outs that are required).</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	KCDC did away with its own bulky debris crew some years ago and has relied on contracted services since then. The contract has been bid and awarded twice since then and this is a continuation of that service.
<b>ATTACHMENTS</b>	Bid Tabulation Form



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**TO:** The KCDC Board

**FROM:** Benjamin M. Bentley, Secretary

**DATE:** November 17, 2023

**SUBJECT:** Approval of the award of contracts for Bulky Debris and Set Out Services Q2406 with Competitive Edge Refurbishing.

KCDC's Procurement Policy requires written formal solicitations (publicly advertised and opened) in all cases where the aggregate cost of the item(s) or service(s) requested is \$50,000 or more. Staff requests Board approval of the following recommendation.

<b>Scope of Work</b>	Provide routine Bulky Debris Removal Services and Set Out Services (as needed) for KCDC's various sites at pre-determined costs.
<b>Funding Source</b>	Operating funds
<b>Total Award Amount</b>	Bulky Debris Services are expected to be approximately \$146,484 per year. Set Out Services are expected to be approximately \$125,000 per year-based on 2023 usage but actual costs are dependent on the number of "Set Outs" that KCDC requires.
<b>Review Committee</b>	Jack Canada, Maintenance & Construction Director Tim Hatmaker, Maintenance Director Jane Shrader, Housing Operations Director Kristie Toby, Housing Operations Director Terry McKee, Procurement Director
<b>Solicitation Type</b>	Request for Proposals

<b>Company</b>	<b>Cost (bulky debris services) Per Month</b>	<b>Recommended for Approval</b>
Competitive Edge Refurbishing	\$12,207.08	Yes
Git R Gone Inc.	\$16,800.00	No
King Floyd Junk Removal LLC. *+	\$30,000.00	No





<b>Company</b>	<b>Cost for Set Out Services as Needed</b>	<b>Recommended for Approval</b>
Competitive Edge Refurbishing	\$25.00 per hour per person (with 2 to 3 persons assigned per job) with a trip charge of \$25.00	Yes
Git R Gone Inc.	\$45.00 per hour per person (with 2 to 3 persons assigned per job) with a trip charge of \$0.00	No
King Floyd Junk Removal LLC. *+	\$20.00 per hour per person (with 2 to 3 persons assigned per job) with a trip charge of \$100.00	No

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