

From: [Smart Growth America](#)
To: [Bryan Berry](#)
Subject: Confirmation: Application to SGA's small-scale manufacturing technical assistance 2017
Date: Friday, January 06, 2017 2:10:42 PM

Thank you for your submission. Successful applicants will be notified on or by January 27, 2017.

Name of applicant agency
Knoxville/Knox County Metropolitan Planning Commission
Agency CEO or other individual authorized to enter into agreements
Gerald Green, AICP
Contact person name
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(865) 215-2543
Applicant organization's address
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Applicant organization's phone number
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Applicant organization's website
http://www.knoxmpc.org/
Form of government (local, regional, tribal)
local
Is the applicant able to dedicate the senior staff time that may be necessary for this technical assistance? Please check below:
<ul style="list-style-type: none">● Identify locally owned small-scale manufacturing businesses, real estate developers, and economic development leaders.● Assist in scheduling one-on-one interviews with local small scale manufacturing businesses, developers and other community leaders.● Organize and execute logistics for public event on small-scale manufacturing and place-based economic development.● Organize workshop with key community leaders to discuss policy and programs for implementation.● Participate in biweekly calls with the technical assistance team to organize and implement the 2-3 day program.● Assign staff to participate in all interviews and meetings during the 2-3 onsite program.

1. Interest in small-scale manufacturing in community development: Why is your community applying for this technical assistance? What is the role of small manufacturing in your community's development? What work has your organization or city done on gathering information related to light industrial development, mixing industrial land use into neighborhood centers or downtown, and/or economic revitalization through local business ownership? Describe any current programs for place-based economic development. (Limit 500 words)

Since the start of her administration in 2012, Mayor Madeline Rogero has been committed to pursuing four initiatives: building strong neighborhoods, living green and working green, an energized Downtown, and job creation and retention. The Magnolia Avenue Warehouse District or MAWD is one area where the City is investing to further these initiatives (see attached location map). Smart Growth America's technical assistance would help the City with recommendations toward re-purposing the warehouse district for small-scale manufacturing businesses.

The role of manufacturing in the City of Knoxville has decreased over the years. Despite total declines, small-scale local manufacturing has shown growth. In 2002, the U.S. Census Bureau's Economic Census showed small manufacturing establishments with less than 10 employees in Knoxville comprised 53 percent of all manufacturing establishments. In 2007 that number increased to 58 percent, while the latest data reveals a 62 percent share in 2012. This trend illustrates the paradigm shift from factories as historically large, isolated structures, to new models that are smaller and can integrate better with other land uses.

Examples of programs and tools the City uses to foster place-based economic development and revitalization through local business ownership are:

1) Façade Improvement Program

The City's Community Development Department administers a program designed to provide financial incentive to improve the facades of commercial buildings within targeted redevelopment areas. By bettering the appearance of building facades, the program improves the economic viability within these areas. The funding is based on the square footage of the eligible facade with a maximum of \$50,000 per building. In the last six years, approximately \$929,602 from this program has been invested in the MAWD.

2) Streetscape improvements

Part of Mayor Rogero's philosophy is to move from disinvestment to investment from the City's downtown core outward. Five major roadways connect downtown Knoxville to the remainder of the City and greater Knox County. To strengthen existing businesses, support residents, and attract new development, the City is investing over \$32 million in funding for streetscape improvements along three of these roadway corridors. A model block of streetscape improvements in the MAWD has been funded by the City along Magnolia Avenue to support place-based economic development.

3) Knoxville Entrepreneur Center (KEC)

KEC is a business accelerator funded in part by the City of Knoxville. The center will be relocating this year from downtown Knoxville to the MAWD. One KEC initiative focused on small manufacturing is MakeKnox. MakeKnox started after a small team from Knoxville attended the first Etsy Maker Cities Summit in Brooklyn in May 2016. The idea was simple: to join 14 other teams from across the country, learn from each other, and walk away with an actionable plan to make our city more supportive of micro businesses. MakeKnox hosted a similar event in Knoxville with over 300 attendees resulting in the creation of the Mayor's Maker Council. MakeKnox and the Maker Council will benefit from Smart Growth America's Technical Assistance.

2. Need for technical assistance: What is the community's need for technical assistance, and what actions have already been undertaken to promote place-based economic development that includes manufacturing or production in your city? What policies, programs, and staff resources currently exist that support this outcome? What capital investments, developments, or land use changes have been undertaken to facilitate production in a mixed-use environment? (Limit 500 words)

The City's Office of Redevelopment works with private development interests on projects determined to

have economic benefits to disadvantaged areas, like Magnolia Avenue and other redevelopment districts. The MAWD is a redevelopment area with a goal to encourage land uses in accordance with the current zoning designations that include maintaining the large amounts of industrial and warehouse zoning designations.

Working in conjunction with local economic development agencies including the City's Industrial Development Board and Knoxville's Community Development Corporation, incentives for certain development projects are considered. These incentives can include Payment in Lieu of Taxes (PILOT), Tax Increment Financing (TIF), and infrastructure improvements such as street, sidewalk, and landscaping.

A capital investment the City is currently working on is a comprehensive update to its zoning code in 2017. The Knoxville-Knox County Metropolitan Planning Commission (MPC) is the organization tasked with administering the City's zoning ordinance and land use recommendations. The original ordinance was written over 50 years ago and is antiquated, resulting in a less than efficient pattern of development. However, in the last fifteen years, significant revitalization throughout downtown and historic neighborhoods has created momentum that is spreading along corridors leading into downtown and adjacent neighborhoods. Older commercial centers, former industrial sites, and the riverfront near downtown are examples of areas the new ordinance will help guide through redevelopment. MPC will be able to incorporate recommendations from the workshops and Smart Growth America into the future ordinance.

The need for technical assistance by Smart Growth America is to provide insight and opportunities on how to use the existing programs and investments being made by the City to foster and accommodate small-scale manufacturing and production in the MAWD.

3. Partnership and engagement: Describe the envisioned involvement of developers, the business community, civic organizations, philanthropy, advocacy groups, other stakeholders, and the public in the technical assistance. Who will be the project champion(s) and what steps will they ideally take to implement recommendations once assistance is received? (Limit 500 words)

Partnerships and engagement will play a vital role in this process if political buy-in is to occur. The following partners and stakeholder groups will be asked to participate with the City in this process. The Metropolitan Planning Commission (MPC) will play an important role using information gathered from the technical assistance workshops to incorporate into the future citywide zoning ordinance. The Knoxville Chamber was established to help existing businesses grow, recruit new companies to the region, and advocate for a business-friendly government. Chamber members and staff will participate. The City's Community Development Department and Office of Neighborhoods will assist by recruiting neighborhood organizations and residents to attend. Pellissippi State Community College is located in the MAWD and will play an important role as an educational leader and district resident. The Knoxville Area Urban League (KAUL), also located in the MAWD is committed to empowering communities and changing lives through jobs, housing, and entrepreneurship. An example is KAUL's Paradigm Challenge. This program is a place-based, industry-specific pitch for entrepreneurs to solve business and growth challenges in East Knoxville along corridors such as Magnolia Avenue. Health care, retail, light manufacturing and technology are the targeted industries with up to \$10,000 in monetary prize money and pro bono professional services through the Knoxville Business Support Network. These groups, partnered with residents, business owners, City Council, the East Knoxville Business and Professional Association, Knoxville Area Transit, Knox County Health Department staff, and many others will be engaged and encouraged to participate in the workshops.

In September 2016, Etsy officially named Knoxville as the first city to become an "Etsy Maker City" (see attached letter). Knoxville's first Makers City Summit was held in Downtown Knoxville as part of its Innov865 Week bringing together over 300 small business owners, manufacturers, and local government officials to discuss policy and how to better support Knoxville entrepreneurs focused on small-scale manufacturing. According to Etsy, the goal of naming "Maker Cities" is to connect creators to local governments that support entrepreneurship, sustainability and responsible manufacturing. At the end of the summit, Mayor Madeline convened a new "Mayor's Maker Council", which is designed to bring

micro-entrepreneurs' expertise and experiential knowledge into the decision-making process - giving makers, manufacturers and businesses a seat at the table. The Mayor's Maker Council will benefit from Smart Growth America's technical assistance in helping refine their role as a council and potentially become a project champion.

4. Commitment to equity: How does your project involve issues of equity and economic opportunity? How will the work around this project enhance economic opportunity and inclusion for minority- and women-owned businesses, low- and moderate-income communities, communities of color, and other economically disadvantaged communities? (Limit 500 words)

The MAWD was developed by Knoxville Community Development Corporation (KCDC) and adopted by the City in 2011. As the City's redevelopment agency, KCDC designated the MAWD as a redevelopment area to assist with the elimination of blight, encourage effective and desirable land uses, facilitate opportunities for mixed use development and encourage restoration and reuse of historic buildings. Through this designation, the City, KCDC, and its board of directors oversee the process to offer development assistance including tax increment financing (TIF) and payment in lieu of taxes (PILOT) for appropriate projects in this redevelopment area to create economic opportunity.

Equity and economic opportunity is a focus in the MAWD and surrounding area. The neighborhoods within a 1 to 1.5 mile radius surrounding the MAWD are shown on the accompanying neighborhood map. These five census tracts comprise about nine percent of the City total population. The bulk of the MAWD is located in Census Tracts 67 and 68. Minorities (nonwhite alone race) account for 68 percent of the total population in these two tracts combined, compared to 24 percent of the City total population. The share of families and people whose income in the past 12 months is below poverty level is 43 percent for Census Tract 67 and 52 percent for Census Tract 68, while the City's is 26 percent. Unemployment rates in these two tracts (15.4 percent and 24.0 percent) are also high compared to the City' rate of 7.8 percent. Jobs and economic opportunities are concerns residents have identified in public forums. The location of the MAWD in relation to the surrounding neighborhoods makes it an ideal opportunity for place-based economic development.

The City has invested over \$5.0 million in local funds to provide streetscape improvements for a model block area of Magnolia Avenue spanning from Jessamine Street to N. Bertrand Street. The improvements include raised medians to replace the center left-turn lane, bike lanes, widened/improved sidewalks, bus pull-offs, and other streetscape amenities such as lighting, benches, and bike racks. This project is located in the heart of the MAWD and along the major corridor connecting downtown to East Knoxville. The City's investment in this model block will provide economic opportunity and improve the quality of life for residents and businesses.

Smart Growth America's technical assistance could use existing opportunities and partnerships to help craft recommendations that benefit the economically distressed MAWD and surrounding neighborhoods.

Letter of commitment: To help assess community support, all applications must be accompanied by a letter of commitment signed by the head of government (mayor, county commission chair, or comparable elected leader). The letter should state the commitment of local leaders to participate in the technical assistance and to implement any local initiatives that result from the small-scale manufacturing technical assistance offered.

- [Knoxville Knox-County-Metro-Planning-Commission-SGA-Signed-Letter.pdf](#)