

## KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

Date: August 22, 2024

To: Board of Commissioners

From: Benjamin M. Bentley, Secretary

Subject: **AGENDA**  
Board Meeting of the Board of Commissioners  
**Thursday, August 29, 2024, 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 June 27, 2024 (no July meeting held). [\(Item 2 Attachment\)](#)
3. Motion to add, delete or postpone agenda items.
4. Reports of officers and special presentations.

### **NEW BUSINESS**

#### **REDEVELOPMENT/LEGAL SERVICES (Jim Hatfield)**

5. Approval is requested to sell 1510 Texas Avenue (Tax ID #081PE009) to East TN Housing Development Corporation (\$16,100) for construction of a single-family home. [\(Item 5 Attachment\)](#)
6. Resolution approving the Western Heights Redevelopment and Urban Renewal Plan. [\(Item 6 Attachment\)](#)
7. Resolution authorizing the execution of documents relating to the tax increment financing for a redevelopment project 2724, 2730, 2733 and 2736 Magnolia Avenue. [\(Item 7 Attachment\)](#)
8. Resolution authorizing the execution of various documents relating to the sale and development of property located at 520 W Vine Avenue. [\(Item 8 Attachment\)](#)

**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.**

Unfinished Business  
Public Forum  
Adjourn

The next agenda review meeting will be held  
**Thursday, September 19, 2024 @ 5 p.m.**

The next board meeting will be held  
**Thursday, September 26, 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 **June 27, 2024** at 901 N. Broadway, Knoxville, Tennessee.

The meeting was called to order and a quorum declared at 5:02 p.m. Those Commissioners present and absent were:

<b>Present:</b>	Chair Kimberly Henry	<b>Absent:</b>
	Vice Chair Scott Broyles	
	Treasurer Felix Harris	
	Commissioner Robert Whetsel	
	Commissioner Becky Wade	
	Commissioner John Winemiller	
	Commissioner Kathy Hill	

Approval to execute the minutes for the *annual* meeting held on May 29, 2024. **Commissioner Harris made the motion to approve the minutes. Commissioner Broyles seconded the motion and all other Commissioners present voted "Aye."**

Approval to execute the minutes for the *regular* meeting held on May 29, 2024. **Commissioner Broyles made the motion to approve the minutes. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye."**

### **ADMINISTRATION** (Jim Barker)

Approval to award Contract Q24017 for restoration services of Montgomery Village Apartment No. 242. **Commissioner Winemiller made a motion to approve. Commissioner Wade seconded the motion and all other Commissioners present voted "Aye."**

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

Resolution authorizing a PILOT agreement between KCDC and Historic Giffin, LP to effectuate a PILOT to support the acquisition and adaptive reuse of a former school into a 77-unit affordable housing complex at 1834 Beech Street in Knoxville. **Commissioner Broyles made a motion to approve. Commissioner Wade seconded the motion and all other Commissioners present voted "Aye." Resolution No. 2024-21 is attached.**

Resolution authorizing the execution of a development agreement with DGA Residential and the formation of Hardin Valley GP Corporation and DGA Hardin Valley LP in connection with potential development of a new affordable housing project at the intersection of Hardin Valley

Rd and Willow Point Way in Knoxville. **Commissioner Winemiller made a motion to approve. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye." Resolution No. 2024-22 is attached.**

Preliminary Bond Resolution to issue up to \$30M of revenue bonds to support the financing of a new affordable housing development project located at the intersection of Hardin Valley Road and Willow Point Way in Knoxville. **Commissioner Winemiller made a motion to approve. Commissioner Harris seconded the motion. Commissioner Henry recused herself. All other Commissioners present voted "Aye." Resolution No. 2024-23 is attached.**

Resolution authorizing the execution of a development agreement with DGA Residential, LLC with respect to the development of a project at 525 W. Fifth Ave and authorizing the formation of Fifth Ave GP Corporation and DGA Fifth Ave LP. **Commissioner Broyles made a motion to approve. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye." Resolution No. 2024-24 is attached.**

Preliminary bond resolution authorizing KCDC to issue up to \$35M of revenue bonds to support the financing of a new affordable housing development project located at 521 and 525 W. Fifth Avenue, Knoxville. **Commissioner Winemiller made a motion to approve. Commissioner Harris seconded the motion. Commissioner Henry recused herself. And all other Commissioners present voted "Aye." Resolution No. 2024-25 is attached.**

Approval to negotiate and execute a contract and related documents in an amount NTE \$15,000,000 with East Tennessee Turf and Landscaping (ETTL) to complete the infrastructure and site work for the second and third phase of CNI development at Western Heights. **Commissioner Harris made a motion to approve. Commissioner Broyles seconded the motion and all other Commissioners present voted "Aye."**

Approval to negotiate and execute a contract and related documents in an amount NTE \$1,300,000 with Sanders Pace Architecture (SPA) to design a 20,000+ SF mixed use commercial building and a public park as part of the CNI development at Western Heights. **Commissioner Winemiller made a motion to approve. Commissioner Wade seconded the motion and all other Commissioners present voted "Aye."**

#### **FINANCE & ACCOUNTING (Nancy White)**

Resolution approving the Rental Assistance (fka Section 8) and The Manor Operating Budget Revision No. 1 for FY 2024 (July 1, 2023-June 30, 2024). **Commissioner Broyles made a motion to approve. Commissioner Harris seconded the motion and all other Commissioners present voted "Aye." Resolution No. 2024-26 is attached.**

**HOUSING (Sabrina Draplin)**

Approval to increase Section 8 HCV and PBV payment standards in 37920 zip code from 110% to 120% effective 7/1/2024. **Commissioner Harris made a motion to approve. Commissioner Broyles seconded the motion and all other Commissioners present voted "Aye."**

**PUBLIC FORUM**

Vivan Shipe

With no further business to come before the Board, the meeting adjourned by consent at 5:32 p.m.

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

Approved:

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

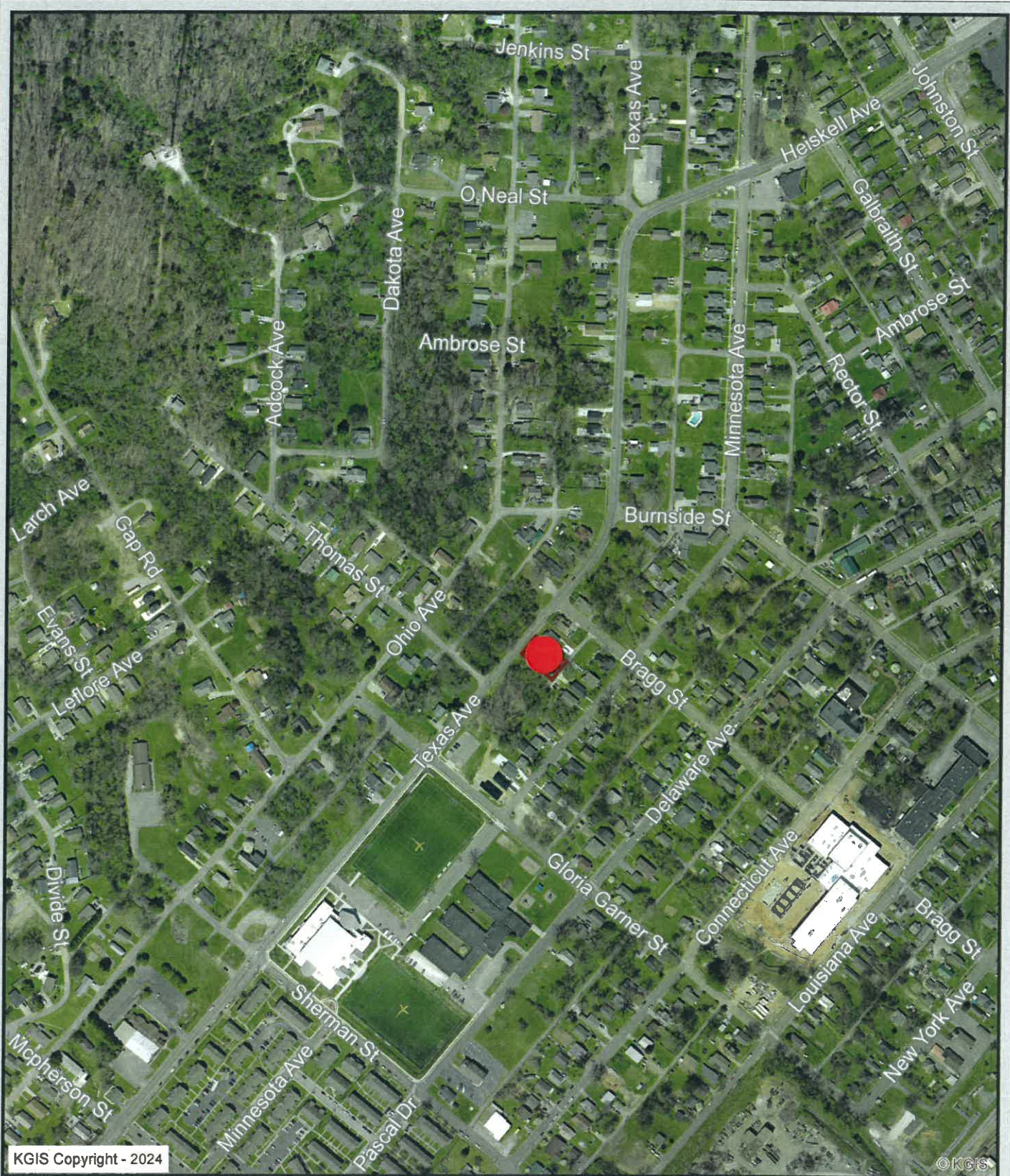
Approved:

**DRAFT**

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## BOARD ACTION FORM - ITEM 5

<b>MEETING DATE</b>	August 29, 2024
<b>AGENDA ITEM DESCRIPTION</b>	Approval is requested to sell 1510 Texas Avenue (Tax ID #081PE009) to East TN Housing Development Corporation for construction of a single-family home.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> Jim Hatfield, VP of 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>	Budgeted: \$ _____ Expenditure: \$ _____ Source of 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> New construction of a 1-story, 3-bedroom, 2-bath home measuring approximately 1,176 square feet. The home will be Energy Star certified and ADA VISIBLE. The home will be sold to a household at or below 80% of the area median income for a price of approximately \$200,000.</p>	
<p><b>2. Why is the action needed now?</b> Building permits needed.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> City - Homemaker program KCDC - titled land owner ETHDC - builder</p>	
<p><b>4. What are the long-term and short-term exposures?</b> none</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	
<b>ATTACHMENTS</b>	Map Deed



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1510 Texas Avenue



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Knoxville - Knox County - KUB Geographic Information System

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This instrument prepared by:  
Knoxville's Community Development Corporation  
P.O. Box 3550  
Knoxville, TN 37928

Tax ID #081PE009

### **SPECIAL WARRANTY DEED**

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 2024, between KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION, a government body corporate and politic under the laws of the State of Tennessee, Grantor, and EAST TENNESSEE HOUSING DEVELOPMENT CORPORATION., Tennessee non-profit corporation, Grantee.

### **WITNESSETH:**

THAT said Grantor, for and in consideration of the sum of SIXTEEN THOUSAND ONE HUNDRED AND NO/100 DOLLARS (\$16,100) to us in hand paid by Grantee, the receipt of which is hereby acknowledged, the Grantor has granted, bargained, sold and conveyed, and does hereby grant, bargain, sell and convey unto the said Grantee the following more fully described in "Exhibit A" attached hereto:

### **RESTRICTIONS COVENANTS AND CONDITIONS**

THIS Deed is made, executed and delivered upon and is subject to eight express conditions and covenants set forth herein, said conditions and covenants being a part of the consideration for the property hereby conveyed and are to be taken and construed as running with the land. The Grantor and Grantee expressly intend to create a possibility of reverter conditions upon a material breach or default of the restrictions, covenants and conditions set forth herein, and it is further expressly agreed that the continued existence of the estate hereby granted shall depend on the compliance by the Grantee with all material provisions of the covenants and conditions set forth herein. If at any time prior to the written recorded release of the restrictions, covenants and conditions, the Grantee, its successors or assigns, shall default in or otherwise be in breach of the restrictions, covenants and conditions set forth herein, and if such default or breach has not been remedied or cured within one hundred eighty (180) days after written notice specifying such default or breach has been given to the Grantee and the Mortgagees, and their respective successors and assigns, then the estate in the real property conveyed herein, at the expiration of said one hundred eighty (180) day period, without the requirement of any further notice shall automatically revert back to the Grantor without the necessity of further action by either party. The Grantee hereby binds itself and its successors, assigns, grantees, and lessees forever to these covenants and conditions, which covenants and conditions are as follows:

**SPECIAL COVENANT A:** The Grantee shall devote the Property hereby conveyed only to the uses specified in the applicable provisions of the Redevelopment Plan or approved modifications thereof. In the event of a conflict between the terms and provisions of this Deed and the terms



and provisions of the Redevelopment Plan, the terms and provisions of the Redevelopment Plan shall control;

**SPECIAL COVENANT B:** The construction of the improvements on the Property hereby conveyed, in accordance with the approved Final Plan, drawings, specifications, and Homemakers Program Conditional Sales Agreement dated June 26, 2024, as submitted by the Grantee, as heretofore approved by the Grantor on August, 2024, as being in compliance with the provisions of the Redevelopment Plan, has heretofore been commenced. The Grantee shall prosecute diligently the construction of said redevelopment to completion. Said completion occurring on or before \_\_\_\_\_, 2025;

**SPECIAL COVENANT C:** Until the Grantor certifies that all improvements specified to be done by the Grantee have been completed, the Grantee shall have no power to convey the property herein described, or any part thereof, or any interest therein, without the prior written consent of the Grantor, except to a Mortgagee or Trustee under a Mortgage or Deed of Trust permitted by this Deed;

**SPECIAL COVENANT D:** The Grantee agrees for itself, its successors and assigns, to substantially adhere to all material provisions of the Redevelopment Plan as the same may from time to time be amended;

**SPECIAL COVENANT E:** The Grantee, its successors and assigns, shall never dispose of the unimproved property for a profit;

**SPECIAL COVENANT F:** The Grantee agrees not to substantially alter, revise or modify the final construction and/or development plans as heretofore approved by the Grantor, except with the prior written consent of the Grantor, which approval will not be unreasonably withheld or delayed so long as the proposed alteration, revision or modification complies with the Redevelopment Plan. Such approval(s) by the Grantor shall in no way be construed as approval of compliance with local codes and regulations, and will not relieve the developer of the responsibility of securing proper approvals and permits from appropriate public agencies;

**SPECIAL COVENANT G:** The Grantor shall be a beneficiary of all the restrictions, regulations and controls in this Deed and shall be entitled to represent or act on behalf of the City and community in enforcing the restrictions, regulations and controls provided for herein.

#### **GENERAL COVENANTS AND RESTRICTIONS**

This conveyance is made subject to the following general covenants and restrictions, each of which shall run with the land and shall be binding upon the Grantee and its successors and assigns:

1. The Grantee agrees, for itself and any successor in interest, not to discriminate upon the basis of race, creed, color or national origin in the sale, lease or rental, or in the use or occupancy of the property hereby conveyed, or any part thereof, or of any improvements erected, or to be erected thereon, or any part thereof;

2. The Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with and that all things necessary to constitute this Special Warranty Deed a valid, binding, and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law;

3. Upon substantial completion of that portion of the improvements required by the Redevelopment Plan on the real property conveyed herein in accordance with the Redevelopment Plan and the construction and development plans for such improvements, as each of the same may be from time to time amended in writing by the Grantor, and certification of such substantial completion by the Grantee to the Grantor, the Grantor shall release in a document recorded in the Knox County Register of Deeds Office the property conveyed herein from the Restrictions, Covenants and Conditions set forth above, but until such Release is executed by the Grantor and recorded, the Restrictions, Covenants and Conditions set forth herein shall remain in full force and effect.

TO HAVE AND TO HOLD the said premises to the Grantee, its successors and assigns in FEE SIMPLE forever;

AND, the Grantor will specially warrant and forever defend the right and title thereof in the Purchaser against the claims of all persons claiming by, through or under the Grantor but no further or otherwise;

AND, the Grantor certifies that all conditions precedent to the valid execution and delivery of this Special Warranty Deed on its part have been complied with and that all things necessary to constitute this Special Warranty Deed as a valid, binding, and legal agreement on the terms and conditions and for the purposes set forth herein have been done and performed and have happened, and that the execution and delivery of this Special Warranty Deed on its part have been and are in all respects authorized in accordance with law.

IN WITNESS WHEREOF, the Grantor has executed this instrument on the day and year first above written.

KNOXVILLE'S COMMUNITY  
DEVELOPMENT CORPORATION

BY: \_\_\_\_\_  
BENJAMIN M. BENTLEY  
EXECUTIVE DIRECTOR/CEO

(Notary on Next Page)

STATE OF TENNESSEE )  
COUNTY OF KNOX )

Before me, a Notary Public in and for the aforesaid State and County, personally appeared Benjamin M. Bentley, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Executive Director/CEO of Knoxville’s Community Development Corporation, the within named bargainor, a public corporation, and that he as such Executive Director/CEO being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the public corporation by himself as Executive Director/CEO.

WITNESS my hand and seal, at office in Knoxville, Tennessee, this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Expiration of Commission

\_\_\_\_\_  
Notary Public

STATE OF TENNESSEE )  
COUNTY OF KNOX )

I, or we, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is \$16,100.00, which amount is equal to or greater than the amount which the property transferred would command at a fair, voluntary sale.

Subscribed and sworn to before me, this the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Affiant

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

New Owner & Responsible Tax Payer:  
EAST TENNESSEE HOUSING DEVELOPMENT CORPORATION  
10414 Jackson Oaks Way, Suite 202  
Knoxville, TN 37922

## EXHIBIT A

**SITUATED in the Fifth (5<sup>th</sup>) (old Eighth) Civil District of Knox County, Tennessee, and within the 19<sup>th</sup> Ward of the City of Knoxville, Tennessee, and being known and designated as all of Lot 25 and the western half of Lot 26, Block 12, of Lonsdale Addition to Knoxville, as shown by map of record in Map Book 5, page 183, in the Register's Office for Knox County, Tennessee, to which map specific reference is hereby made and being more particularly bounded and described as follows:**

**BEGINNING at a point in the southern line of Texas Avenue, said point of beginning distant 160 feet in a westerly direction from the point of intersection where the southern line of Texas Avenue intersects with the western line of Bragg Street; thence in a southerly direction along the dividing line between Lot Numbers 24 and 25 of said block of said addition, 120 feet to a point in the northern line of an alley; thence in an easterly direction along the northern line of said alley, 60 feet to a point; thence in a northerly direction on a line parallel to the western line of Bragg Street, 120 feet to a point in the southern line of Texas Avenue; thence in a westerly direction along the southern line of Texas Avenue, 60 feet to the point of BEGINNING, as shown by survey of W. E. Lack, Engineers, Knoxville, Tennessee, bearing date 1949.**

BEING the same property conveyed to Knoxville's Community Development Corporation by Agreed Final Judgment, in Case 3-153-23, in the Circuit Court for Knox County, Tennessee, a copy of such Judgment being recorded as Instrument No. 202309010012177, in the Knox County Register's Office

THIS CONVEYANCE is made subject to any and all applicable restrictions, agreements, easements and building setback lines as are shown in the records of the Knox County Register's Office, and further to any matter and/or condition which would be disclosed by a current, accurate survey or inspection of the property herein described.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## BOARD ACTION FORM - ITEM 6

<b>MEETING DATE</b>	August 29, 2024
<b>AGENDA ITEM DESCRIPTION</b>	Resolution approving the Western Heights 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> This action seeks the board's approval of a new redevelopment plan that will cover the Western Heights area generally bounded by Tennessee Ave., Western Ave., Baxter Ave., and I-275. The redevelopment plan, will among other things, allow KCDC to further implement the Transforming Western Plan.</p>	
<p><b>2. Why is the action needed now?</b> The plan is necessary for implementation of various aspects of the Transforming Western plan including acquisition of blighted property adjacent to KCDC's new investments.</p>	
<p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> The Western Heights Redevelopment and Urban Renewal Plan is undertaken by KCDC in accordance with and in furtherance of the objectives of The Housing Authorities Law, Tennessee Code Annotated, Sections 13-20-101, et. seq. (the "Housing Authorities Law"). The Council of the City of Knoxville has declared the area to be a blighted area within the scope of Section 13-20-201 through 13-20-209 of the Housing Authorities Law.</p>	
<p><b>4. What are the long-term and short-term exposures?</b> None at this time.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	This redevelopment plan has been made publicly available on KCDC's website and has been approved by City Council on July 23, 2024.
<b>ATTACHMENTS</b>	Resolution and Redevelopment Plan

**RESOLUTION NO. 2024-\_\_\_\_**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION  
APPROVING THE WESTERN HEIGHTS 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 in the Western Height area ion the City of Knoxville, KCDC's staff has prepared the Western Heights 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 July 19, 2024, 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 Western Heights Redevelopment and Urban Renewal Plan in substantially the form attached hereto as Exhibit A.

Approved this \_\_\_\_ day of August, 2024.

**KNOXVILLE'S COMMUNITY  
DEVELOPMENT CORPORATION**

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

# EXHIBIT A

## WESTERN HEIGHTS REDEVELOPMENT AND URBAN RENEWAL PLAN



## **I. INTRODUCTION**

The Western Heights neighborhood is strategically located 1.5 miles from downtown Knoxville, the University of Tennessee, and many of the areas top employers and amenities. Unfortunately, disinvestment, physical barriers, residential and commercial vacancies, and concentrated poverty have kept the neighborhood from realizing its potential.

The residents of Western Heights have a collective vision of a safe neighborhood for all, with new housing and programming for children and adults. Beginning in 2020, the leadership of KCDC, the City of Knoxville, Knoxville-Knox County Community Action Committee, and over 65 other partners created a process to solicit community input from residents and stakeholders of the Western Heights community. The result was the Western Heights Transformation Plan published in 2021. This Redevelopment Plan is one of the action steps to implement portions of the community-based plan.

## **II. COMMUNITY HISTORY**

Knoxville College immediately south of the Redevelopment Area was founded in 1875 and became a prominent liberal arts college educating Black students. The area to the north was mainly rural throughout the 19<sup>th</sup> century and became known as Beaumont (i.e., lovely hill) around 1888. Leon Jourolman, a prominent local attorney, and philanthropist purchased the undeveloped land north of the college in 1893.

Residential development was slowed by a national depression, as well as logistical problems concerning streetcar construction. Water services finally arrived on the steep hilltop and in 1906 an auction of lots was held. The area was instantly popular with factory workers. By then, several important manufacturers were within walking distance. Located just north of the of the area in Lonsdale was The Knoxville Iron Company, the largest ironworks in East Tennessee.

Located to the east was Brookside Weaving Mills which became one of Knoxville's largest employers. The mill donated land for the expansion of Beaumont Elementary which opened in 1915. Other heavy industries joined the area looking for workers. Chances are that most Beaumont families during the first half of the 20<sup>th</sup> century included at least one member who was involved in manufacturing. Beaumont was annexed by the City of Knoxville in 1917 and Rule High opened in 1927 eventually becoming a full high school.

The term "Western Heights," a name promoted around 1916 as a modern term for Mechanicsville, was rarely applied to the Beaumont area until the opening of the Western Heights housing development in 1939. It was hailed as "the largest single construction project ever received at City Hall." The 244-unit complex was more than subsidized living. It included new housing, a splash pad, baseball diamond, library, teen club, WPA Adult Education School, Red Cross classes, and a Sunday School. Over the years, those amenities have disappeared. In the 1950s, 444 more units were added to the site.



Most of the Brookside Mills operation, the largest employer in the area, closed in 1956. Other large employment centers like Dempster Brothers and the iron works started winding down operations. In 1971, a community park, wading pool, and softball field were added to the Beaumont neighborhood, but they have since been removed.

Thanks to the establishment of Beaumont Magnet Academy as Knox County's elementary arts magnet program, the area continues to have ties to the arts community yet remains what it was for most of the last 110 years, a modest residential community for working people.

### **III. WESTERN HEIGHTS TRANSFORMATION PLAN**

While the Western Heights neighborhood is strategically located 1.5 miles from downtown Knoxville and the University of Tennessee, featuring some of the area's most beautiful views of the Smoky Mountains and downtown, the disinvestment, physical barriers, residential and commercial vacancies, and concentrated poverty have kept the neighborhood from realizing its potential. Through the leadership of KCDC, the City of Knoxville, Knoxville-Knox County Community Action Committee (CAC), and over 65 other partners, Western Heights will be transformed into a neighborhood of choice for current and future residents.

The transformation planning process, titled Transforming Western, took place over 15 months. Residents interested in joining the planning process were given tablets with cellular connectivity so they could join monthly planning meetings on Zoom. Additionally, nine resident events and five planning sessions provided opportunities for in-person interaction and input. Four Resident Ambassadors worked closely with their fellow residents to ensure everyone was informed and involved in the process.

The residents of Western Heights have a collective vision of a safe neighborhood for all, with new housing, activities, and programming for children and adults, beautiful parks, safe walking paths, and access to healthy and affordable food. This vision resulted in the Transforming Western Heights Transformation Plan and it is incorporated into this redevelopment plan as a reference and guiding resource for KCDC as Exhibit A.

Given the history of the Western Heights area and the existing conditions of blight, the City of Knoxville 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.

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

The Redevelopment Area is generally bounded on the north by Tennessee Avenue, on the east by I-275, Baxter Avenue on the south, and Western Avenue on the west. The map of

the area that will be subject to this plan (the “Redevelopment Area”) is shown on Exhibit B attached hereto.

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.”

## **V. RELATIONSHIP TO LOCAL OBJECTIVES**

### **Appropriate Land Uses**

As described in more detail in the Transformation plan, a wider range of land uses should be encouraged in the Redevelopment Area. Neighborhood mixed use, open space, and neighborhood residential are all appropriate land uses within the Redevelopment Area. Proposed improvements include housing upgrades, open spaces, and mixed-use buildings that will provide additional retail space in the area.

### **Improved Traffic and Public Transportation**

As described in the Transformation Plan, improved walking and biking routes, and increased transportation options for youth and adults are needed. Upgrades include sidewalks, wider streets, and the addition of off-street parking in some areas.

The Redevelopment Area is presently served by all major public utilities. It is likely, however, that some utility improvements may be required to meet the demands of newly renovated or developed structures.

### **Recreational and Community Facilities**

The residents identified the need for parks and spaces to enjoy being outdoors in the beautiful Western Heights setting. The steep hills in Western Heights make the existing spaces unusable. Residents want to walk with their children and friends, gather for social events in park spaces, and enjoy amenities that serve young children, older children, teens, and adults. Upgrades include creating linkages between the neighborhood and Malcom Martin Park to the south and Expanding the Boys & Girls Club in the heart of the community.

## **VI. REDEVELOPMENT PLAN OBJECTIVES**

The Western Heights Transformation Plan sets forth primary objectives to be accomplished throughout the area. Without limiting the objectives set forth in said plan, this Redevelopment Plan is intended to support those objectives and accomplish the following:

- a) Eliminate conditions of blight and blighting influences, incompatible and inappropriate land uses, and assist in beautifying the area.
- b) Encourage effective and desirable uses of land in accordance with the Transformation Plan, including, but not limited to better utilization of vacant and underutilized land for the addition of open spaces, housing development, mixed use development, and improved pedestrian access.
- c) Facilitate opportunities for more mixed-use development, including a functional blend of residential, commercial, retail, institutional, community, cultural, and industrial uses within the same area. These areas would be connected by pedestrian and multi-modal transportation options. This plan will create more variety in housing types, reduce distance between home, workplace, shopping, and other destinations, increase density, strengthen the neighborhood's character, and promote bicycling and pedestrian mobility.
- d) Facilitate improvements to the sidewalk, bicycle and street systems, including standards for on-and off-street parking, fostering greater intensity in development and providing improved access to new and existing businesses. Such public improvements may also include improved lighting and improved access to existing public improvements.
- e) Facilitate improvements to parks and open spaces, including, but not limited to, parks, splashpad, playgrounds, community gardens, urban plazas, grassy lawns, tree-lined streets, and picnic tables.
- f) Increase housing opportunities for working families.

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

KCDC may acquire property under this Plan to become a part of a redevelopment project to facilitate affordable housing development or planned development benefiting the community. Acquisition priorities include:

- a) Properties that are delinquent on property taxes.
- a) Properties that are subject to code violations.
- b) Properties that are considered vacant and abandoned property.
- c) Properties that would form a part of a contiguous or scattered land assemblage for a larger development.
- d) Properties that will result in planned development that benefits the community.
- e) Properties that will increase the number of affordable housing units.

Voluntary sales shall be the goal of all acquisitions. However, if eminent domain is required, KCDC shall comply with state law and KCDC acquisition policies.

Properties acquired by KCDC shall be disposed of in accordance with state law and specifically Tennessee Code Annotated Section 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 disposition 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.

#### **VIII. LAND USE PLAN**

Knoxville-Knox County Planning (Planning) was established in 1956 by Knoxville and Knox County as the agency responsible for comprehensive county-wide planning and administration of land subdivision regulations. Planning has designated three primary use zones within the Western Heights Redevelopment Plan, and these zones should be able to meet most of the needs of the Plan.

- a) Neighborhood Mixed Use Center (MU-NC) is a low intensity mixed use district typically located at an intersection of a local street and thoroughfare. The buildings should be designed with a residential character and scale to complement the surrounding neighborhood.
- b) Medium Density Residential (MDR) designation is primarily a residential zone with densities from 6 to 24 dwelling units per acre.
- c) Traditional Neighborhood Residential (TDR) designation is primarily residential and is characterized by neighborhoods where a mix of detached and attached houses, sidewalks, smaller lots, and alleys have typically been or are to be created. Densities in the range of 4 to 8 units per acre are typical.

#### **IX. PLAN AMEDMENTS 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 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.

**X. SEVERABILITY**

The invalidation of any or more of the foregoing provisions of this Redevelopment Plan, as approved by the Council of the City of Knoxville, 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.

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION

## BOARD ACTION FORM - ITEM 7

<b>MEETING DATE</b>	August 29, 2024
<b>AGENDA ITEM DESCRIPTION</b>	Resolution authorizing the execution of documents relating to the tax increment financing for a redevelopment project 2724, 2730, 2733 and 2736 Magnolia Avenue.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> James 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> KCDC will serve as pass through borrower
<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> Other – Name/Title: _____
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b> Authorizes KCDC to negotiate and execute various, customary documents facilitating TIF financing for the acquisition and renovation of four structures on East Magnolia Ave. Consistent with previous site-specific TIFs, KCDC will serve as the Borrower of loan proceeds from the Lender and will use the proceeds to reimburse the Developer for eligible expenses under the TIF financing agreement. The \$13M+ project will include 65 residential units including 56 for-sale condos and 8 rental units that will be designated as workforce housing units that will be income and rent restricted to 80% AMI for 10 years.</p> <p><b>2. Why is the action needed now?</b> The Developer wishes to close on the financing in September.</p> <p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> KCDC as borrower under the TIF loan and as the redevelopment agency. Courtland Group as the Developer. First Century Bank as the Lender.</p> <p><b>4. What are the long-term and short-term exposures?</b> Developer will provide all guarantees required under the loan. The loan to KCDC will be standard form and will be non recourse to KCDC.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	KCDC Board of Commissioners approved the redevelopment plan for this project in December 2023.
<b>ATTACHMENTS</b>	Resolution, site map

**RESOLUTION NO. 2024-\_\_**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION  
AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING  
TO TAX INCREMENT FINANCING FOR A REDEVELOPMENT  
PROJECT AT 2724, 2730, 2736 and 2733 MAGNOLIA  
AVENUE**

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

**WHEREAS**, pursuant to the Park City Redevelopment and Urban Renewal Plan, KCDC is authorized to assist with the redevelopment of the property located at 2724, 2730, 2736 and 2733 Magnolia Avenue (the "Project") by entering into a tax increment financing transaction (the "Tax Increment Financing") with respect to the Project; and

**WHEREAS**, The Courtland Group, LLC (the "Developer") has requested that KCDC authorize the execution of documents necessary to implement Tax Increment Financing for the Project in an amount not to exceed \$500,000.00; and

**WHEREAS**, First Century Bank (the "Lender") has indicated its willingness to purchase the note to be issued by KCDC (the "Tax Increment Note") that will evidence such tax increment financing on the terms set forth in the term sheet provided by the Lender, a copy of which has been submitted to KCDC and shall be filed with the records of KCDC; and

**WHEREAS**, such Tax Increment Financing will further the public purposes of KCDC by promoting redevelopment in the Park City Redevelopment Area.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:

**RESOLVED**, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC (each, an "Authorized Officer"), acting alone or in combination with one another, is/are hereby authorized, empowered and directed to negotiate and execute, and, where requested, the Secretary or Assistant Secretary is authorized to attest, and any Authorized Officer is authorized to deliver to the other parties thereto, the Tax Increment Note and any and all other instruments, documents and agreements deemed necessary or desirable by KCDC, the Lender and the Developer in order to evidence and secure the Tax Increment Financing and to evidence

the obligations of the Developer in connection therewith, including, without limitation, loan agreements, security agreements, restrictive covenants, certificates, affidavits, and any other documents and instruments of any kind or nature whatsoever, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same; and, further

**RESOLVED**, that the Authorized Officers are hereby authorized and directed to take from time to time any other actions deemed necessary or desirable by the Authorized Officers to effect the transactions described above and to evidence the Tax Increment Financing properly in accordance with the requirements of the Lender; and, further

**RESOLVED**, that it is in the best interest of KCDC to use the proceeds of the Tax Increment Financing for the purpose of financing a portion of the redevelopment cost of the Project; and, further

**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 any amendments thereto, 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.

Approved this 29th day of August, 2024.

**KNOXVILLE'S COMMUNITY  
DEVELOPMENT CORPORATION**

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







3D Existing Aerial

# KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION BOARD ACTION FORM - ITEM 8

<b>MEETING DATE</b>	August 29, 2024
<b>AGENDA ITEM DESCRIPTION</b>	Resolution authorizing the execution of various documents relating to the sale and development of property located at 520 W Vine Avenue.
<b>SUBMITTED BY</b>	<b>Name, Title / Department:</b> James 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>	Budgeted: \$ <u>n/a</u> Expenditure: \$ <u>n/a</u> Source of Funds: <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 checked="" type="checkbox"/> Legal Counsel: <u>BBS</u> Other – Name/Title: _____
<b><u>BACKGROUND</u></b>	
<p><b>1. What is the objective of this action?</b> Authorizes KCDC to negotiate and execute various documents relating to the sale of a 0.22 acre KCDC-owned parcel located at 520 W Vine Avenue to a City Summit LLC (or an affiliate of Lawler Wood) for \$290,000. In connection with the sale, a development agreement will be negotiated and entered into with the purchaser that would set forth requirements that the parcel being conveyed is developed in a manner consistent with the developer's proposed project. The proposed project is an 89-unit, new construction multifamily building.</p> <p><b>2. Why is the action needed now?</b> A late Q3 / early Q4 closing is anticipated and the developer is requesting to have a purchase and sale agreement in place in the next several weeks.</p> <p><b>3. Who are the parties involved and what are their roles (if appropriate)?</b> KCDC as the seller. City Summit LLC (or an affiliate of Lawler Wood) as the purchaser and developer.</p> <p><b>4. What are the long-term and short-term exposures?</b> None.</p>	
<b>HISTORICAL / TRANSACTIONAL INFORMATION (who, when, where)</b>	None.
<b>ATTACHMENTS</b>	Resolution, map, renderings

**RESOLUTION NO. 2024-\_\_\_\_\_**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
KNOXVILLE'S COMMUNITY DEVELOPMENT CORPORATION  
AUTHORIZING THE NEGOTIATION AND EXECUTION OF  
DOCUMENTS RELATING TO THE SALE AND DEVELOPMENT  
OF CERTAIN REAL PROPERTY LOCATED AT 520 W. VINE  
AVENUE**

**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 is authorized to sell real property and to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of a housing authority; and

**WHEREAS**, KCDC desires to sell certain real property located at 520 W. Vine Avenue, Knoxville, Tennessee (the "Property") to Lawler-Wood, LLC or an affiliate thereof (the "Purchaser") for a purchase price of \$290,000, the terms of which shall be set forth in a Real Property Purchase and Sale Agreement between KCDC and the Purchaser (the "Purchase Agreement"); and

**WHEREAS**, in connection with the sale of the Property, KCDC also desires to provide for the construction of certain improvements on the Property and an adjacent parcel located at 516 W. Vine Avenue, which improvements shall include an approximately 89-unit multifamily housing development to include approximately nine (9) units of workforce housing (the "Project"); and

**WHEREAS**, for the purpose of ensuring the development of the Project in accordance with the KCDC's requirements, KCDC and the Purchaser desire to enter into a Development Agreement which will set forth the obligation of the Purchaser to develop the Project (the "Development Agreement"); and

**WHEREAS**, the Board of Directors of KCDC desires to authorize the officers of KCDC to negotiate, execute and deliver the Purchase Agreement and the Development Agreement and to convey the Property to the Purchaser in accordance with the terms of the Purchase Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of Knoxville's Community Development Corporation, as follows:

**RESOLVED**, that the Chairman, Vice Chairman, Secretary, Assistant Secretary and/or any other officer of KCDC (each, an "Authorized Officer"), acting alone or in combination with one another, is/are authorized, empowered and directed (i) to negotiate and execute, and, if requested, the Secretary is authorized to attest, and any such officer of KCDC is authorized to deliver to the other parties thereto, the Purchase Agreement, the deed of transfer described therein, the Development Agreement, and any and all other instruments, documents and agreements deemed necessary or desirable by the Authorized Officer in order to evidence and document the sale of the Property and the development of the Project described therein properly in accordance with the requirements of KCDC, including without limitation assignments, certificates, affidavits, and any other instruments of any kind or nature whatsoever, all in the form approved by the Authorized Officers executing same, the execution of same by such Authorized Officers to constitute conclusive evidence of the approval of same, and (ii) take from time to time any other actions deemed necessary or desirable by the Authorized Officers to effect the transactions described above and to evidence the Purchase Agreement and Development Agreement properly in accordance with the requirements of KCDC; and

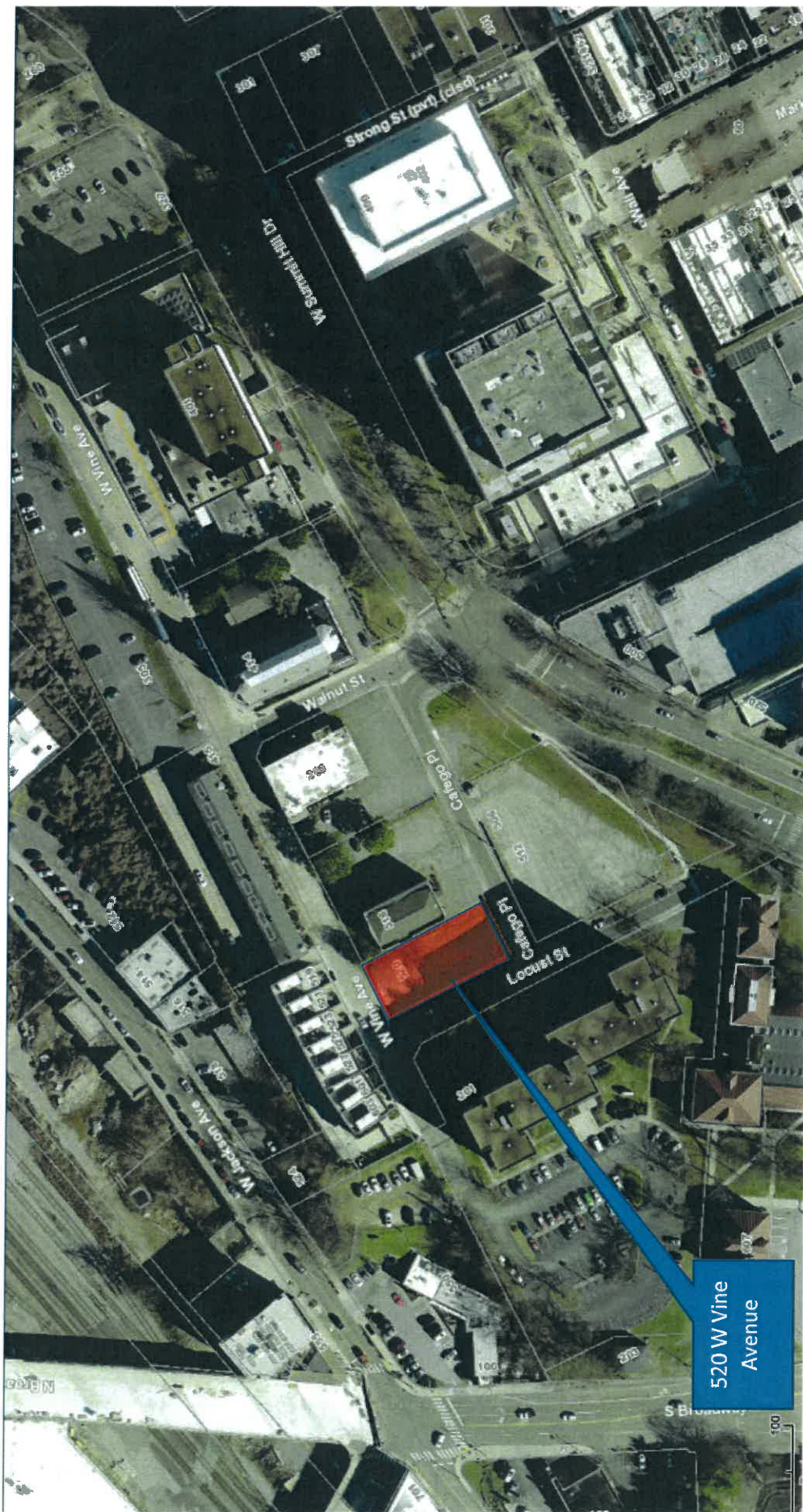
**RESOLVED**, that it is in the best interest of KCDC to sell the Property and provide for the development of the Project; and, further

**RESOLVED**, that any and all other actions heretofore taken on behalf of KCDC by the Authorized Officers to negotiate, 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.

Approved this 29<sup>th</sup> day of August, 2024.

**KNOXVILLE'S COMMUNITY  
DEVELOPMENT CORPORATION**

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



520 W Vine  
Avenue



**3D VIEW AT VINE & LOCUST  
CITY SUMMIT**

516 W. VINE AVENUE, KNOXVILLE, TN

2024-04-30

21011

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21011

2024-04-30

# 3D COURTYARD VIEW CITY SUMMIT

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