

2022 KLONDIKE NEIGHBORHOOD COMMUNITY REDEVELOPMENT PLAN

PREPARED FOR:



THE CITY OF MEMPHIS AND SHELBY COUNTY
COMMUNITY REDEVELOPMENT AGENCY
MEMPHIS, TN

PREPARED BY:



WITH SUBSTANTIAL INCORPORATION OF THE TIF APPLICATION
AND COMMUNITY REDEVELOPMENT PLAN COMPLETED BY:

**Development Studio, LLC and ComCap Partners
for the Klondike Partnership**

Memphis, TN

SEPTEMBER 20, 2022

TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION	6
CHAPTER 2: DESCRIPTION OF COMMUNITY REDEVELOPMENT AREA	7
Klondike Community Redevelopment Area Boundaries	7
Community Redevelopment Area Background and Reasoning for Selection	9
General History: The Klondike Neighborhood	9
Population Trends	10
Income and Housing Trends	11
Qualified Census Tracts	14
Transportation & Public Transit	15
Existing Zoning	15
Existing Land Use Mix & Future Land Uses	15
CHAPTER 3: COMMUNITY REDEVELOPMENT AREA QUALIFICATIONS ANALYSIS	18
Basis for Eligibility of the Community Redevelopment Area	18
Community Redevelopment Area Qualifications for Designation	19
Consistency with Existing Plans	19
Memphis 3.0	19
Klondike Small Area Plan	20
Accelerate Memphis	23
Analysis of Slum Area Indicators	24
Slum Area Indicators	24
Dilapidated or Deteriorated Buildings or Improvements	26
High Density of Population or Overcrowding	26
Existence of Conditions Which Endanger Life or Property by Fire or Other Causes & Unsafe and Unsanitary Conditions	27
Analysis of Blighted Area Indicators	32
Blighted Area Indicators	32
Deterioration of Site or Other Improvements	35
Dilapidated or Deteriorated Buildings	35
.....	35
Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness and Inadequate Parking Facilities	35
Predominance of Defective, Faulty, and Inadequate Street Layout	36

Housing Affordability and Socio-Economic Indicators	38
Existing Conditions Contributing to the Lack of Housing Affordability	38
CHAPTER 4: COMMUNITY REDEVELOPMENT PLAN.....	40
Program Purpose	40
Guiding Planning Principles	40
Klondike Partnership Neighborhood Master Plan.....	42
Key Factors key to determining Klondike’s success	42
Homeownership rate must increase.....	42
Poverty rate must decrease	43
Growth in Klondike by 2050	43
Jackson Avenue Re-developed as a Mixed-use Neighborhood Commercial Corridor	44
Northside Renaissance	45
TIF Re-Investment Project Descriptions	45
Publicly Funded Capital Projects	48
Accelerate Memphis Investments & Progress	48
Residential Element.....	49
Klondike Community Land Trust (CLT)	50
Parks, Recreation, and Greenspace Element	50
Community-Led Decision Making through Extensive Engagement Process	51
Coordinated Effort for Property Acquisition	52
Inclusion Goals	52
Anticipated Time Schedule for Implementation Completion.....	52
Conformance with the Unified Development Code, Memphis 3.0, and Other Plans	52
Memphis 3.0 Klondike Small Area Plan.....	53
CHAPTER 5: FINANCIAL RESOURCES AND REVENUE PROJECTIONS	54
Introduction.....	54
Availability of Increment Tax Revenues	54
Tax Revenue Projections	55
Amount of Tax Increment Financing	55
Base Real Property Taxes	55
Tax Rates	55
Projected Market Value and Assessed Value.....	56
Assumptions Used to Project Build Scenario	56

Term and Rates	56
PILOT Projects	56
Financial Analysis Assumptions:	56
New/Rehab Multifamily Renters	57
Legacy Homeowners.....	57
New Homeowners	57
Legacy Single-Family Renters	57
New Single-Family Renters	58
Commercial Development.....	58
Northside Redevelopment	58
Bonds and Loans.....	58
Sensitivity Analysis Assumptions:.....	59
Statement of Projected Costs	62
Use of Funds	62
Project Sources and Uses	63
CHAPTER 6: NEIGHBORHOOD IMPACTS	64
Neighborhood Impact of the Klondike Community Redevelopment Plan	64
Relocation and Replacement Housing.....	64
Traffic Circulation	65
Environmental Quality	65
Physical and Social Equity	65
Availability of Community Facilities and Services	65
Effect on School Population	65
Historic Property Impact.....	66
Economic Impact on Adjacent Properties	66
Expected Benefits to the City of Memphis and Shelby County	66
Additional Taxes for the City of Memphis and Shelby County	67
Job Creation	67
KLONDIKE PARTNERSHIP COMMUNITY REDEVELOPMENT PLAN Sources	68
APPENDIX A.....	69
APPENDIX A: PHOTOGRAPHIC EVIDENCE.....	70
APPENDIX B	79
APPENDIX B: PARCEL LIST	80

CHAPTER 1: INTRODUCTION¹

“The Memphis and Shelby County Community Redevelopment Agency is established to combat slum and blighted areas that constitute a serious and growing menace, injurious to the public health, safety, morals, and welfare of the residents of Shelby County.”¹ The Memphis and Shelby County Community Redevelopment Agency (“CRA”) establishes community-based tax increment financing districts as a tool for implementation of the CRA Workable Program.

Community representation is an important part of establishing, maintaining, and implementing a community-based tax increment financing district. The goals and priorities outlined in the Klondike Community Redevelopment Plan (“Plan”) represent the goals of the community and the CRA. Accountability for implementing the goals will be upheld by the establishment of a Community Advisory Committee appointed by the CRA Board. The implementation of this Plan can serve as a model for public-private partnerships achieving gains in social, economic, and racial equity. The following Plan outlines a neighborhood-based implementation strategy for prioritizing the use of tax increment financing funds for the benefit of the community.

This Plan includes a description of the Area, analysis of blight and slum factors, a community redevelopment plan, overview of financial projections, and analysis of neighborhood impacts.

Neighborhood capacity building and locally led decision making are at the forefront of this unique approach to community economic development. The Klondike Neighborhood TIF Task Force, is leading the daily work in advancing the redevelopment plan that is the basis of the TIF application.

The Klondike Partnership is sponsoring this active pursuit of a community-based TIF. This partnership is comprised of an alliance of Klondike community and business leaders with Klondike-Smokey City Community Development Corporation (KSCCDC), The Works, Inc., Neighborhood Preservation, Inc., and the Urban Renaissance Partners, Inc.

The group’s plan will utilize and leverage TIF funds as well as other applicable development tools in advancing neighborhood improvement strategies conceived through various community conversations and the recent Klondike Neighborhood Master Plan. Community priorities are the basis for future uses of the TIF fund within the district.

This effort is truly grounded in community. This group has invested their lives and careers in working to improve this particular place. A TIF is just one small part of the much larger strategy and effort that they have worked to implement. Klondike can stand to serve as a prototype for effective community development and place-based strategy. With operating support from the Klondike Neighborhood TIF District and a strong push over the coming years, lives will be changed, residents will thrive, and dignity and hope will be restored.

¹ *Moving Forward*, Community Redevelopment Plan, Klondike Partnership. August 2022.

CHAPTER 2: DESCRIPTION OF COMMUNITY REDEVELOPMENT AREA

Klondike Community Redevelopment Area Boundaries

The designated Community Redevelopment Area identified for redevelopment shall be known as the Klondike Neighborhood Community Redevelopment Area (“the Area”). The general boundaries of the Area are: (to the North) Chelsea Avenue between Bellevue Boulevard and North Watkins Street; (to the East) North Watkins Street between Chelsea Avenue and West Jackson Avenue; (to the South) the drainage way south of West Jackson Avenue between North Watkins Street and I-40; and (to the West) North Bellevue Boulevard from West Jackson Avenue to the intersection of Chelsea Avenue.

This is a detailed street map of the Chelsea neighborhood in Boston, Massachusetts. The map shows a grid of streets, including Chelsea Ave, Lexington, Brown, Volintine, Henry, Keel, and others. Major highways like I-40 and I-240 are also visible. The map is oriented with North at the top.



Community Redevelopment Area Background and Reasoning for Selection

General History: The Klondike Neighborhood²

Located in the heart of North Memphis, the Klondike neighborhood developed post-Civil War as one of the City's first African-American communities. The area was one of few places where Black residents could own homes, attracting professionals and other prominent citizens. Originally a suburb located northeast of Memphis, the neighborhood was annexed by the expanding City around the turn of the century. A growing industrial sector provided job opportunities in North Memphis with major employers like Firestone locating in the area in the early 1900s. However, as these companies closed their plants in the second half of the 20th century, Klondike experienced growing unemployment and vacancies. Recently, 150 vacant properties were transferred from Shelby County ownership to Klondike neighborhood nonprofits tasked with collaborating with neighborhood residents on their revitalization and restoration.

² Klondike Small Area Plan. 2021.

Population Trends

As the Memphis 3.0 Comprehensive Plan for the City indicates, the City of Memphis has seen decades of population decline as new residential subdivisions were built in the ever-expanding fringe of the City causing many of Memphis' older neighborhoods to experience significant vacancy and blight. This is especially true in the central City neighborhoods like those located within the Klondike Community Redevelopment Area. From 2010 to 2022, the population of Memphis declined by -3 percent, declining at an annualized average rate of -0.2 percent, representing a loss of 19,035 residents. During the same period, the Klondike Community Redevelopment Area saw a decline of -20 percent representing a loss of 351 residents. Shelby County saw its population increase by 0.1 percent during this period representing 877 new residents. This signals a trend that other cities and unincorporated areas of Shelby County are seeing population growth as residents move out of the Area and the core of Memphis.

Over the next five years the Area is projected to see a reverse in this trend of decline as the population is estimated to grow at annualized rate 0.03 percent from 2022 to 2027. The rate of population decline in Memphis is projected to improve from an annualized rate of decline of -0.2 percent to an annualized rate of decline of -0.1 percent, resulting in a slower rate of population loss. During the same period, Shelby County is projected to experience a mild acceleration in the rate of population loss, from an annualized rate of growth of 0.001 percent an annualized rate of decline of -0.1 percent. Table 1, below, provides an overview of population trends in the Area, the City, and the County.

Table 1: Population Trends

Population Trends			
	Klondike Community Redevelopment Area	City of Memphis	Shelby County
<i>Population Totals</i>			
2010 Population	1,766	650,222	927,644
2020 Population	1,412	631,612	929,744
2022 Population	1,415	631,187	928,521
2027 Population (Est.)	1,417	627,528	922,985
<i>Population Density</i>			
Area (Square Miles)	0.47	305	786
Residents per Square Mile (2010)	3,757	2,132	1,180
Residents per Square Mile (2020)	3,004	2,071	1,183
Residents per Square Mile (2022)	3,011	2,069	1,181
<i>Population Change</i>			
Annual Pop Growth Rate 2010 - 2022	-1.83%	-0.2%	0.01%
Annual Pop Growth Rate (Est.) 2022 - 2027	0.03%	-0.1%	-0.1%
<i>Household Size</i>			
2020 Household Size	2.49	2.42	2.50
Households with Children	32%	34%	36%
<i>Housing Units Needed</i>			
Est. Additional Residents by 2026	2	(3,659)	(5,536)
Housing Units Needed	1	(1,512)	(2,214)

Source: U.S. Census, ESRI (2021)

Income and Housing Trends

The Area has high concentrations of residents who live below the poverty level. Currently, 58 percent of households have a household income less than \$25,000 compared with 27 percent and 21 percent in the City and County, respectively. The Area has a median household income of \$18,385. Median household income in the City, \$47,144, is more than two times that of the Area. Median household income in the County, \$58,770, is more than three times that of the Area.

Table 2: Household Income

Housing Occupancy and Value			
	Primary Market Area 1-Hour Drive Time Radius	Klondike Community Redevelopment Area	City of Memphis
<i>Occupancy</i>			
Owner-Occupied	0%	22%	42%
Renter-Occupied	0%	0%	47%
<i>Housing Unit Vacancy</i>			
Total Housing Units	-	786	287,288
Vacant Housing Units			26,117
<i>Median Housing Value</i>			
2022 Median Home value	\$0	\$38,636	\$150,675
2027 Median Home Value	\$0	\$43,137	\$260,352
Annual Growth in Value		2%	12%
<i>Housing Value by Range</i>			
Less than \$100,000	0%	90%	38%
\$100,000 to \$199,999	0%	4%	23%
\$200,000 to \$299,999	0%	1%	16%
\$300,000 to \$399,999	0%	2%	8%
\$400,000 to \$499,999	0%	0%	6%
\$500,000 to \$999,999	0%	3%	8%
\$1,000,000 or Greater	0%	0%	2%

Source: U.S. Census, ESRI (2021)

More than half of households in the Area are renters compared to 47 percent and 41 percent in the City and County, respectively. A 2016 report by the Memphis Division of Housing and Community Development found that many rental units in the City are considered substandard housing. More than 52 percent of the City's housing stock (this includes single family and multi-family residences) were built before 1969. As the number of housing units in Memphis increased over time, household growth was too slow to generate sufficient demand for the older houses in older parts of the City. Costly housing maintenance and resulting neighborhood deterioration prompted individuals with the financial means to move to newer neighborhoods in the eastern part of the City.³ By comparison, approximately 77 percent of the Area's housing units were constructed prior to 1969, (*U.S. Census, ESRI 2021*).

This may explain the immense difference in median housing value between housing in the Area and housing in both the City and the County. The current median home value in the Area is \$38,636 compared to the City (\$150,675) where values are nearly four times the value of homes in the Area; and Shelby County (\$219,155) where values are nearly six times the median home value in the Area. Over the next five years, the City and the County are projected to experience accelerated growth in median home values at an annualized rates of 12 percent and 7 percent, respectively, while homes value in the Area are projected to growth at a much slower rate of 2 percent.

Table 3: Housing Occupancy and Value

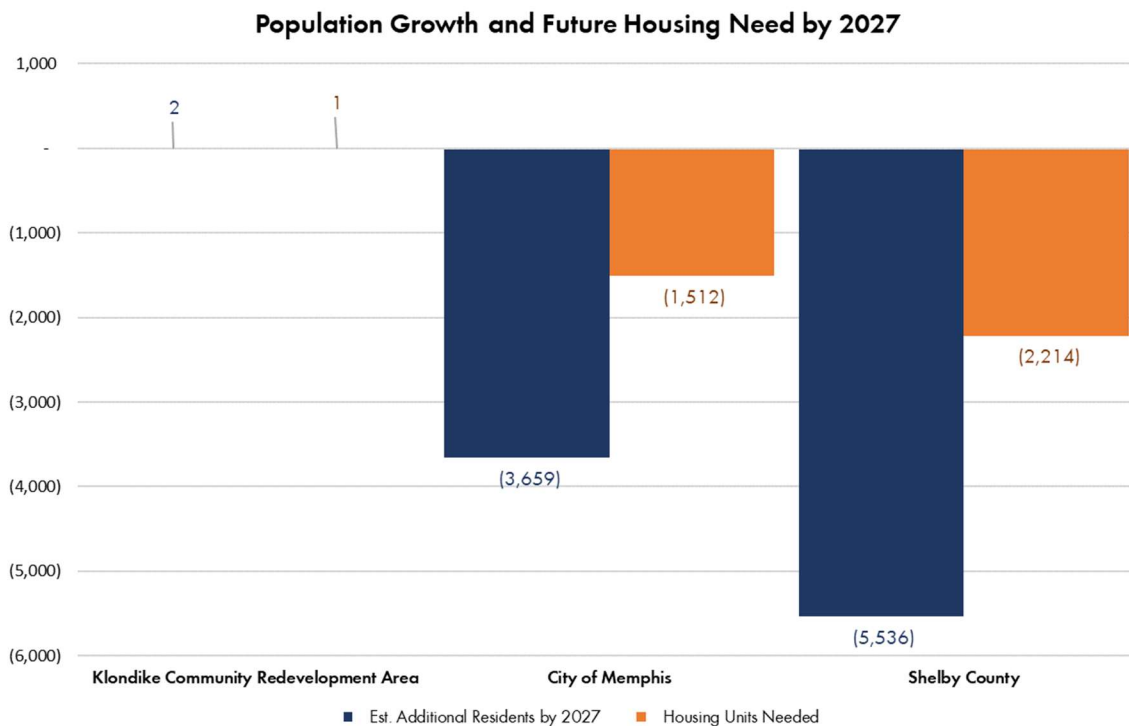
Housing Occupancy and Value			
	Klondike Community Redevelopment Area	City of Memphis	Shelby County
<i>Occupancy of Occupied Housing Units</i>			
Owner-Occupied	22%	42%	50%
Renter-Occupied	51%	47%	41%
<i>Housing Unit Vacancy</i>			
Total Housing Units	786	287,288	401,679
Vacant Housing Units	217	26,117	44,631
<i>Median Housing Value</i>			
2022 Median Home value	\$38,636	\$150,675	\$219,155
2027 Median Home Value	\$43,137	\$260,352	\$302,580
Annual Growth in Value	2%	12%	7%
<i>Housing Value by Range</i>			
Less than \$100,000	90%	38%	24%
\$100,000 to \$199,999	4%	23%	21%
\$200,000 to \$299,999	1%	16%	23%
\$300,000 to \$399,999	2%	8%	13%
\$400,000 to \$499,999	0%	6%	8%
\$500,000 to \$999,999	3%	8%	9%
\$1,000,000 or Greater	0%	2%	1%

Source: U.S. Census, ESRI (2021)

³ Memphis 3.0 Plan

Future housing needs for the Area, the City, and the County over the next five years are estimated based on the estimated rates of population change. These estimates project that the Area may see 2 new residents and need 1 new housing unit by 2027. In comparison, the City is projected to lose 3,659 residents resulting in a need for 1,512 fewer housing units. During the same period, the County is projected to lose 5,536 residents, resulting in 2,214 fewer housing units. These estimates correlates with the current trend of stagnating population growth in the Area, growing trends of population loss in the City and County, and existing conditions of concentrated slum and blight present throughout the Area. However, this estimate does not account for current development and redevelopment plans and investments anticipated by the Area.

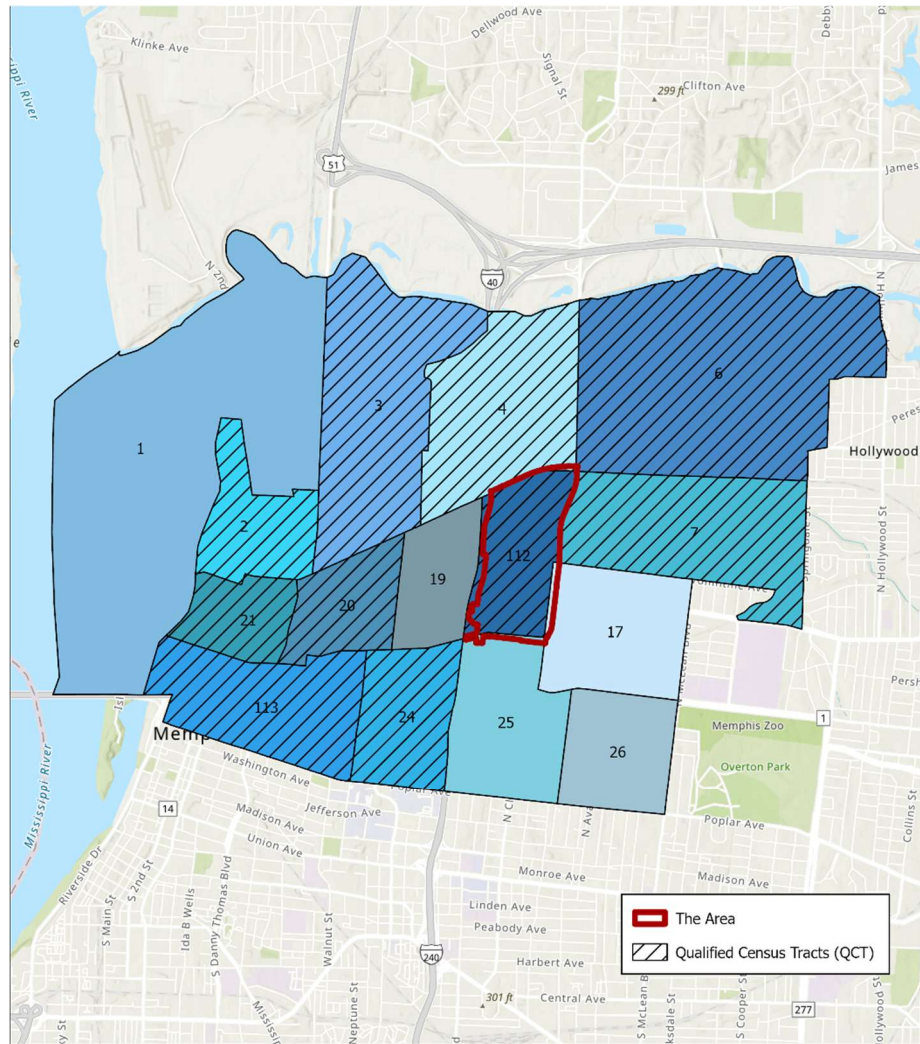
Exhibit 2: Population Growth & Future Housing Needs by 2027



Public and private investments in the Area to alleviate existing conditions of slum and blight, may contribute to continued or accelerated population growth, renewed social and community pride, and housing in the Area as residents in the City and County look to relocate to quality housing developments. These housing trends and potential outlook further demonstrate the need for the designation of the Klondike Community Redevelopment Area. The Area may not attract the investment and redevelopment direly needed to arrest the direct, indirect, and induced conditions of slum, blight, and lack of affordable housing, but for the designation of the Klondike Community Redevelopment Project Area.

Qualified Census Tracts⁴

Qualified Census Tracts (QCTs) are areas where 50 percent or more of the area's households have median incomes less than 60 percent of the area median income, or where the poverty rate is 25 percent or higher. The Area, located almost entirely in Shelby County QCT #112, is critically important for the long-term economic vitality of the City because of its location and diversity of uses and that it also includes areas representing a high concentration of blight, disadvantaged population, depressed housing values, high unemployment, and historical structures. The majority of the Area has been identified as targeted redevelopment project areas in the CRA's Workable Program.⁵ The map below shows the 2022 HUD designated Qualified Census Tracts surrounding and encompassed by the Area.⁶



QUALIFIED CENSUS TRACTS
Klondike Community Redevelopment Area
Memphis, TN

PCAV PLANNERS LLC

ERS

CRA

⁴ www.huduser.gov

⁵ CRA Act Section 14 (1)

⁶ The 2022 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2022. The 2022 designations use data from the 2010 Decennial census. The designation methodology is explained in the federal Register notice published September 9, 2021. www.huduser.gov

Transportation & Public Transit

The Klondike Community Redevelopment Area is served by three major corridors: Chelsea Avenue, Vollintine Avenue, and West Jackson Avenue running east/west; and North Watkins Street and Interstate 40 running north/south. Interstate 40/240 and N. Watkins Street are primary connections to Downtown Memphis and the Medical District to the south.

The Klondike Area appears to be an auto-oriented neighborhood. This is evidenced by the number of vehicles found parked on the streets and private properties; the traffic volumes along major corridors; and defective street and sidewalk conditions including inadequate improvements to enhance pedestrian safety and connectivity or facilitate multimodal transportation (except for along Vollintine Avenue where multimodal pavement striping is present). The Area has a large low to moderate-income population, so those residents do not have access to a vehicle and must rely on walking and public transportation. Walking means they must travel in unsafe conditions, including walking in the street alongside heavy traffic where sidewalk conditions are poor or paths are obstructed. The Area is served by bus routes via a bus route along Vollintine Avenue and North Watkins Street.

Existing Zoning

The Area is governed by the Memphis and Shelby County Unified Development Code, and includes the following zoning classifications:

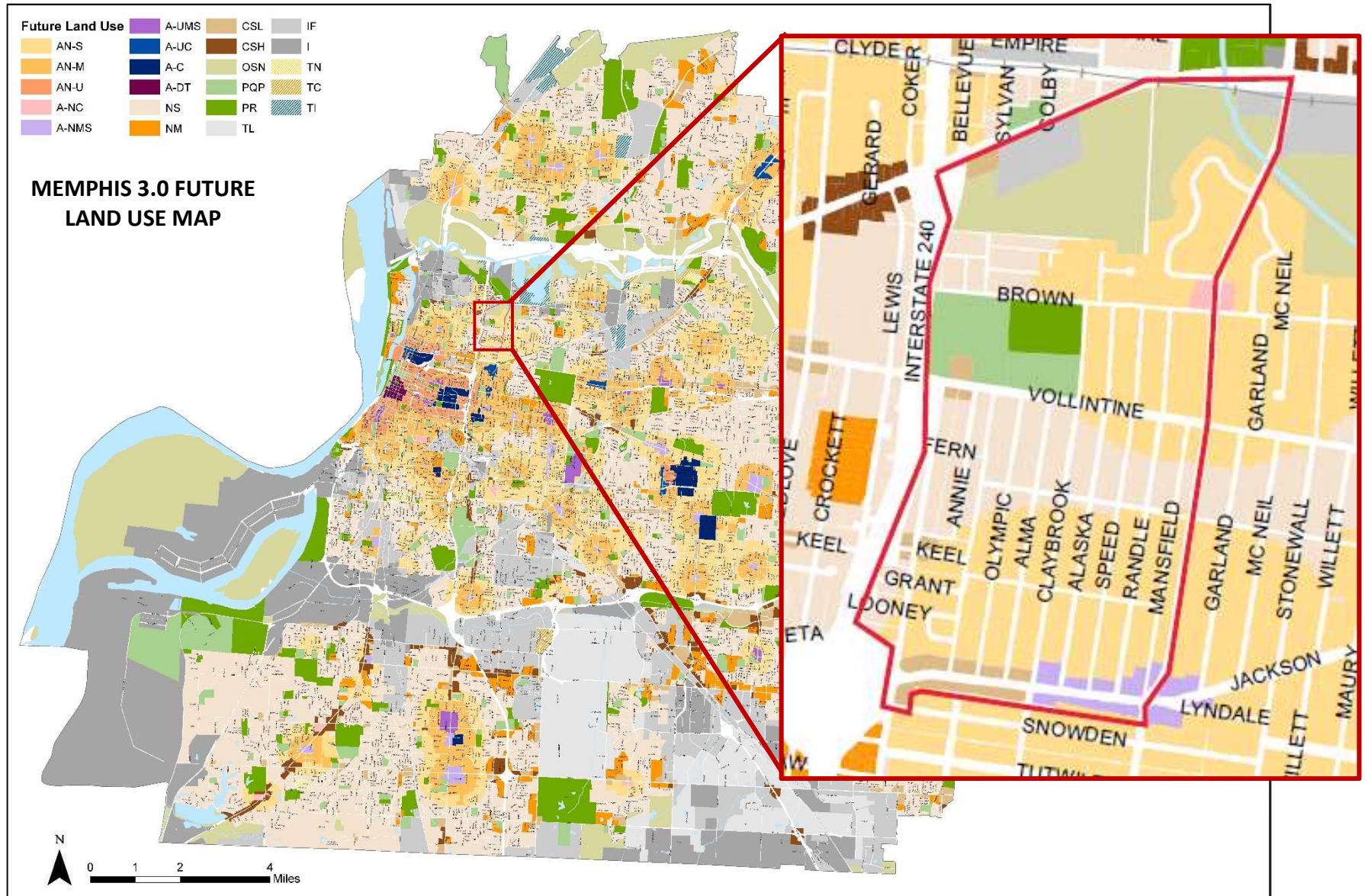
- **Commercial:** CMU-1, CMU -2, CMU-3, MU, MU-1
- **Residential:** R-6, RU-1, RU-3
- **Industrial:** EMP

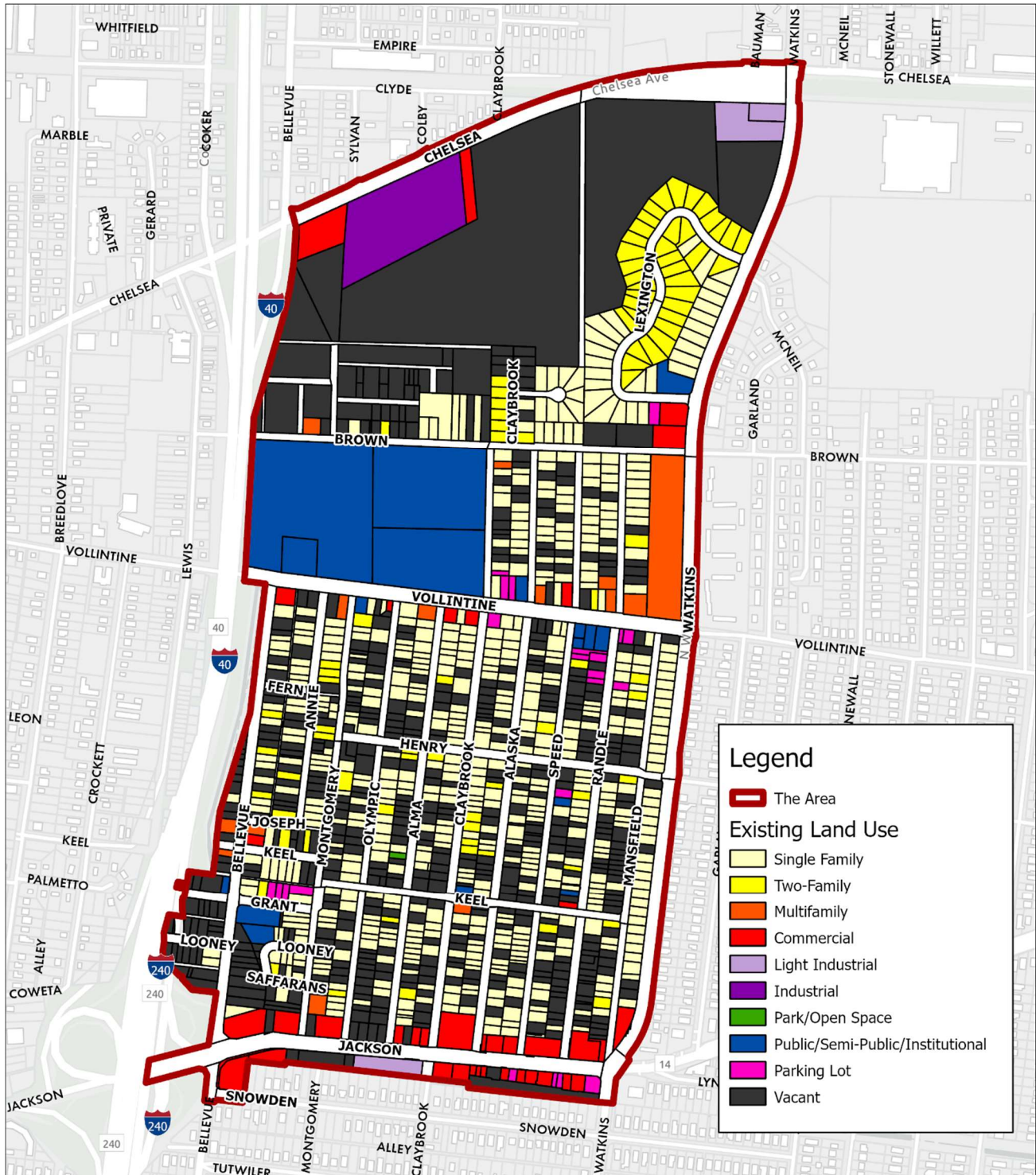
Existing Land Use Mix & Future Land Uses

The Area is comprised of 1,308 parcels. Existing land use in the redevelopment area represents a variety of uses ranging from residential and commercial to industrial and institutional uses. The map on the following page provides an overview of the Area's existing land use mix.

With the adoption of the City's Comprehensive Plan, Memphis 3.0, the Future Land Use Map will now direct all City decisions on land use, streets, transportation and transit, public investments in infrastructure and public spaces, and investments and incentives in housing, neighborhoods, and job centers. The Future Land Use Map calls for mixed uses around the anchors, based on the unique anchor type. The primary future land use in the Area is an anchor neighborhood with a mix of building types and land uses. The Area's future land use is governed by the Memphis 3.0 Plan and includes the following future land use classifications: Anchor Neighborhood Primarily Single-Unit; Primarily Single Unit Neighborhood; Low Intensity Commercial & Services; Neighborhood Main Street; Open Space & Natural Features; Public & Quasi Public Buildings & Uses; and Industrial Flex.

Exhibit 3: Land Use Maps





EXISTING LAND USE CONFIRMED

Klondike Community Redevelopment Area
Memphis, TN

0 0.1 0.2 Miles



PCAV PLANNERS LLC

ERS
ERST & S. SAWYER ENTERPRISES, INC.

CRA
COMMUNITY REDEVELOPMENT AGENCY

CHAPTER 3: COMMUNITY REDEVELOPMENT AREA QUALIFICATIONS ANALYSIS

Basis for Eligibility of the Community Redevelopment Area

The Community Redevelopment Act of 1998 (“the Act”) establishes the criteria for designating community redevelopment areas within the State of Tennessee. The Act defines a **“Community Redevelopment Area”** as *a slum area, a blighted area, or an area in which there is a shortage of housing that is affordable to residents of low or moderate income, including the elderly, or a combination thereof which the governing body designates as appropriate for community redevelopment.* According to the Act, in order for an area to qualify or be designated as a Community Redevelopment Area, the governing body must adopt a resolution finding that:

1. One or more slum or blighted areas, or one or more areas in which there is a shortage of housing affordable to residents of low or moderate income, including the elderly, exist in such county
2. The rehabilitation, conservation, or redevelopment, or a combination thereof, of such area or areas, including, if appropriate, the development of housing which residents of low or moderate income, including the elderly, can afford, is necessary in the interest of the public health, safety, morals, or welfare of the residents of such county or municipality.

The qualifications document must identify which category will be used to designate the Area as a community redevelopment area.

The Act defines a **“Slum Area”** as:

An area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age, or obsolescence; inadequate provision for ventilation, light, air, sanitation, or open spaces; high density of population and overcrowding; the existence of conditions which endanger life or property by fire or other causes; or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime and is detrimental to the public health, safety, morals, or welfare.

The Act defines a **“Blighted Area”** as:

(A) An area in which there are a substantial number of slum, deteriorated, or deteriorating structures and conditions which endanger life or property by fire or other causes or one or more of the following factors which substantially impairs or arrests the sound growth of a county or municipality and is a menace to the public health, safety, morals, or welfare in its present condition and use:

- (i) Predominance of defective or inadequate street layout;*
- (ii) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (iii) Unsanitary or unsafe conditions;*
- (iv) Deterioration of site or other improvements;*
- (v) Tax or special assessment delinquency exceeding the fair value of the land; and*
- (vi) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or*

(B) An area in which there exists faulty or inadequate street layout; inadequate parking facilities; or roadways, bridges, or public transportation facilities incapable of handling the volume of traffic flow into or through the area, either at present or following proposed construction.

Community Redevelopment Area Qualifications for Designation

This chapter of the report documents and provides an analysis of the combination of slum, blight, shortage of affordable housing indicators that are present in Klondike Community Redevelopment Area (the “Area”) that, in accordance with the Act, cause the Area to meet designation qualifications for a community redevelopment area. The Area shows significant signs of qualifying conditions throughout the Area. The existence of these qualifying conditions is well documented by available data and planning documents from local government and community organizations. A field survey of the Area was conducted, which confirmed the presence of “slum” and “blight” conditions throughout the Area, with high concentrations along major corridors.

Data collected from local sources and the field survey was used to conduct a spatial analysis of the Area. The following analysis of the statutory Slum Area and Blighted Area indicators and qualifying conditions present throughout the Area support the determination that the Klondike Neighborhood Community Redevelopment Area meets the eligibility criteria for designating community redevelopment areas within the State of Tennessee.

The Community Redevelopment Act Workable Plan was adopted in 2001 by the City of Memphis and Shelby County, respectively, was amended in 2007, and is consistent with current community planning efforts. The Memphis and Shelby County Community Redevelopment Agency (“CRA”) was created for the purposes of stabilizing, revitalizing, and redeveloping areas within Shelby County that are eligible to have Tax Increment Financing Districts created within the County, such as Klondike.

In February 2019, through CRA Board Action 2719-A, and subsequently adopted by the City, the County, and the CRA Board approved a resolution to amend the CRA Workable Plan to be consistent with the City’s Comprehensive Plan, Memphis 3.0. The Memphis 3.0 Plan’s “Build Up, Not Out” motto facilitates and encourages investment in communities, people, and access to shape the City’s future. Several of the community input goals established by the plan align with the criteria for designating community redevelopment areas, including: addressing blight, growth in communities and neighborhoods, enhancing public transportation, crime reduction, business investment and opportunities, and the provision of quality and affordable housing options.

Consistency with Existing Plans

The high concentration of blight, underserved populations, patterns of vacancy in the Klondike neighborhood, and strategic planning solutions to address these and other issues are documented in the Memphis 3.0 Comprehensive Plan and the Accelerate Memphis capital investment plan.

Memphis 3.0⁷

In 2019, the City of Memphis completed its first comprehensive plan in nearly 40 years: Memphis 3.0. Signaling a new era of planning in the City in which planning is no longer conducted in an ad-hoc manner, the Plan establishes a roadmap for future development and a new vision for Memphis: *Build Up, Not Out*. Memphis 3.0 aims to transform Memphis into a more prosperous and inclusive City by guiding growth

⁷ Memphis 3.0 Comprehensive Plan. 2019.

and policy for the next 20 years. The Plan identifies 14 distinct planning districts that each have a unique and unified vision, along with shared goals and strategic actions developed with residents and community stakeholders with the intention of guiding future investments and land use decisions in each district. The Area is located in the North District planning area. The Area and projects and investments proposed by this community redevelopment plan are strongly aligned with the established vision and priorities for the North District by Memphis 3.0. for this area:

Vision: *The North District includes clean, green, safe, and beautiful neighborhoods, many with rich architectural character and legendary histories. Families of all types, cultures, and backgrounds find ample job, educational, and housing opportunities. Locally-owned stores and restaurants are in thriving walkable, neighborhood business districts. Formerly blighted properties are transformed into places to work, play, and learn.*

Priorities:

- Strategically address blight and vacancy through land assembly with infill development, open space, and agricultural uses
- Encourage reuse of brownfield sites
- Increase access to fresh and healthy foods for the entire district
- Improve the pedestrian and bicyclist realm through infrastructure improvements with a focus on multimodal options
- Address flooding and stormwater issues throughout the district

Klondike Small Area Plan⁸

With Memphis 3.0's vision, priorities, and actions for the North District as its foundation, the Klondike Small Area Plan was completed in November 2021. The planning process for this plan further engaged Klondike's community members to develop plans for the implementation of public realm improvement projects in the neighborhood. The small area plan also includes more in-depth site-specific analysis and design standards, resulting in a targeted guide for community investment projects throughout the Klondike neighborhood.

Both Memphis 3.0 and the small area plan identify two "nurture" neighborhood anchors that are located within the Area: the intersection of Jackson Avenue & Watkins Street and the intersection of Brown Avenue and Watkins Street. According to the existing community plans, "nurture" anchors are best served by actions that provide stability in places that have experienced decline or where there is not sufficient market activity to drive change. Investments by the City of Memphis and philanthropies are anticipated to support incremental changes needed to improve the lives of existing residents and promote additional future investment opportunities. The implementation and achievement of the vision established by the Klondike Small Area Plan is expected to require both public and philanthropic resources to stabilize the existing patterns of development and socio-economic conditions, and to catalyze private investment in the neighborhood. Exhibits 4 - 7 on the following pages are excerpts from the Klondike Small Area Plan (KSAP) and show ongoing projects and conceptual public realm investment for the future.

⁸ Klondike Small Area Plan. 2021.

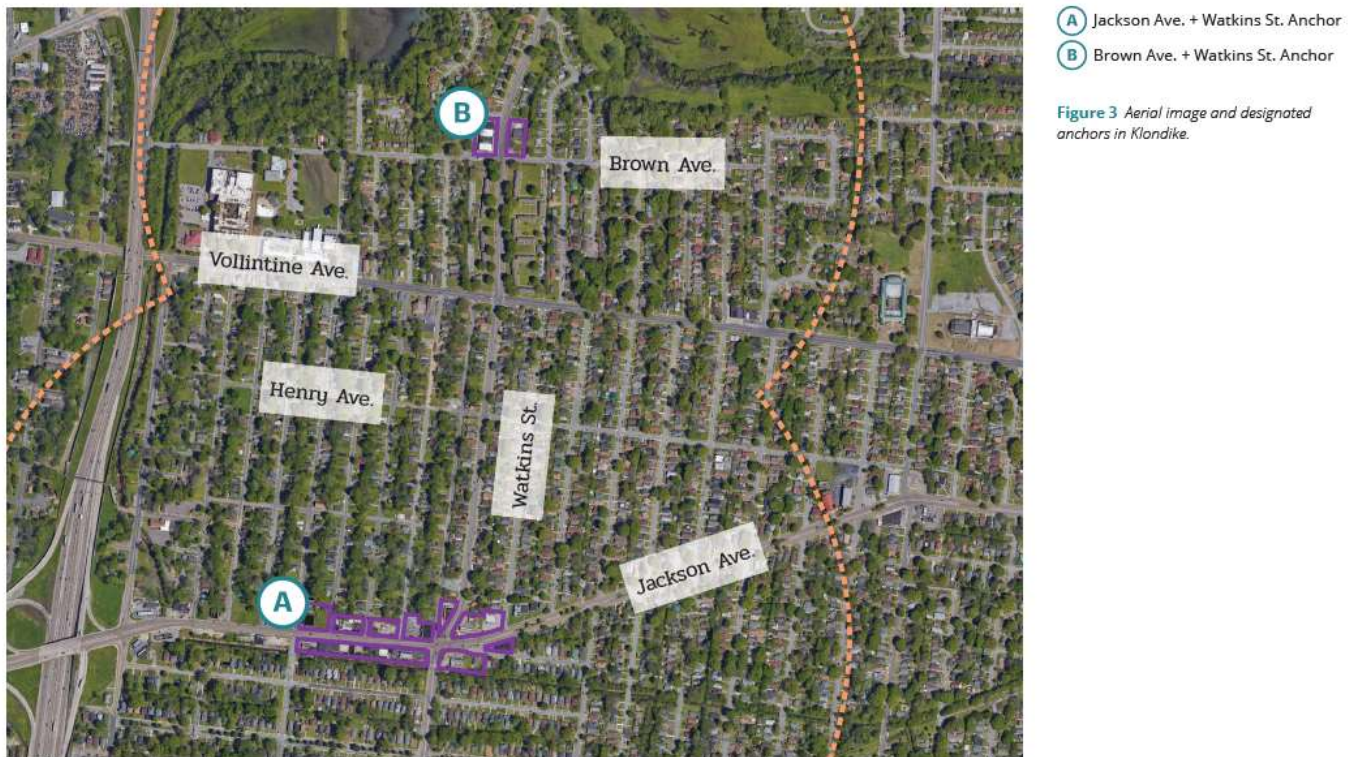
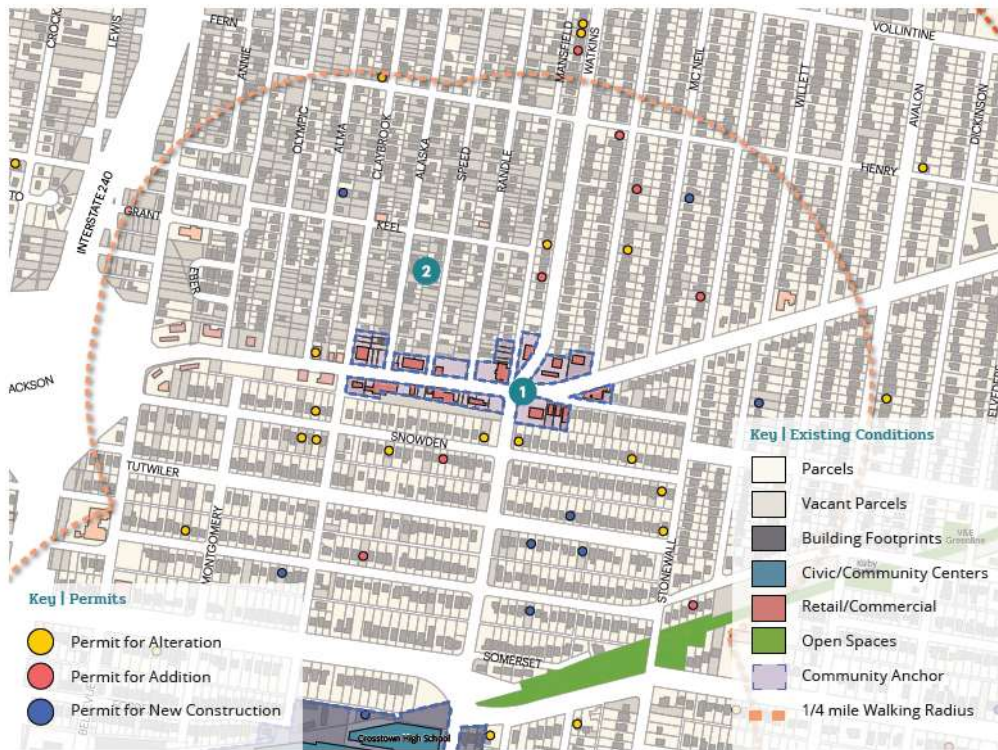
Exhibit 4: Neighborhood Anchors within the Klondike Community Redevelopment Area. (KSAP, p.11)*Exhibit 5: Watkins Ave. & Brown Street. Neighborhood Anchor (KSAP, p.13)*

Exhibit 6: Jackson Ave. & Watkins St. Neighborhood Anchor (KSAP, p.15)**Ongoing Projects**

Ongoing projects within the Jackson Ave. and Watkins St. anchor include:

- 1 Jackson Ave. Corridor Improvement Project
- 2 Redevelopment strategy for parcels acquired by land bank NPI/BAM, Klondike CDC, and other funders.

Figure 9 Map showing active uses and ongoing projects in Klondike, at Jackson Ave. and Watkins St.

Exhibit 7: Klondike Neighborhood Conceptual Design, (KSAP, p. 19)

This image maps high-level ideas about investments that could be made to the public realm. These concepts were refined to create the design concepts that are detailed in this plan.

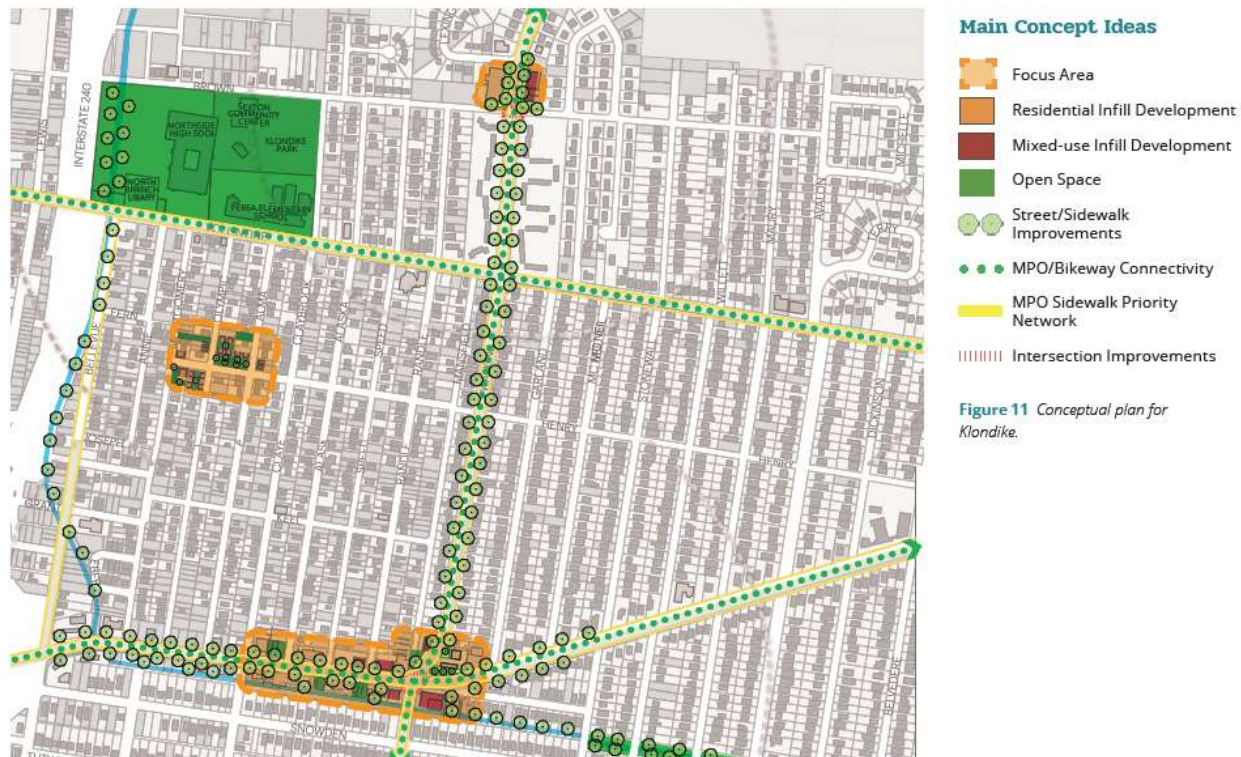


Figure 11 Conceptual plan for Klondike.

Accelerate Memphis

Accelerate Memphis is a City initiative to facilitate community projects based on elements of the City's Comprehensive Plan, Memphis 3.0. The Plan calls for the City to issue \$200 million in bonds to provide funding for projects in various Anchor Neighborhoods intended to "accelerate growth by improving quality of life, driving equity and inclusion, improving connectivity, and solving stubborn problems that are deeper than any single capital budget can solve."⁹ Initial projects are arranged in three categories, Activating Memphis 3.0, Improving Parks, and Revitalizing Citywide Assets.

Accelerate Memphis calls for \$37.4 million in planned investments which are intended to accelerate change with large-scale, targeted investments in nine anchor areas, which includes the two Klondike neighborhood anchors located within the Area. Neighborhood anchor design concepts described in the Klondike Small Area Plan that will be funded through Accelerate Memphis are listed below:

- Mansfield closure and reroute
- New plaza at Jackson Ave. and Watkins St.
- Intersection improvements at Watkins St., Jackson Ave., and Lyndale Ave.
- Mid-block crossing on Jackson Ave. at Lyndale Ave.
- Street improvements on Vollintine Ave. from Bellevue Blvd. to Watkins St.

These projects can serve as catalysts for additional investment in the Area and support projects proposed by this Plan.

⁹ Accelerate Memphis website

Analysis of Slum Area Indicators

A “Slum Area” is comprised of a predominance of buildings indicative of dilapidation, deterioration, age, or obsolescence. A slum area is characterized by inadequate ventilation, sanitation, or open space; population density and overcrowding; and conditions, which endanger life or property, and is detrimental to the public health, safety, morals, or welfare.

Slum Area Indicators

These characteristics are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime. Within the Area, 1,179 parcels (90% of the Area’s total parcels) exhibit one or more conditions ascribed to the statutory definition of a Slum Area. The field survey confirmed these conditions and provided insight as to the extent with which the following slum area indicators impact the social character of the Area and the physical character of structures, parcels, and public infrastructure.

Blighted Area Indicators Qualifying the Area:

- Dilapidated or deteriorated buildings or improvements
- High density of population or overcrowding
- Existence of conditions which endanger life or property by fire or other causes

Photographic evidence of Slum Area conditions can be found in APPENDIX A.

Table 4 below and Exhibit 8 on the following page provide an overview of slum area indicators present throughout the Klondike Community Redevelopment Area.

Table 4: Slum Area Indicators

Summary of Parcel-Level Slum Area Conditions <i>Klondike Community Redevelopment Area</i>				
Indicators	Slum Area Indicators Present ¹	Dilapidated or Deteriorated Buildings OR Improvements	High Density of Population or Overcrowding	Conditions which Endanger Life or Property
# of Parcels	1,178	1,140	9	519
% of Parcels ²	90.1%	87.2%	0.7%	39.7%

¹ Indicates that one or more Slum Area indicators are present.

² Based on the total number of parcels within the Redevelopment Project Area: 1,308.

The map displays the Chelsea neighborhood in Boston, with a specific area highlighted in red to represent the Chelsea Slum. The red area is bounded by Chelsea Ave to the north, Lexington to the east, Brown to the south, and Claybrook to the west. The map includes numerous street names, including Chelsea Ave, Lexington, Brown, Claybrook, Vollintine, Fern, Annie, Henry, Olympic, Alma, Alaska, Speed, Randle, Mansfield, Jackson, Snowden, and Willett. A legend in the bottom right corner identifies the red area as the 'Qualifying Parcel (Slum)'.

Klondike Community Redevelopment Area
Memphis, TN



Dilapidated or Deteriorated Buildings or Improvements

The Area contains a substantial number of parcels which exhibit indicators of dilapidated or deteriorated buildings or site improvements. The field survey of exterior building and site conditions found defects in primary structural components (exterior walls, roofs, foundations, etc.), secondary structural components (porches, pedestrian walkways or ramps, windows, doors, gutters, fascia, etc.), and other site improvements (fencing, sidewalks, driveways, parking areas, retaining walls, etc.). Within the Area, 1,141 parcels (87% of the Area's total parcels) exhibit indicators of dilapidated or deteriorated buildings or site improvements.

Examples of conditions of dilapidation or deterioration found throughout the Area include:

- Roofs: holes; sagging; and rotting or missing soffit and fascia
- Exterior walls: worn, rotting, warped, or damaged siding; cracked or crumbling masonry; exposed and damaged exterior sheathing; visual signs of moisture penetration including the overgrowth of mildew.
- Porches: cracked or crumbling concrete porch stairs; rotting porch decking and posts
- Fencing: rotting, broken, damaged or missing wooden panels or section of chain link
- Structures overgrown by climbing vines and other unmaintained vegetation
- Cracked and crumbling driveway and parking surfaces.

Age and obsolescence are also contributing factors to dilapidation and deterioration. Natural building deterioration has a positive correlation to the normal and continuous use of structures over time. Housing structures that are older tend to have more issues than newly built structures, and usually require more extensive maintenance responsibilities. Since building deterioration and related structural problems are a function of time, temperature, moisture, and the absence of normal routine maintenance (possibly due to limited funds or absentee landlords), structures that are 35 years and older typically exhibit a higher level of deterioration than recently constructed structures. This age standard is recognized as a key factor that demonstrates the period after which buildings require higher maintenance and are likely to have more interior and exterior deterioration components. This standard was originally promulgated in Federal statutes and urban renewal directives beginning with the original urban renewal acts dating from 1936. Seventy-seven percent (77%) of the housing stock in the Area is more than 35 years old.

High Density of Population or Overcrowding

A high density of population and overcrowding are characteristic of the Area. The Area has a population density of 3,101 residents per square mile compared to 2,069 residents per square mile and 1,181 residents per square mile in Memphis and Shelby County, respectively. This trend is evident in the existing development pattern and physical character of the neighborhood, including narrow lot sizes, shotgun-style homes, buildings constructed close to property lines, and residential parcels developed with more than one principal structure. Overcrowding within the Area is exemplified by the over-intensive use of property and the crowding of buildings and accessory facilities onto a site. During the field review, this condition was observed on nine (9) parcels in the Area (0.7% of total parcels) where multiple, non-multifamily, residential structures exist on a single parcel. While not present to a significant extent, this indicator can contribute to and exacerbate those conditions *which endanger life or property by fire or other causes and unsafe & unsanitary conditions*.

Existence of Conditions Which Endanger Life or Property by Fire or Other Causes & Unsafe and Unsanitary Conditions

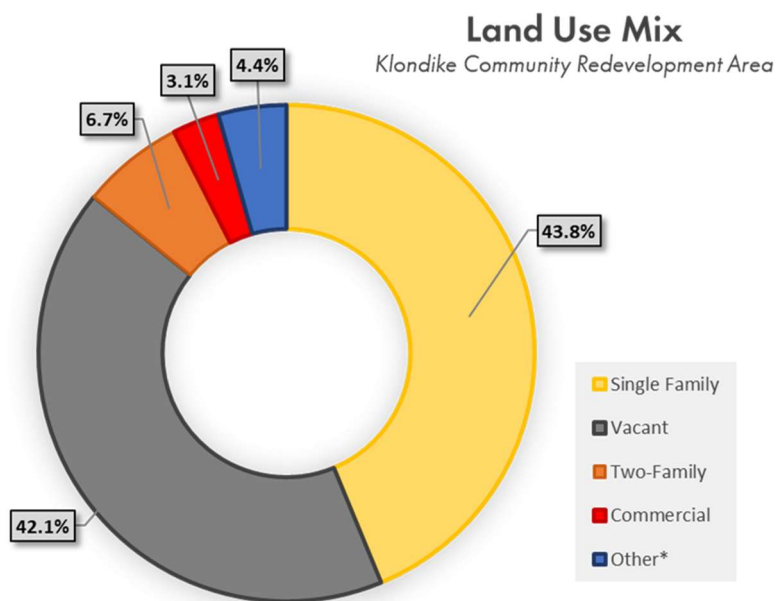
The Area contains a substantial number of parcels (40% of the Area's total parcels) which exhibit indicators of conditions which may endanger life or property by fire or other causes and unsafe and unsanitary conditions. These indicators are exemplified by properties deemed uninhabitable due to potentially hazardous structures and/or site improvements created by fire or other causes; vacant or abandoned structures; high weeds/tall grass; trash, debris, and abandoned vehicles indicative of ongoing dumping on both vacant and occupied parcels. These conditions are present to a significant extent throughout the Area but are most prevalent on vacant parcels and properties with vacant structures, pointing to a clear need for more adequate public services to accommodate the community's public utility needs.

Examples of these conditions *which existence of conditions which endanger life or property by fire or other causes and unsafe & unsanitary conditions* found throughout the Area include:

- Overflowing garbage cans, bags of garbage, mattresses, furniture, debris, and dead tree limbs piled along the streets and sidewalks in front of vacant parcels, parcels with vacant structures, and some occupied structures.
- Trash and debris obstructing storm drains.
- Inoperable home appliances, indoor furniture, charcoal grills, trash, and debris piled on front porches.
- Inoperable vehicles abandoned on vacant parcels and along the street.
- Structures overgrown by unmaintained vegetation, including tall grass, high weeds, and large trees.
- Sagging, broken and low-hanging electric power lines.
- Vacant and abandoned structures.

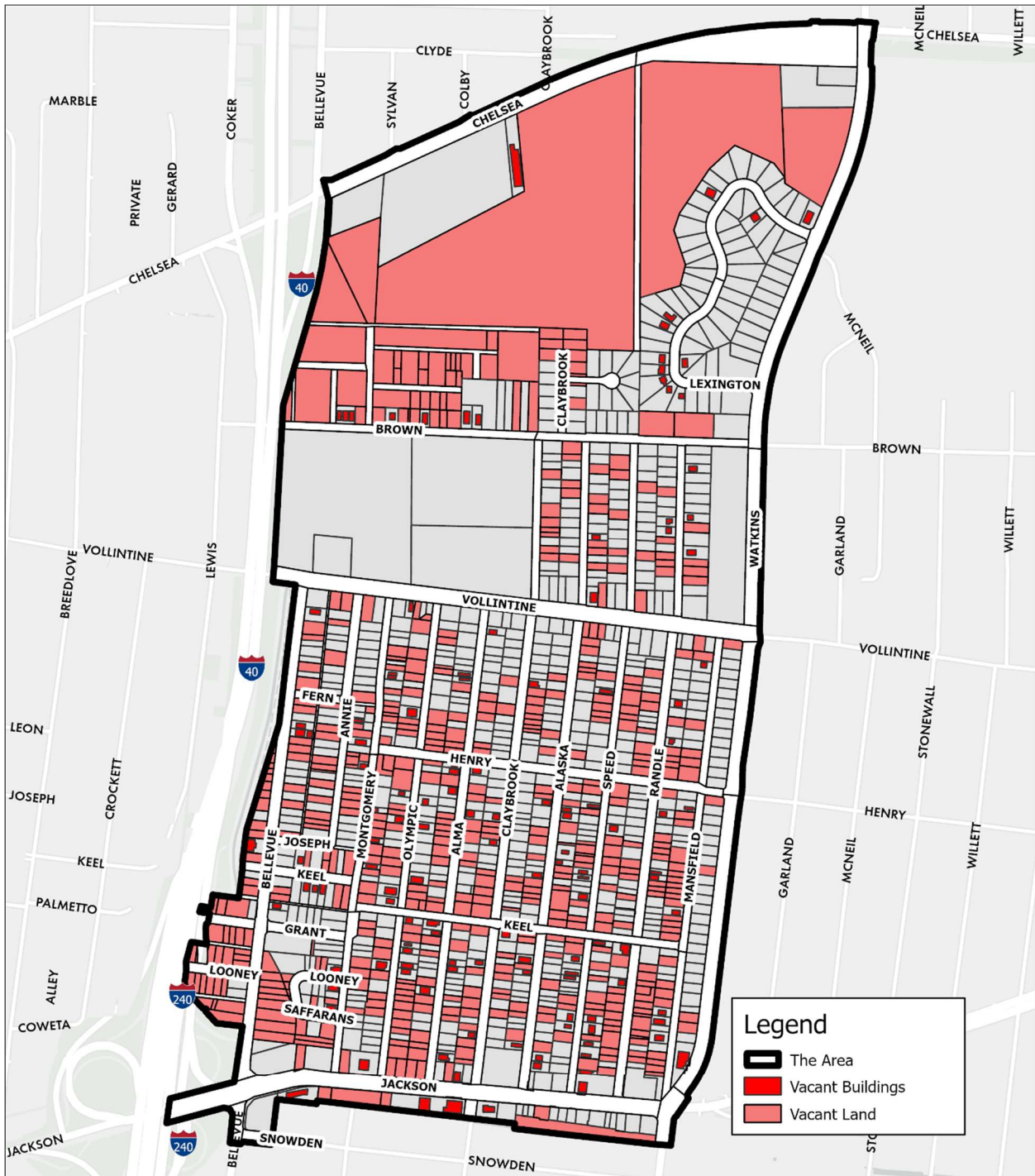
Accounting for 42 percent of the Area's total parcels, Vacant Land is the second most predominant land use in the Area. Vacant land and vacant buildings contribute to the exacerbation of conditions which endanger life or property by fire or other causes and unsafe & unsanitary conditions. Exhibit 9 below and Exhibit 10 on the following page, provide an overview of the widespread patterns of vacancy present throughout the Area.

Exhibit 9: Land Use Mix



*Other parcels include Parking lots, Public/Semi-Public/Institutional, Multifamily, Light Industrial, Industrial, and Park/Open Space.

Exhibit 10: Vacancy Patterns



VACANCY PATTERNS

Klondike Community Redevelopment Area
Memphis, TN

0 0.1 0.2 Miles



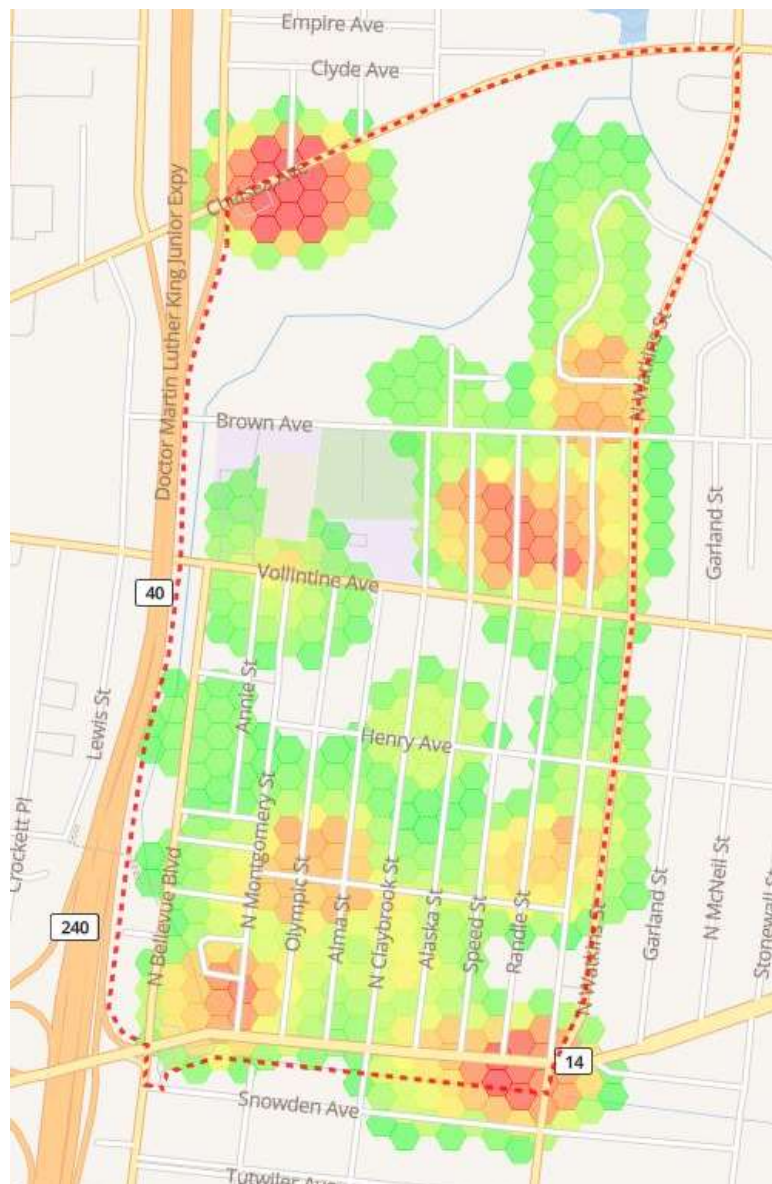
PCAV PLANNERS LLC

ERS
ENGINEERING & SURVEYING, INC.

CRA
COMMUNITY REDEVELOPMENT AGENCY

Crime is widely recognized as having a positive correlation with urban blight and decay. Whether crime is a contributing factor to, or a product of blight, crime and blight together can break down traditional neighborhood interactions, relationships, and social pride that make a neighborhood an attractive place to live. Crimes impacting property (i.e., property crimes, arson, breaking & entering) exacerbate the presence of unsanitary and unsafe conditions which may endanger life or property. Exhibit 11, below, provides an overview of instances of crimes impacting property which have occurred throughout the Area from January 1, 2022 through August 22, 2022, as reported by Memphis Public Safety¹⁰. As shown, there are high concentrations of these types of crime in the Klondike neighborhood anchors, the core residential neighborhood between Vollintine Avenue and W. Jackson Avenue, and around the industrial properties along Chelsea Avenue at the northwest corner of the Area. Exhibits 12 through 15 on the following pages provide a historical look at the prevalence of crimes impacting property over the preceding four years (2018 through 2021).

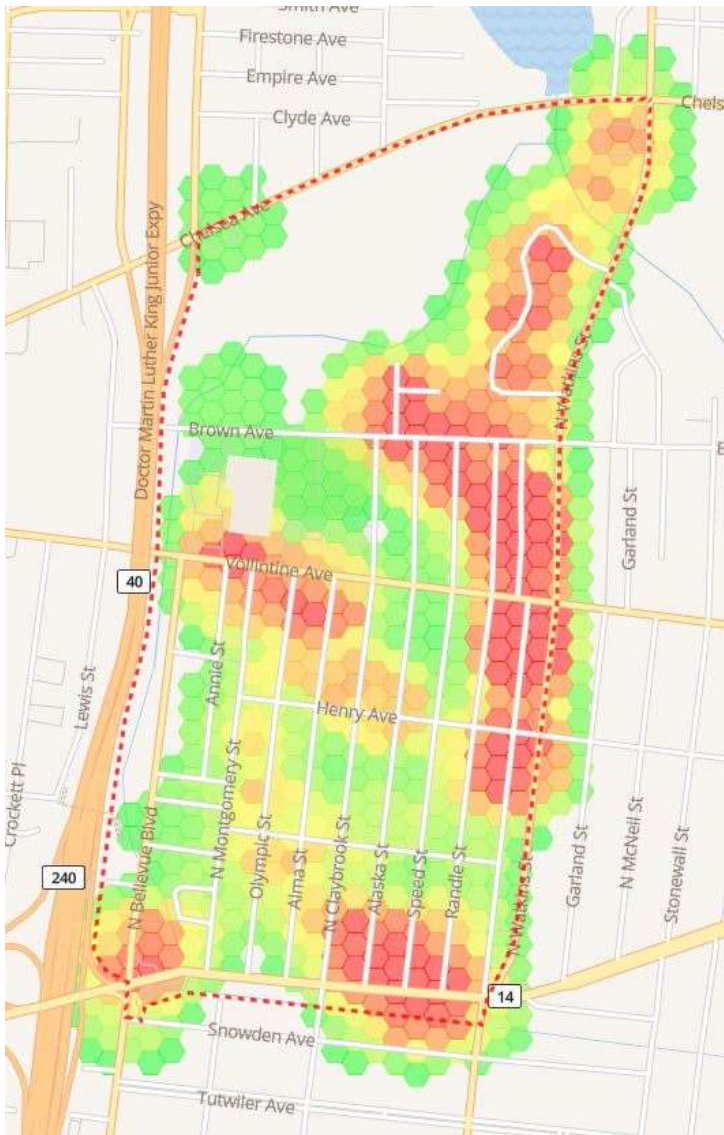
Exhibit 11: Crime Locations Overview January 1, 2022 – August 22, 2022



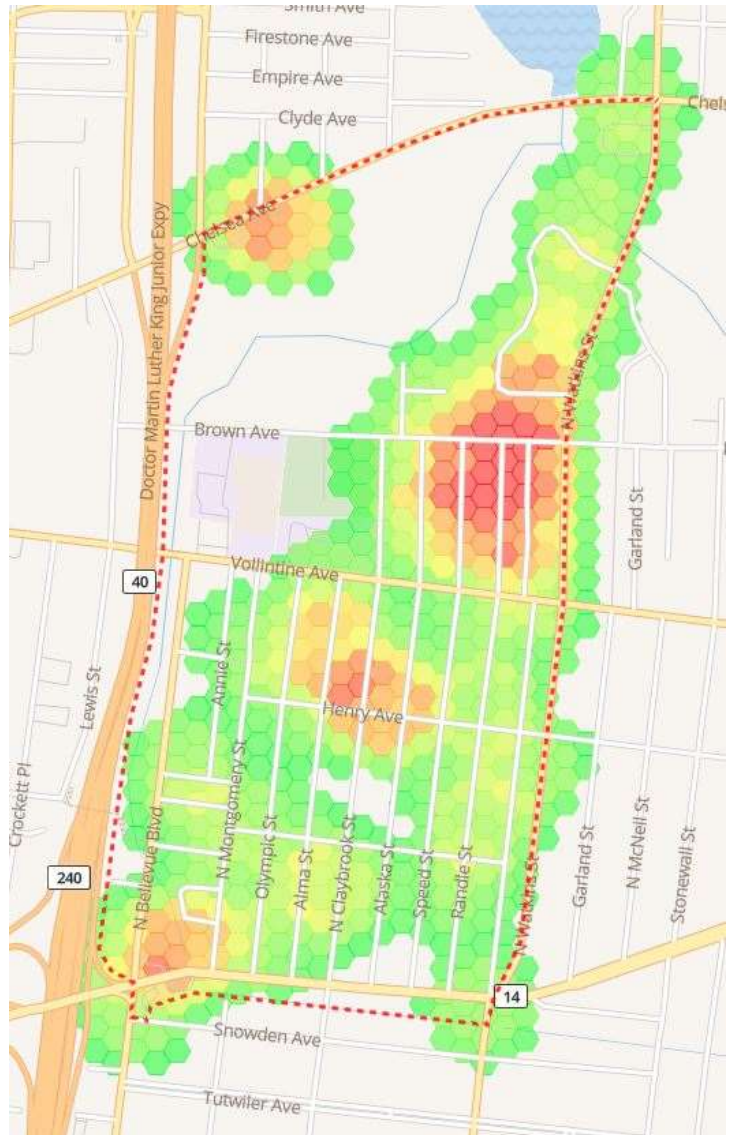
¹⁰ www.publicsafety.memphis.gov

Exhibits 12 -13: Prevalence of Crimes Against Property

2021



2020

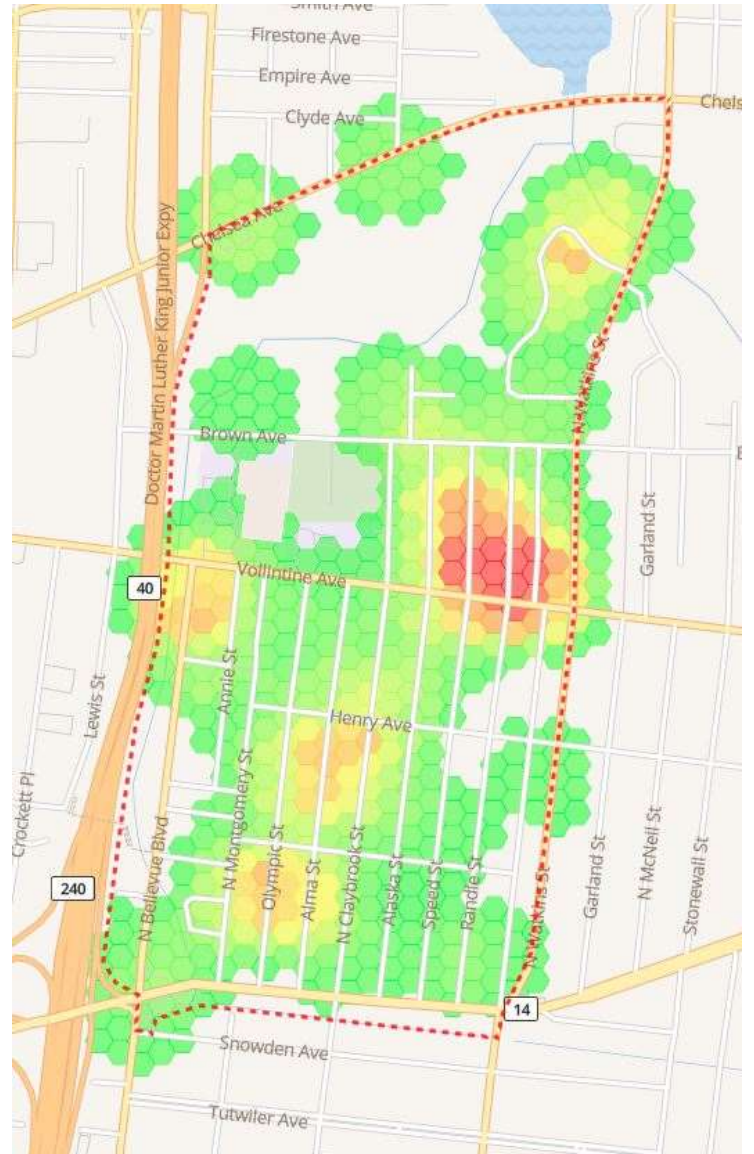


Exhibits 14 -15: Prevalence of Crimes Against Property

2019



2018



Analysis of Blighted Area Indicators

A “Blighted Area” is an area in which there are a substantial number of slum, deteriorated, or deteriorating structures and conditions which endanger life or property by fire or other causes or one or more of a number of identified factors which substantially impairs or arrests the sound growth of a county or municipality and is a menace to the public health, safety, morals, or welfare in its present condition and use.

Blighted Area Indicators

The Area contains a substantial number of parcels, structures, and rights-of-way which exhibit blighted area indicators. Neglect and deterioration of structures commonly affect public perception of an area and often deter private investment and reinvestment in a community. A lack of investment coupled with varying stages of neglect can negatively impact a community’s property values, and thus revenues generated from property taxes which could be reinvested in the community to meet various needs. Such impairments of sound growth are symptomatic of the conditions of blight found in the Area.

There are 1,196 parcels (91% of the Areas total parcels) within the Area that exhibit one or more conditions ascribed to the statutory definition of a Blighted Area. The field survey confirmed these conditions and provided insight as to the extent which the following blighted area indicators impact the social character of the Area and the physical character of structures, parcels, and public infrastructure.

Qualifying Blighted Area Indicators in the Area

- Slum, deteriorated, or deteriorating structures (*See Slum Indicators in previous Section of this report*)
- Existence of conditions which endanger life or property by fire or other causes (*See the section entitled Analysis of Slum Area Indicators on pages 24-28 of this report*)
- Faulty lot layout in relation to size, adequacy, accessibility, or usefulness
- Deterioration of site or other improvements
- Unsanitary or unsafe conditions (*See the section entitled Analysis of Slum Area Indicators on pages 24-28 of this report*)
- Predominance of defective or inadequate street layout
- Inadequate parking facilities
- Faulty or inadequate street layout

Photographic evidence of Blighted Area conditions can be found in APPENDIX A.

Table 5, below, and Exhibit 15 on the following page provide an overview of blighted area indicators present throughout the Klondike Community Redevelopment Area.

Exhibit 5: Blighted Area Indicators

Summary of Parcel-Level Blighted Area Conditions
Klondike Community Redevelopment Area

Indicators	Blighted Area Indicators Present ¹	Dilapidated or Deteriorated Buildings	Deteriorated Site Improvements	Dilapidated or Deteriorated Buildings AND Improvements	Conditions which Endanger Life or Property	Unsanitary or unsafe conditions	Faulty Site Layout
# of Parcels	1,196	689	1,014	563	519	536	55
% of Parcels ²	91%	52.7%	77.5%	43.0%	39.7%	41.0%	4.2%

¹ Indicates that one or more Blighted Area indicators are present.

² Based on the total number of parcels within the Redevelopment Project Area: 1,308.

Legend

- The Area
- Qualifying Parcel (Blight)



ERS 
ERST & S. GAVERT ENTERPRISES INC.



CRA
COMMUNITY REDEVELOPMENT AGENCY

Deterioration of Site or Other Improvements

The Area exhibits a predominance of deterioration of site or other improvements. The field survey of exterior building and site conditions found defects in primary and secondary structural components, as well as, site improvements including fences, soft-and hardscaped areas, pedestrian walkways or ramps, driveways, and parking lots. Within the Area, 1,014 parcels (78% of the Area's total parcels) exhibit deterioration of site improvements; 689 parcels (53% of the Area's total parcels) are developed with a dilapidated or deteriorated building; and 563 parcels (43% of the Area's total parcels) have both deteriorated site improvements and are developed with a building that is either dilapidated or deteriorated. *(For additional reference to conditions related to Deterioration of Site or Other Improvements, see the section entitled "Dilapidated or Deteriorated Buildings or Improvements" on page 23.)*

Dilapidated or Deteriorated Buildings

The Area exhibits a predominance of dilapidated or deteriorated buildings. There are a total of 739 buildings in the Area, of which 434 buildings (59%) are deteriorated and 117 buildings (16%) are dilapidated. There are 188 buildings (25% of the Area's total buildings) which were observed to be in good condition, exhibiting no signs of dilapidation or deterioration. The table below, provides an overview of building-level blighted area conditions. *(For additional reference to conditions related to Dilapidated or Deteriorated Buildings, see the section entitled "Dilapidated or Deteriorated Buildings or Improvements" on page 23.)*

Table 6 Blighted Area Conditions - Buildings

Summary of Building-level Blighted Area Conditions <i>Klondike Community Redevelopment Area</i>				
Indicators	No Deterioration or Dilapidation	Deterioration	Dilapidation	Vacant Structure
# of Buildings	188	434	117	136
% of Buildings ¹	25.4%	58.7%	15.8%	18.4%

¹ Based on the total number of buildings within the Area: 739

Faulty Lot Layout in Relation to Size, Adequacy, Accessibility, or Usefulness and Inadequate Parking Facilities

There are 55 parcels (4% of the Area's total parcels) that exhibit faulty lot layout conditions. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness is a result of obsolete platting with respect to current subdivision and zoning practices adopted since the 1950s. Obsolete platting includes parcels of irregular shape, narrow or small size, and parcels improperly platted. Historically, these lots were platted in the late Nineteenth and early Twentieth Centuries. As platted originally, these lots were located adjacent to industrial areas and met the needs of the residents of the time. Primarily due to the narrow lot frontages, many of the lots located in the Area are too small to accommodate modern land uses and development. Several parcels between Vollintine Avenue and Chelsea Avenue are also landlocked and include platted, but unimproved rights-of-way. These conditions limit site access, promote nonuniform development, and create challenges for modern community planning and land development. The

additional time and expense normally associated with rezoning or re-platting property can also be a deterrent to development. These conditions can cause properties with faulty layout to remain unoccupied or undeveloped for years.

The development of buildings straddling parcels lines or multiple residential buildings constructed on a single lot without adequate site improvements or zoning in place are also indicators of faulty lot layout. While not present within the Area to a significant extent, these types of faulty layout conditions are present on both commercial and residential parcels in the Area. An aerial assessment of the Area paints a clear picture of the predominance of lots that do not meet the minimum statutory requirements related to land use and development, including minimum lot sizes and lot width. These conditions can also be identified on a parcel-by-parcel level by review of historical property records.

Inadequate parking facilities on residential properties is also prevalent throughout the Area. This indicator is evidenced by the following conditions are commonly found throughout the Area: residential lots developed without off-street parking area/driveway; deteriorated driveways where pavement is cracked, crumbling, or missing in large sections; cars parked in lawn areas; and the sheer volume of on-street parking observed during the field survey. Inadequate parking facilities related to commercial and institutional properties is evidenced by the improvement of lots for off-street parking that are not developed adjacent to their respective commercial or institutional use as single cohesive developments.

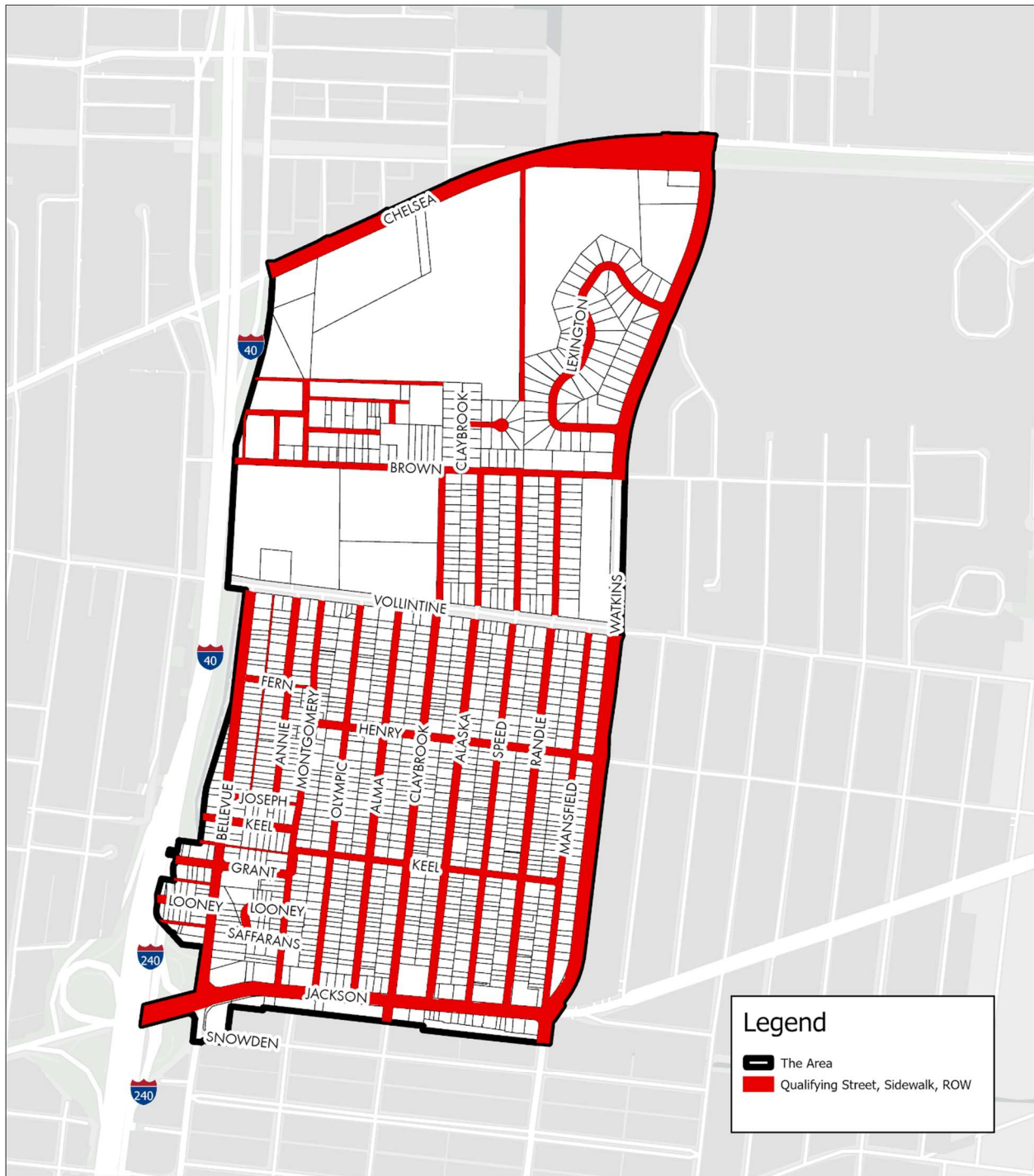
Predominance of Defective, Faulty, and Inadequate Street Layout

A regular and orderly system of streets and blocks typifies those urbanized areas that are capable of sustaining stable or improving values over time. Inadequate or defective street layout are conditions often found in many urban areas and this holds true for the Klondike Community Redevelopment Area. The redevelopment and reuse of sites is made difficult by an inadequate street layout and thereby is an inhibitor to an area's stability. This is not only a safety issue for pedestrians, but a challenge when it comes to redevelopment of these areas in a cost-effective manner.

Several areas within the Area have a defective or inadequate street layout. This indicator is exemplified by undersized street widths inadequate for present day development standards; unimproved alleys; "paper streets" or platted and unimproved roads, open swales; streets that lack curbs and gutters; absence or deterioration of sidewalks; deteriorating alley and street pavement. With respect to surface improvements, evidence of defectiveness and deterioration include cracking, crumbling, potholes, depressions, loose paving material, and weeds protruding through paved surfaces. The Memphis and Shelby County Unified Development Code (UDC) now mandates that large blocks be divided into smaller areas by means of a block perimeter standard to aid attracting and facilitating modern development.

Exhibit 16 on the following page provides an overview of streets, sidewalks, and rights-of-way within the Area that exhibit these blighted area conditions.

Exhibit 16: Blighted Street, Sidewalk, and Right-of-Way (ROW) Indicators



STREET, SIDEWALK, ROW INDICATORS

Klondike Community Redevelopment Area
Memphis, TN

PCAV PLANNERS LLC

ERS
ENGINEERING & SURVEYING ENTERPRISES, INC.

CRA
COMMUNITY REDEVELOPMENT AGENCY

Housing Affordability and Socio-Economic Indicators

The lack of affordable housing is a key eligibility criterion for the designation of a community redevelopment area in accordance with the Act. The Act provides for the development of affordable housing, whether for rent or for sale, which residents of low or moderate income, including the elderly, can afford. This undertaking may include slum clearance, redevelopment, rehabilitation, conservation in a community redevelopment area, or any combination or part thereof, in accordance with the community redevelopment plan. The Memphis 3.0 Plan provides insight into the history and current condition of the lack of quality and affordable housing in the City and how minority and lower income residents have been disproportionately impacted. The predominant presence of these conditions throughout the Area meets the statutory definition of a community redevelopment area.

*Existing Conditions Contributing to the Lack of Housing Affordability*¹¹

- *Approximately 77 percent of the City’s housing stock was built before 1969 (this includes single-family and multi-family residences). As the number of housing units in Memphis increased over time, household growth was too slow to generate sufficient demand for the older houses in older parts of the City. Costly housing maintenance and resulting neighborhood deterioration prompted individuals with the financial means to move to newer neighborhoods in the eastern part of the City.*
 - **77% of the Area’s housing stock was constructed before 1969.**
- *As homes were built and occupied in newer subdivisions in the ever-expanding fringe of the City, many of Memphis’ older neighborhoods experienced significant vacancy and blight. Most unoccupied buildings of various uses throughout the City suffer from structural issues and deferred maintenance further contributing to the overwhelming number of vacant and blighted structures.*
 - **99% of all vacant buildings in the Area are deteriorated or dilapidated.**
- *Nearly half of households spend more than 30 percent of their incomes on housing (the standard measure for housing affordability), indicating a need for not only more affordable housing, but a balanced market approach with a focus on housing affordability, type, and quality.*
 - **The average mortgaged homeowner in the Area spends 69.7 percent of their monthly income on mortgage costs. The average renter in the Area spends 29.5% of their monthly income on rent costs.**
- *More than half of Memphis’ residents are renters.¹² A 2016 report by the Memphis Division of Housing and Community Development found that many rental units in the City are considered substandard housing.*
 - **2021 U.S. Census data reports that 51% of households in the Area are renter-occupied compared to 47% and 41% in the City and County respectively.**
- *The Memphis 3.0 Plan estimates that the number of new households in the City may grow by approximately 1,300 per year through 2040. A market analysis completed in association with the Memphis 3.0 Plan revealed that there is an overwhelming preference (47 percent) for multi-family housing in the City. Demand for renovated single-family housing and new single-family construction were similarly preferred at 24 percent and 23 percent, respectively.*

¹¹ Memphis 3.0 Plan

¹² U.S. Census, ESRI

- **There are 550 vacant parcels within the Area (42% of the Area's total parcels) representing approximately 102 acres of land available for development and redevelopment of housing to meet the needs of the Klondike neighborhood and support the retention of residents looking outside of the City and County for quality housing.**
- *Homeownership, a key mechanism for building and transferring wealth, has declined in most parts of the City. The overall share of Memphis households who own their home was 49 percent in 2015 while homeownership rates for the U.S. were nearly 64 percent during that same time period.*
- *The decline in homeownership was not uniform across the City; it was experienced primarily by African American households and concentrated in some districts more than others. These factors increase the difficulty for the majority of Memphis' population (African Americans and other people of color) to build and transfer wealth and move out of poverty.*
 - **Only 22% of households in the Area are owner-occupied compared to 42% of households in the City and 50% of households in the County.**
 - **Median household incomes in the City are more than two times household income in the Area. Median household incomes in the County are more than three times household incomes in the Area. The wealth gap is anticipated to continue to widen at an accelerated rate as median household incomes in the Area are projected to increase and annualize rate of 1.4% compared to 4.1% and 4.2% in the City and County, respectively, over the next five years.**
 - **The wealth gap is reflected in home ownership and median home value trends.**
 - **Over the next five years, median home values in the Area are projected to increase at an annualize rate of 2% compared to 12% and 7% in the City and County, respectively.**
 - **These trends may reflect a disproportionate impact on Black households as the Area's population is 95.5% Black compared to 62% in the City and 52% in the County.**

These conditions illustrate why the development of affordable housing is necessary in the interest of the public health, safety, morals, or welfare of the residents of Memphis and more specifically the Klondike Neighborhood Community Redevelopment Area. Like the rest of the City, the Klondike Neighborhood Community Redevelopment Area has a shortage of affordable housing.

CHAPTER 4: COMMUNITY REDEVELOPMENT PLAN¹³

Program Purpose

The purpose of this Redevelopment Plan is to facilitate a community-based approach to redevelopment, to provide affordable housing, to alleviate those conditions that cause the Area to be a “Blighted Area”, and to facilitate private investment. This Plan represents a step toward implementation of the City’s Comprehensive Plan, Memphis 3.0. The vision for the Klondike Neighborhood, as identified in Memphis 3.0, is as “a place where residents enjoy a sustainable and desirable community, where heritage assets are protected and used as catalysts for economic and cultural opportunities. The Area requires support the of appropriate infrastructure, improved pedestrian facilities, quality housing, well-connected parks, and community assets, and has innovative community spaces and entertainment.” Through use of a Tax Increment Financing District (TIF), positive impacts of investment and new development can be extended throughout the Area.

The Redevelopment Plan provides the framework to incentivize the reinvestment and redevelopment of the Area in order to support the existing neighborhood, improve housing conditions for those with the fewest means, reduce blight, improve infrastructure and land in order to support new investment, and sustain the needed parks and open spaces to promote quality of life.

Guiding Planning Principles

The Klondike Neighborhood Area is envisioned as a vibrant, urban neighborhood, rooted in history and character, with opportunities for people at varied stages in life and of diverse economic means.

1. Strategically address blight and vacancy with a mix of building redevelopment and open space.
 - a. Encourage a mix of uses around anchors with a special focus along Jackson Ave.
 - b. Utilize a land trust to acquire and improve blighted vacant property.
2. Improve public infrastructure to increase accessibility, improve green space, and support multi-modal transportation options.
 - a. Encourage efficient infrastructure and right-of-way improvements to address connectivity, stormwater management, and beautification.
 - b. Improve multi-modal access to parks and greenspace.
3. Develop affordable, high quality residential development.
 - a. Development of diverse housing types and prevent displacement.
 - b. Develop additional multi-family rental housing adjacent to anchors.
 - c. Develop 900 net new residential units for 600 homeowners and 300 renters.
 - d. Invest in existing housing stock and increase homeownership to over 50 percent.
4. Encourage active code enforcement around commercial centers and civic assets.
 - a. Encourage preservation and reuse of culturally significant buildings.
 - b. Improve and maintain safety through active code enforcement.
5. Improve access to quality employment, education and training.
 - a. Reduce resident poverty rate from 55.5 percent to 40 percent.

¹³ *Moving Forward*, Community Redevelopment Plan, Klondike Partnership. August 2022.

- b. Encourage development resulting in additional job opportunities for residents.

The redevelopment strategy prioritizes streetscape improvements (including sidewalks, curb and gutter, lighting, landscaping, etc.), new streets, enhanced parks and recreation space and other public improvements.

Exhibit 6: Key Anchors in the Klondike Neighborhood



The redevelopment strategy identifies opportunities for blight remediation, upgrading utilities, streetscape improvements, relocation of streets, site grading, environmental remediation, etc. to make key large-scale redevelopment sites suitable for investment by private enterprise.

This neighborhood revitalization effort seeks to maintain its authenticity while accommodating infill development and serving the affordable housing and commercial needs of its residents. With this direction in mind, the redevelopment plan will help facilitate a neighborhood-based implementation strategy in prioritizing the use of potential TIF funds for the benefit of the neighborhood.

Klondike Partnership Neighborhood Master Plan

The revitalization of Klondike will require significant effort on at least five fronts: 1.) Real Estate & Emerging Market Development; 2.) Community Development; 3.) Organizational Strategy; 4.) Parks and Open Space; and 5.) Crime and Safety.

It is difficult to avoid both gentrification and continued neighborhood distress. The ambition to both get better and yet stay affordable is not easily achieved. But it is possible with firm commitments to important objectives and with wise use of a range of tools, from a community land trust to mixed-income development.

Therefore, the plan is structured around three basic promises:

1. No Displacement

The way to both strengthen Klondike and not do so at the expense of Legacy residents is to ensure that no one living in Klondike today need ever move unless they want to. This is the only way that current Legacy residents—having endured the downside—can participate in the upside. It means that as Legacy households age or move out, and the number of long-time residents decreases, there will always be homes for no fewer than 600 low-income households.

2. Preserving Permanent Affordability

As Memphians begin to “discover” Klondike, and as prices rise, the neighborhood must remain a place where low-income households can afford a home.

3. Building Resident Equity

Tomorrow’s households will not choose Klondike over other options unless they are confident their investments will pay off. For that to occur, Klondike must become substantially more stable. If that occurs, the future value of the neighborhood can then become capable of paying not just for the improvements needed to attract more households to Klondike, but the inclusion of low-income households not otherwise capable of doing so.

If Klondike can grow to 1,500 households over the next several decades, and 900 are paying market rates, then a lower rate of residents would have low incomes. This kind of mix is a necessary building block for home value appreciation, and also a building block for ensuring the neighborhood is one where children can thrive. Klondike can be a neighborhood that is both affordable and a place where home equity wealth is possible—an inclusive community.

Key Factors key to determining Klondike’s success

Homeownership rate must increase

The higher the rate of homeownership, the better. Market stability is a matter of self-interest to homeowners, and to all but the toxic end of the rental property ownership continuum. When a neighborhood has a homeownership rate of 50% or higher, its chances of durable success as a healthy market are greatly improved.

Poverty rate must decrease

The lower the poverty rate, the better. When poverty rates are greater than 20% it becomes increasingly difficult for children to achieve educational and family success.

Residents must participate in economic development.

In addition to new households moving in, a range of proven tools that assist with upward mobility for Legacy residents will be necessary such as job training, assistance with child care and transportation, use of individual development accounts, and housing subsidy.

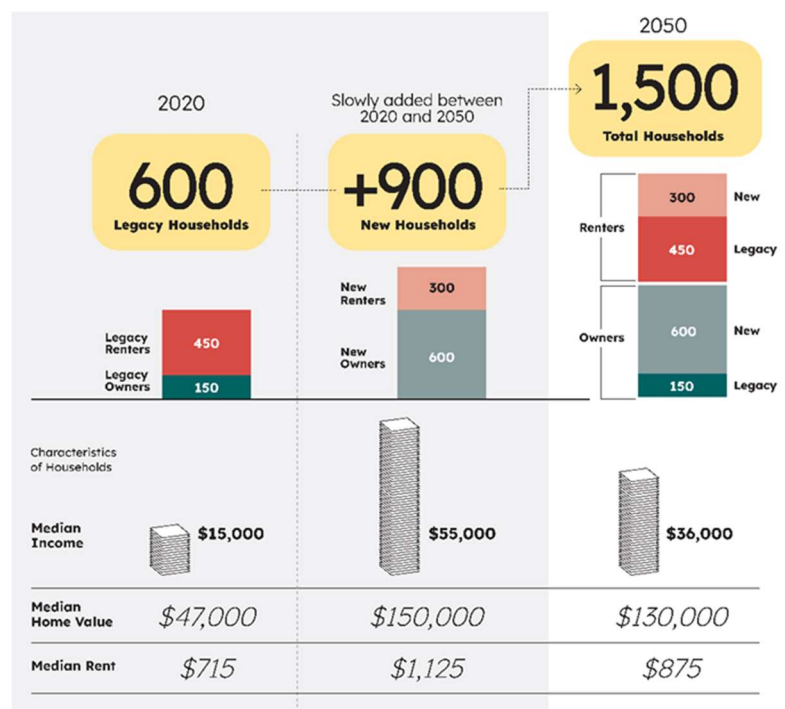
Growth in Klondike by 2050

To prevent gentrification while also tackling distress, it is estimated that Klondike will have to grow by about 900 households the next 20-30 years. If Klondike can grow to 1,500 households over the next several decades, and 900 are paying market rates, then a lower rate of residents would have low incomes. This kind of mix is a necessary building block for home value appreciation, and also a building block for ensuring the neighborhood is one where children can thrive. For success, it is essential that Klondike:

1. Grow to a point where it has a 50% homeownership rate.
2. Get to a point where no more than 40% of neighborhood residents are economically vulnerable, and no more than 25% are struggling below the poverty line.

Klondike can be a neighborhood that is both affordable and a place where home equity wealth is possible—an inclusive community

With a concerted effort over the coming years, the Klondike Neighborhood can build on recent progress of the surrounding area and make its own significant positive strides. With this needed investment the market can begin to look at Klondike housing as a potentially viable investment. It is crucial that the Klondike Partnership makes a hard push over the coming years to eliminate blight through the creation of high-quality affordable rental and homeownership housing opportunities.



Development of affordable housing to help grow a 50% homeownership rate. (Source – Klondike Neighborhood Master Plan by czb Partners.)

Jackson Avenue Re-developed as a Mixed-use Neighborhood Commercial Corridor

Jackson Avenue is the lynchpin subarea for connecting Klondike to North Memphis, and while the intersection of North Watkins and Jackson is important, the intersection of Jackson and North Claybrook is the centerpiece, for it is at Jackson and North Claybrook where residents of Klondike and Speedway will most readily interact. North Claybrook is the pedestrian and bike path to a future park along Lick Creek for residents of Speedway and, likewise, the pedestrian and bike path to Crosstown for residents of Klondike.

Through urban design and master planning Jackson must incubate a mix of uses and intensities that help strengthen the Klondike neighborhood commercially. Klondike's Jackson Avenue Commercial corridor provides an opportunity for Klondike residents to establish the neighborhood as a place where families can shop and where Klondike can become a North Memphis destination. As the residential market in Klondike becomes stronger, the capacity for the neighborhood to support commercial enterprises - bakeries, florists, laundromats, etc. - will grow.

The Klondike Partnership led by Klondike Smokey City CDC, is planning and organizing a MEMFix initiative focused on Jackson Avenue's commercial anchor. MEMFix is an innovation program, which offers a great example of how to successfully scale a focused event into a larger project and investment in targeted struggling neighborhood commercial anchors. Conversations are also beginning to attract a DMC Good Neighbor grant program to this area of Jackson Avenue.

As these commercial businesses become more profitable and respond in kind by serving neighborhood residents more and more, the appeal of the commercial corridor itself as a marketing strength for Klondike as a place to live will grow, as well.

Redevelopment Strategies for the Jackson Avenue Corridor include:

1. Prepare the blocks for significant redevelopment in the near term.
2. Pursue land use and zoning changes to permit three story mixed-use development.
3. Secure and convert properties on the north side from North Claybrook to North Mansfield to mixed-use market rate apartments above ground floor commercial.



Development Strategies for the Jackson Avenue Corridor. (Source – Klondike Neighborhood Master Plan by czb Partners.)

Northside Renaissance

The Northside Renaissance project will serve as a community hub; housing organizations that provide technical skills training and workforce development, comprehensive healthcare services, literacy advocacy, athletic and fitness opportunities, along with performing and visual arts programming. The Northside Renaissance project team led by The Works, Inc. includes industry leaders and is committed to meaningful minority participation. The project has been awarded a Community Builder PILOT, along with other development incentives to restore and activate the vacant Northside High School building and 10.7 acres at 1212 Vollintine Avenue

The total Project investment includes a \$450,000 purchase price and over \$71M for remediation, demolition, site work, renovation and related costs including:

- The basement level is being designed for a technical training program
- The first floor is to be transformed into the primary building entrance with event space, athletics organization, community health clinic, retail and food service, as well as the Northside High School Hall of Fame.
- The second floor is designed for office space and shared arts space targeting workforce development organizations and performing arts organizations.
- The third floor is planned to fill a need for affordable housing with 41 new apartments.

The Klondike TIF Community Redevelopment Plan supports investment in Northside High School site and capitalizes on unique market opportunity by infilling market-rate homeownership. We plan to acquire and convert almost all rental inventory to single-family homeownership and acquire and infill same on lots. This will eliminate challenging conditions on Vollintine across from redeveloping high school site and infill new commercial amenities. We plan to acquire and demolish the Vollintine Market. These strategies are planned to be complete by January 2024 when Northside opens.



Northside Renaissance Preliminary Design Concepts (Source LRK Architects)

TIF Re-Investment Project Descriptions

Future Redevelopment is not feasible without significant investment in new and improved infrastructure in the area. Future development projects would constitute eligible “projects” under Tenn. Code Ann. § 7-53-101(11). In order to serve as a catalyst for additional redevelopment in the Area, the CRA has requested that the City of Memphis (the “City”) and Shelby County, Tennessee (the “County”) approve, as part of this Plan, a plan for tax increment financing pursuant to Title 7, Chapter 53 of Tennessee Code Annotated to provide funds to pay a portion of the costs of constructing and installing certain “Planned

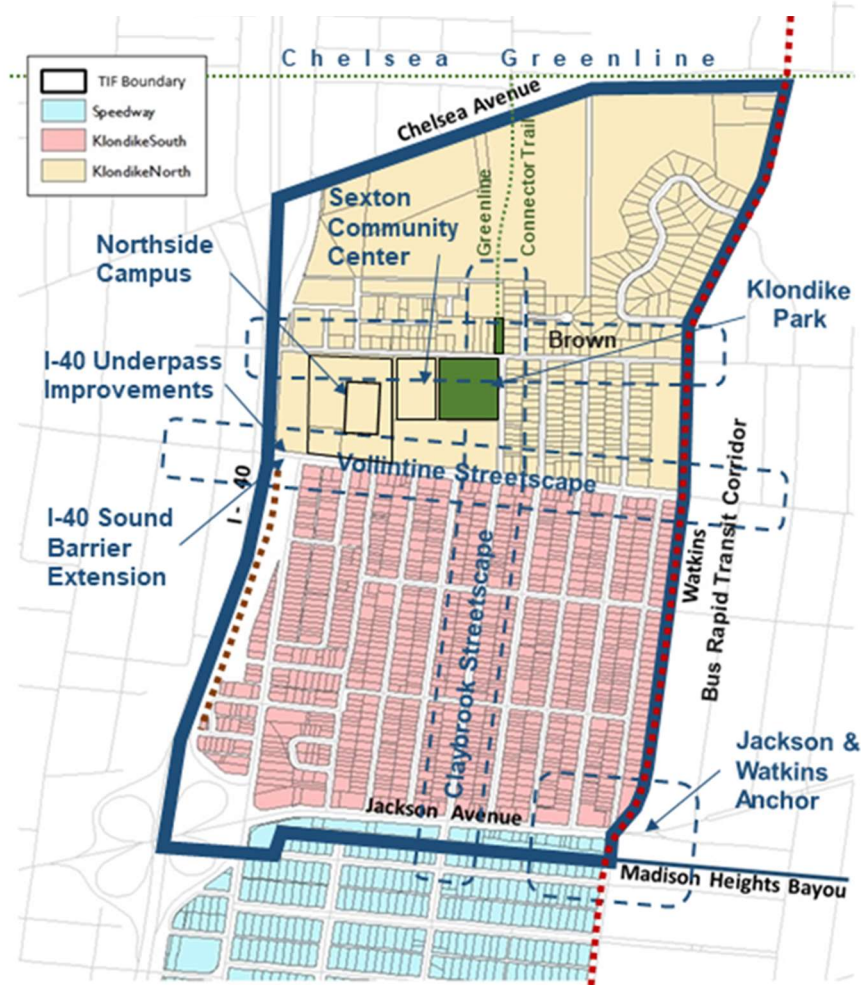
Improvements” (defined below) in connection with the Project, as more particularly described below (the “Tax Increment Incentive”).

The Klondike Community TIF is dedicated to a strategy for “fostering a sustainable and desirable community, where heritage assets are protected and uses as catalysts for economic and cultural opportunities.” Of particular focus are initiatives which nurture economic inclusion and integration (racial, ethnic, and socioeconomic) throughout the neighborhood, related to housing, jobs, business ownership, and livability. The focus of TIF expenditures will include:

1. Infrastructure Improvements, Public Facilities and Open Spaces:
 - a. Neighborhood infrastructure improvements to enhance livability, safety, and connectivity, including but not limited to, traffic calming, enhanced pedestrian crossings, sidewalks, underpass enhancements, public art installations, etc.
 - b. Infrastructure improvements to support redevelopment, including but not limited to, new streets, curbs, utilities, street and sidewalk lighting, etc.
 - c. Improvements to existing green spaces, greenways, parks, and public spaces, including but not limited to, landscape and tree planting, wayfinding, seating areas, trash and recycling receptacles, etc.
2. Blight Remediation and Environmental Clean-up:
 - a. Improvements to the public health, safety, and welfare of the area, including but not limited to, the elimination of blighted structures, clean-up and maintenance of vacant lots, and remediation of environmental hazards.
3. Affordable Housing and Neighborhood Development:
 - a. Development of new and infill affordable, quality workforce housing (rental and owner occupied) for low to moderate income residents.
 - b. Facilitating neighborhood oriented mixed-use development containing primarily workforce and affordable housing with some market rate housing possible.

The map exhibit on the following page shows the location of the potential projects listed below that were identified during the community engagement and redevelopment planning process. These projects represent potential investments; however, TIF funds shall not be limited to these projects.

1. Vollintine Avenue Streetscape Improvements: (Sidewalks, crosswalks, stormwater & street lighting)
2. N. Claybrook St. Streetscape Improvements: (Sidewalks, crosswalks, stormwater & street lighting)
3. Brown Avenue Streetscape Improvements: (Sidewalks, crosswalks, stormwater & street lighting)
4. Existing Housing Stabilization Improvement Program
5. Affordable Multi-family Residential Site Development
6. CLT Organizational Capacity for Affordable Housing development
7. New Fiber Lines for Expanded Broadband & Wi-Fi
8. Blight Removal, Remediation & Repairs (key corridors)
9. Klondike Park Improvements: (Gate access, Greenway connector, landscaping, lighting)
10. Klondike Neighborhood Anchor Improvements

Description and location of potential infrastructure fund investments

The uses of funds noted represents an allocation designed to concentrate activities in areas that will generate the largest positive change in the district. It must build in flexibility to recognize the market conditions and what it takes to incentivize a project. Whether a particular residential or commercial development materializes is also dependent upon the willingness of private investors to risk capital and devote resources and talent to the projects.

TIF district funds is proposed to be used to support development projects by providing financing to pay for “public infrastructure,” which includes:

- Infrastructure Improvements including Streetscapes, Crosswalks, Stormwater, Street Lights & Wi-Fi
- Affordable housing, home repair, blight remediation, environmental clean-up, and related site acquisition; and
- Public Facility Improvements for community centers, parks, greenways, and other public uses.

Publicly Funded Capital Projects

The conditions of public infrastructure in the redevelopment area were observed in preparation of this plan. Streets, sidewalks, streetlights, parks, and other readily visible public infrastructure were determined to be subject to varying levels of deterioration. In some instances, capital improvements are currently in the works, such as the streetscape improvements, traffic signals, repaving and restriping of Jackson Avenue. In other instances, such as along portions of Vollintine Avenue and North Claybrook Street, where pavement and sidewalks are cracked, deteriorated, or even missing, it is evident that no investment has been made in some time.

The age of infrastructure in this Area is advanced enough to require regular maintenance to maintain proper condition; however, some infrastructure has reached its useful life and may require removal and reconstruction to provide the level of service and quality required by current standards.

Improvements along Vollintine Ave.



Accelerate Memphis' illustration of proposed streetscape improvements on Vollintine Avenue.

Accelerate Memphis Investments & Progress

The Accelerate Memphis Infrastructure improvement program includes \$200 million worth of investment in catalytic community projects, some of which are located within the Klondike Neighborhood TIF District Area.

The Accelerate Memphis Plan has identified some projects from the Memphis 3.0 Plan within the Area for initial implementation and funding. These projects include neighborhood investments, funding for studies or plans, funding for public space improvements, and similar. The Area includes some of the anchors targeted for initial investment such as Watkins and Jackson and streetscape improvements along Vollintine. Investment in public infrastructure shall build on and connect to the initial investment from Accelerate Memphis.

The Plan calls for upgraded public infrastructure (streets, sidewalks, utilities, parks, etc.) to meet current standards and set the stage for significant private investment.



Accelerate Memphis' illustration of proposed streetscape improvements on Watkins Street.

Depending upon the availability of TIF funds, some of the plan budget can serve as local match for transportation projects such as the planned bus rapid transit route (BRT) on North Watkins Street as illustrated in Exhibit 9 above.

Planned Capital Investments include: 1) Street design improvements on Vollintine (Bellevue to Watkins) - Protected bike lanes, curb extensions, and on street parking adjacent to curb. 2) New plaza at Jackson & Watkins. 3) Intersection improvements at Watkins, Jackson/Lyndale including ADA. 4) Mansfield closure and reroute. 5) Mid-block crossing on Jackson at Lyndale.

Residential Element

A priority of the Plan is to address the need for quality affordable housing within the Area. The 2020 Housing Affordability Index (HAI) for the Klondike Redevelopment Area indicates that the households within the Area earning at least the median area income (\$26,658) only have 70% of the income required to qualify for a 30-year fixed rate mortgage loan with 20% down based on recent home prices. In comparison, the 2020 Memphis HAI is 83%.

The development Plan aims to promote residential reinvestment, homeownership, redevelopment, or infill of new housing units (affordable and market-rate) on vacant or underutilized properties. This is accomplished through a variety of methods including site-specific redevelopment, homeowner assistance to maintain existing housing, and the acquisition/disposition of vacant lots for the purpose of constructing new housing.

The Plan strives to be a catalyst for new development within the Area. A potential hazard of increased development is the displacement of existing residents. This can be caused by an increase in the cost of living or through the demolition of existing residences. By prioritizing development of affordable housing within the Area, there will be new housing options of higher quality for existing residents to move to. As a central part of the redevelopment plan is the inclusion of replacement housing in the new development and relocation plans for residents to remain in the Area.

The key to inclusive revitalization of Klondike is going to be long-term control of land. The transfer of hundreds of tax delinquent properties from the Shelby County Land Bank to The Works Inc, Neighborhood Preservation Incorporated (NPI) and their partners was an essential step forward. This transfer is now enabling the Klondike community to achieve a critical mass of local control. More local control means that the Klondike community is less vulnerable to market pressure that can result in displacement and later gentrification. More local control also means that the community is less vulnerable to predatory behavior by bad actors (corporate raiders, slum landlords, et al).

While land in Memphis is not in short supply, and not likely (in the near term) to be a determining factor in price escalation, control of a significant portion of the land in any one neighborhood by a community-based organization is an insurance policy against harmful speculation. This is vital not only because speculation can sometimes lead to rapidly rising prices and possible displacement, but more commonly in distressed neighborhoods like Klondike, lead to the kind of flipping and exploitation that can further erode a community.

For all of these reasons, a Community Land Trust (CLT) will be necessary to protect potentially vulnerable residents.

Klondike Community Land Trust (CLT)

The Klondike Community Land Trust (CLT) is being formed to ensure Klondike's current residents and stakeholders will always have a voice in its future. As rental rates rise and investors continue to infiltrate Memphis neighborhoods, the Klondike CLT provides an internal defense mechanism to protect Klondike's affordable housing stock and gives residents a vehicle to advocate for Klondike's needs. The Klondike CLT's purpose is to ensure Klondike always has permanent, decent, safe, and affordable housing options controlled by Klondike's residents for low- and moderate-income families.

The Plan grows and expands the Klondike Community Land Trust (CLT), a nonprofit organization created to maintain Klondike's affordable housing stock and improve the long-term health and safety of the community. The CLT will focus on legacy resident retention and work to create affordable rental and homeownership opportunities for low- and moderate-income families. Income-qualified buyers (at or below 80% AMI) will be eligible to purchase a home at a price they can afford without becoming housing cost-burdened.

The Klondike CLT's shared equity model preserves long-term affordability through deed restrictions that place conditions on the deed to a property that "run with the land" and, as a result, bind current and future homeowners. The deed restrictions include a predetermined resale formula designed to provide the homeowner a reasonable return on their investment while also preserving any subsidy invested in the property, thus sustaining the affordability of the home for future generations.

Furthermore, the CLT will provide access to additional services and programs for Klondike homeowners, renters, and other stakeholders like religious institutions, schools, and businesses. The purpose of the CLT is to make the revitalization effort equitable, sustainable, and diverse while ensuring properties will maintain their condition and market value for the benefit of the neighborhood as a whole and future CLT homebuyers.

The Klondike Partnership is facilitating the creation of Development Design Guidelines to ensure improvements to CLT and other partnership properties are compatible and an asset to the neighborhood and adjacent properties.

Parks, Recreation, and Greenspace Element

Essential to establishing a high quality of life in the area for residents is adequate provisions for parks, recreation, and other green spaces. The opportunities for children and families to walk just a few minutes to a neighborhood park to play, walk the dog, meet neighbors, or conduct community gatherings are limited. Children are left, therefore, with limited opportunities for healthy play and exercise, or to build essential social skills. Instead of participating in healthy and engaged activities, children are seen playing in the street, walking the neighborhood, or participating in disorganized groups which are often leading to mischief or ultimately crime.

The Area has a few adequate park spaces within close proximity of residential uses. Community use and active recreation parks in the Area include Klondike Park as well as the Sexton Community Center. City of Memphis plans are also ongoing for the implementation of the Chelsea Greenline along the northern border of the Klondike neighborhood.

The Plan includes enhancements and better access to the existing Klondike Park athletic fields and the Sexton Community Center. Improved access and connector trail from Klondike Park to the new Chelsea Greenline is critical for Klondike residents.

It is a typical best practice of desirable and healthy neighborhoods to contain passive green spaces within an approximately 2-minute walk (530 ft.) and active recreation areas within an approximately 5-minute walk (1320 ft.) of most residences. Upgrades to existing facilities and adding new green space are recommended in several locations so as to provide adequate recreation within a few minutes' walk of a greater number of families.

Bicycle facilities (bike lanes, cycle tracks, signage, and signals) are being aggressively pursued throughout the City of Memphis and the region. There are multiple bike lane projects already proposed within the area, including along Chelsea Avenue, as well as recently installed improvements along North Watkins.










Community-Led Decision Making through Extensive Engagement Process

Neighborhood capacity building and locally led decision-making are at the forefront of this unique approach to community economic development. Community support and resident engagement is key to the success of any redevelopment plan. Processes are in place to ensure that meaningful community engagement continues past completion of any small area plan, redevelopment project or initiative to ensure that reinvestment is taking place in accordance with the Klondike Community Redevelopment Plan and the vision of Memphis 3.0. This includes facilitating engagement mechanisms to keep the community informed, provide input on proposed development projects, and to solicit feedback on redevelopment work occurring after the TIF has been established.

The Klondike Partnership proposes to continue community input and recommendations on potential TIF investments through an advisory committee and CLT representatives. This engagement will officially represent community input as the steward the Plan implementation. The TIF activities and expenditures shall be managed by or under direction of the CRA, with advisement from the community.

Throughout the series of public community meetings, CLT board meetings, and neighborhood events, the Klondike Partnership polled over 100 participants and the Community Preference Poll Resulted in the following priorities for TIF expenditures.

Results of Preferred Community Infrastructure Category Rankings

Rank	Infrastructure Category	
1	Street Paving, Crosswalks & Sidewalk Improvements	
2	New Brighter Street Lighting & Sky Cop Security Cameras	
3	Blight Removal, Environmental Clean-up & Repairs	
4	Existing Housing Stabilization & New Affordable Housing	
5	Improved Parks, Greenspace & Community Centers	
6	New Fiber Lines for Expanded Broadband & Wi-Fi	
7	Improved Public Transit & Accessible Transit Shelters	
8	More & Stronger Locally-Owned Neighborhood Retail	
9	Neighborhood Anchors Public Parking	
	Other(s): Speed Bumps (3) Grocery Store (2) Senior Rental Housing (1) Cleanup (1)	

Coordinated Effort for Property Acquisition

It is recommended that through a public/private partnership between the non-profit Klondike Partnership, the City of Memphis, and the CRA, a coordinated effort be made to acquire and develop real estate according to the Klondike Community Plan. Acquisition of property should be conducted through multiple sources, including private developers, non-profit organizations, public/private partnerships, CRA, Blight Authority of Memphis, Shelby County Land Bank, and other partners.

Inclusion Goals

The Inclusion Plan for the Klondike Community Plan will follow the CRA policies regarding participation of Minority/Women Business Enterprises (M/WBE) and Locally Owned Small Businesses (LOSB). As of the drafting of this Klondike Community Plan, it is the policy of the CRA that M/WBE shall have the maximum opportunity to participate in the performance of contracts using taxpayer funds.

1. For all projects, the CRA sets an overall combined goal of 40 percent M/WBE participation for Professional Services, with a 26 percent for MBE and a 14 percent goal for WBE, as defined by Shelby County ordinance.
2. Within this overall goal for M/WBE participation, the CRA sets goals for goods and services categories consistent with those of the City of Memphis as outlined in Ordinance 5384, Sec. 2-327, using the ratio of the M/WBE participation goals for each sector. These goals are to be updated when the City of Memphis revises their goals.
3. The CRA's LOSB participation goal is 20 percent.
4. The CRA will monitor its projects, requiring contractors to submit regularly reports, and reviewing the goals on an annual basis.

Anticipated Time Schedule for Implementation Completion

The estimated time schedule for implementing and completing the Klondike Memphis Neighborhood TIF District Redevelopment Plan will be thirty years through 2052, with an initial planned 5-year phase one from 2022 through 2027.

Refer to the Klondike Partnership's *Klondike Neighborhood Master Plan*, Part 3 pages 30-54, for the Klondike Partnership's implementation plan and overview of the eleven sub-areas.

Conformance with the Unified Development Code, Memphis 3.0, and Other Plans

The Klondike Neighborhood TIF District Redevelopment Plan has in its preparation referred to and incorporated elements of applicable plans within the City of Memphis and Shelby County, Tennessee, including the Memphis 3.0 Comprehensive Plan, the Memphis and Shelby County Community Redevelopment Act Workable Program, and Unified Development Code, the Memphis & Shelby County Greenprint as well as other planning policies and documents as specified by the Division of Planning and Development.

The Proposed Community Redevelopment Plan takes an asset-based planning approach. Identifying key assets throughout the neighborhood and leveraging all previous planning efforts is part of this approach.

The Plan includes an analysis and evaluation of the various plans that touch or are inside the Proposed TIF boundary to better understand where the assets are and where further development could evolve over the next 20 to 30 years.

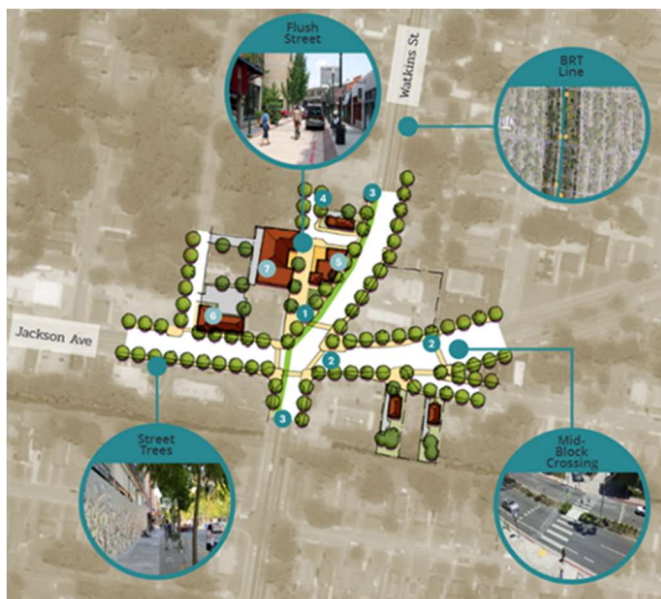
Illustrative perspective drawing showing a neighborhood plaza at the intersection of Watkins Street and Jackson Avenue



Memphis 3.0 Klondike Small Area Plan

One of the main plans that we evaluated was the Memphis 3.0 comprehensive plan and, more specifically, the anchors within that plan that would encourage development. The reason for this was to align this plan with the goals and development opportunities that were already present within the comprehensive plan.

Evolution and implementation of the Klondike Neighborhoods TIF Community Redevelopment Plan will also coordinate with the Memphis 3.0 Small Area Plans for the local anchors. In so doing, it is in conformance with the comprehensive plans of the City of Memphis. (CRA Act Section 12 (b)(2))



Illustrative Plan at Jackson Avenue and Watkins Street in Klondike

CHAPTER 5: FINANCIAL RESOURCES AND REVENUE PROJECTIONS¹⁴

Introduction

The primary financing tool that has been recommended in the Plan is Tax Increment Financing (TIF). The local governments, by the authority vested in the CRA, are able to establish a Redevelopment District and utilize TIF to facilitate private sector investment. Approval of the appropriate taxing jurisdictions is also required.

The TIF would produce revenues as a result of the new private sector investment and increase in the tax base of the area. The tax increment revenues are the new real property taxes generated by the redevelopment project above the amount of taxes generated by the existing land and improvements. The increment of tax growth is placed in a Trust Fund that must be used for the benefit of the Area and for eligible uses specified in the Community Redevelopment Act of 1998. This tool is perceived as a logical way to fund development projects because it relies on funds that would not otherwise be produced unless new development takes place, and it does not supplant existing revenues from either city or county government.

Implementation of the Plan requires significant funding due to the current levels of slum and blighted conditions including residential, commercial, and industrial properties, and public infrastructure. A combination of funding sources will be necessary to complement TIF revenues because there are not major projects proposed that will generate significant revenues and the market conditions are weaker in the Area than in other areas of Memphis. Conventional mechanisms for generating revenues through the private sector will have to be combined with innovative funding mechanisms provided by the City of Memphis and Shelby County. A public private partnership among local, state, and federal governments, and private sector institutions, businesses and individuals will be necessary to make projects feasible.

This tax increment financing district will generate revenues to promote new housing and blight remediation without relying exclusively on appropriated funds. It will complement grants that are likely to be obtained as well as local capital improvement dollars.

Availability of Increment Tax Revenues

The availability of the projected increment tax revenues for both the affected taxing districts and for deposit into the Trust Fund is impacted by several events. First, the availability of the increment tax revenues is predicated upon implementation of an administrative system for the identification and collection of these revenues by the City and County, the various offices charged with administration of these taxes. This system must be in place as of the initiation of the redevelopment project.

Second, there is a time lag between the taxable event and the payment and administrative processing of the tax payments to the various taxing districts and to the Trust Fund. This lag is greatest for real property taxes that are typically paid in full by the end of the tax year and are available for deposit in the Trust Fund two to three months after the first of the following year.

¹⁴ *Moving Forward*, Community Redevelopment Plan, Klondike Partnership. August 2022.

Tax Revenue Projections

ComCap Partners completed an analysis of the estimated value and revenues generated by the TIF. The purpose was to determine the feasibility of establishing such a district for the purposes of providing public financing for projects and investments within the Area in order to create the conditions where private investment would take place.

The following projected tax revenues to be generated is based on a series of assumptions that must be considered when interpreting the results of this analysis. The user of this analysis is cautioned to study the assumptions noted on each of the attached spreadsheets, in addition to the assumptions stated in the following paragraphs.

The revenue tables comprise the substance of this analysis and are contained in the Appendices. The Baseline Tables establish the basic assumptions about the proposed Project and identify the Base Assessed Value and Base Sales Taxes. The Tax Increment Financing Revenue Projection tables detail the projection of tax revenues and the potential revenues that could be generated as a result of the adoption of tax increment financing.

For purposes of this analysis, it is assumed that the tax increment revenue will be available for financing for 30-years. Furthermore, it is assumed that the tax increment financing will be approved in 2022 and that 2022 would be the increment year of the program.

Amount of Tax Increment Financing

The amount of TIF revenue is based on the amount of property tax revenue that will be generated in each of the next 30 years that is above and beyond the current year's tax revenue. TIF revenue is calculated on a parcel-by-parcel basis to determine increment as opposed to an area-wide basis, as allowed under the Tennessee Unified TIF Act. Current year (2021 values assuming the TIF district and Trust Fund are established in 2021) estimated tax revenue is calculated to be **\$126,487.50** for the City of Memphis and **\$213,031.58** for Shelby County. This baseline revenue will continue to flow directly to the City and County in future years, however any natural increase in appraised values which results in an increase in tax assessments, and any new tax revenue from PILOT projects completing that program, will result in additional property taxes above the 2021 baseline to be directed to the Trust Fund. The baseline revenue amount continues to go to the taxing bodies serving the Area. This system does not lower the tax revenue collected by the varying taxing districts; nor does it impose special assessments on the redevelopment area.

Base Real Property Taxes

The Base Taxes were determined from information regarding the assessed value and the amount of City and County taxes that were levied on the Area in 2021. The amount of taxes that are applied to debt service were subtracted from the total taxes levied to determine the applicable base tax rate for the Area, as required under the CRA Act.

Tax Rates

As noted above, tax levies dedicated to debt service retirement are not captured by tax increment financing under the CRA Act. For Shelby County, the applicable tax rate used to calculate the amount of incremental revenues is **\$2.82** per \$100 of assessed value; for the City of Memphis the rate is **\$1.70** per \$100 of assessed value.

Projected Market Value and Assessed Value

There are multiple potential projects that will be a part in the Plan. Some projects are not considered to be far enough in the planning phase to be included in the projections for the purpose of estimating future growth in tax revenue. However, the projected increment is based on the on the development of over 600 units of new or renovated housing over the 30-year period project is constructed. As the time projects are completed, the Assessor will perform an appraisal of the Project which will affect the projected results contained in this analysis.

Assumptions Used to Project Build Scenario

As noted earlier, absent an existing development with a performance history, assumptions must be made with regard to the Project scope, scale, uses, future performance and future tax liability. These assumptions are identified in the following paragraphs.

Term and Rates

A 30-year term for the TIF District is used for the analysis. Tax rates remain at the current levels over the life of the TIF.

PILOT Projects

Parcels under an existing Payment in Lieu of Taxes (PILOT) agreement are not considered to be contributing to the revenue projects. Once a PILOT expires, the parcel will be transferred onto the rolls and will be considered new revenue. The City and County have both proposed that this new revenue is diverted, thus, for purposes of these projections, these revenues are not assumed to be added to the TIF revenues.

Availability of Community Redevelopment Area Funds

This analysis also assumes that 95 percent of the property tax increment will be available for tax increment financing. The state statutes that permit the tax increment financing require five percent of the incremental tax revenues to be withheld by the taxing authorities. If the entity issuing the tax increment financing charges any annual administrative fees relative to the financing, such charges would reduce the amount of incremental tax revenues available.

Financial Analysis Assumptions:

- The term of the TIF District is 30 years.
- The underlying assumptions throughout the analysis regarding property value appreciation is based on the redevelopment work that was done by The Works, Inc. and the Klondike Smokey City CDC between 2019-2021.
- Base year taxes are set as of 2021.
- Tax rates remain at the current level with no increase over the life of the TIF.
- City of Memphis Tax Rate: \$2.70
- Shelby County Tax Rate: 3.39
- The Northside Redevelopment project is currently under a payment in lieu of taxes (PILOT), however incremental tax revenue after expiration of the PILOT term are not included in projections.

- Property value appreciation is captured during reassessment intervals.
- The analysis is adjusted for debt service, CRA administrative fee, and Trustee's Fee.
- There are 1,308 parcels in the TIF District. Of that, 137 parcels were excluded because they are tax exempt. Total incremental tax revenue represents the summation of the increment generated by 1,171 parcels in the district. The overarching goal of developing the aforementioned parcels is to grow the Klondike neighborhood from **600 to 1,500** households over the next 30 years.
- Tax Increment projections are generated from: *Increment from Reappraisal* and *Increment from New Community Investment*.
 - Increment from Reappraisal: It is believed that there will be a level of organic appreciation in property valuations that will occur due to the overall investment activity throughout the Klondike neighborhood, most notably, the redevelopment of Northside High School and blight removal. It is anticipated that this increment will be captured upon reassessment.
 - Increment from New Community Investment: This increment will be captured as legacy properties are redeveloped and new construction transpires throughout the neighborhood.

New/Rehab Multifamily Renters

New and rehabilitated homes will be constructed and rented beginning in 2026. The initial value of new homes will be \$90,000 with a market adjustment factor of 75% and an annual appreciation of 3% as new homes are constructed. It is anticipated that the market adjustment factor will increase over time as the gap between construction costs and market values decreases. The analysis assumes that 120 new rental units will be developed over the 30-year TIF period.

Legacy Homeowners

The market value for Legacy Homeowners was based on the assessor's valuation of the parcels within the proposed TIF district. The analysis assumes 150 existing parcels included as Legacy Owners.

New Homeowners

New homes will be constructed and sold beginning in 2025. The initial value of new homes will be \$200,000 with a market adjustment factor of 75% and an annual appreciation of 3% as new homes are constructed. It is anticipated that the market adjustment factor will increase over time, as the gap between construction costs and market values decreases. The analysis assumes 321 new homeowner units will be developed over the 30-year TIF period.

Legacy Single-Family Renters

The market value for Legacy Renters was based on the assessor's valuation of the parcels that have been redeveloped by The Work's, Inc. and the Klondike Smokey City CDC from 2019-2021. The analysis assumes that 400 existing parcels will be renovated as rental units over the 30-year TIF period.

New Single-Family Renters

New homes will be constructed and rented beginning in 2027. The initial value of new homes will be \$150,000 with a market adjustment factor of 75% and an annual appreciation of 2.5% as new homes are constructed. It is anticipated that the market adjustment factor will increase over time as the gap between construction costs and market values decreases. The analysis assumes that 180 new rental units will be developed over the 30-year TIF period.

Commercial Development

For the purpose of this analysis, no incremental tax revenue from new commercial developments have been included. However, it should be noted that under the Redevelopment Plan, it is anticipated that significant commercial development will occur, along the major corridors in the neighborhood. However, given the uncertain nature and timing of any new commercial development, along with the distinct possibility that commercial developments will pursue PILOTS, the projected TIF funding is not reliant on this source of incremental tax revenue.

Northside Redevelopment

The Northside Redevelopment was approved for a 15-year PILOT by the EDGE Board. Subsequently, an additional five years was approved by the Memphis City Council and Shelby County Commission. Consequently, Northside will be eligible for a 20-year PILOT.

Under the EDGE PILOT Program, the Shelby County Assessor will assess the value of the improved property after the redevelopment is completed. Based on the reassessment value, the EDGE PILOT will be 25% of the taxes that would be due based on a full assessment value.

For the purpose of the TIF Application, it is assumed by that the Assessed Value will be around 40% of the capital investment. Typically, the Reassessed Value closely approximates the total capital investment of the project. In the case of Northside, the total capital investment is projected to be more than \$62 Million. However, given the economic dynamics of the project in which there is a significant philanthropic social investment, this analysis assumes an Assessed Value of \$10 Million.

Based on the aforementioned Assessment Value, then the PILOT would be \$152,500. This amount is not included as a part of the tax increment projections.

Upon expiration of the 20-year PILOT term, the parcel will be transferred to the tax rolls. The estimated tax assessment of \$452,000 is not included as a part of the tax increment available.

Bonds and Loans

At the time the Klondike Community Plan was drafted, bonds were not being contemplated. The tax increment would need to have a proven track record before the public sector would rely on the revenue stream for bond purposes. Should future tax increment revenues be available to the Trust Fund to an extent that would support bonds, bonds would be an additional source of capital to support development in the Area. Necessary public approvals would be required to determine the appropriate amount of bond funding.

Sensitivity Analysis Assumptions:

Base Case Scenario (3% inflation)

- Average annual incremental tax revenue: ~\$1.1M.
- 30-year cumulative incremental tax revenue: ~\$30.4M.
- Conservative development schedule and property valuation.

Pro Growth Scenario (3% - 6% inflation)

- Average annual incremental tax revenue: ~\$1.4M.
- 30-year cumulative incremental tax revenue: ~\$42.2M.
- Expedited development schedule which will allow more parcels to be developed at a more optimistic pace.
- More optimistic property valuation.
- 3% inflation during the first 15 years and an increase to 6% for the remaining 15 years.

The table below provides a forecast of TIF revenue over the 30 years of implementation of the community redevelopment plan. The forecast represents a conservative estimate based upon the known community development. (See TIF Summary Table 1)

TIF Summary Table 1: Tax Increment Yield from Community Investment

Klondike Neighborhood TIF
Base Case - Annual Summary

Estimated Annual Incremental Revenues: 30 - Year Term

Period	Year	Estimated Net Increment: Reappraisal	Estimated Net Increment: Community Investment	Estimated Total Net Increment
0	2021	\$0	\$0	\$0
1	2022	\$0	\$0	\$0
2	2023	\$0	\$0	\$0
3	2024	\$0	\$0	\$0
4	2025	\$30,237	\$0	\$30,237
5	2026	\$30,237	\$0	\$30,237
6	2027	\$30,237	\$85,034	\$115,271
7	2028	\$30,237	\$130,498	\$160,735
8	2029	\$33,261	\$240,271	\$273,531
9	2030	\$33,261	\$290,219	\$323,480
10	2031	\$33,261	\$408,285	\$441,546
11	2032	\$33,261	\$463,084	\$496,345
12	2033	\$36,587	\$607,177	\$643,764
13	2034	\$36,587	\$667,221	\$703,807
14	2035	\$36,587	\$859,708	\$896,295
15	2036	\$36,587	\$956,248	\$992,834
16	2037	\$40,245	\$1,074,797	\$1,115,042
17	2038	\$40,245	\$1,177,137	\$1,217,382
18	2039	\$40,245	\$1,264,366	\$1,304,611
19	2040	\$40,245	\$1,349,755	\$1,390,000
20	2041	\$44,270	\$1,453,855	\$1,498,125
21	2042	\$44,270	\$1,547,423	\$1,591,693
22	2043	\$44,270	\$1,623,011	\$1,667,281
23	2044	\$44,270	\$1,725,424	\$1,769,693
24	2045	\$48,697	\$1,852,083	\$1,900,780
25	2046	\$48,697	\$1,882,999	\$1,931,696
26	2047	\$48,697	\$1,882,999	\$1,931,696
27	2048	\$48,697	\$1,882,999	\$1,931,696
28	2049	\$53,566	\$1,956,985	\$2,010,551
29	2050	\$53,566	\$1,956,985	\$2,010,551
30	2051	\$53,566	\$1,956,985	\$2,010,551
TOTAL		\$1,093,882	\$29,295,547	\$30,389,429

The table below provides a forecast of TIF revenue over the 30 years of implementation of the community redevelopment plan. The forecast represents a pro-growth estimate based upon the known community development. (See TIF Summary Table 2)

TIF Summary Table 2: Tax Increment Yield from Reappraisal, Northside Redevelopment, and Community Investment

**Klondike Neighborhood TIF
Accelerated Growth - Annual Summary**

Estimated Annual Incremental Revenues: 30 - Year Term

Period	Year	Estimated Net Increment: Reappraisal	Estimated Net Increment: Community Investment	Estimated Total Net Increment
0	2021	\$0	\$0	\$0
1	2022	\$0	\$0	\$0
2	2023	\$0	\$0	\$0
3	2024	\$0	\$0	\$0
4	2025	\$30,237	\$0	\$30,237
5	2026	\$30,237	\$0	\$30,237
6	2027	\$30,237	\$136,647	\$166,884
7	2028	\$30,237	\$206,438	\$236,675
8	2029	\$33,261	\$356,596	\$389,856
9	2030	\$33,261	\$434,615	\$467,876
10	2031	\$33,261	\$597,830	\$631,091
11	2032	\$33,261	\$684,822	\$718,082
12	2033	\$36,587	\$879,259	\$915,845
13	2034	\$36,587	\$976,025	\$1,012,612
14	2035	\$36,587	\$1,201,272	\$1,237,859
15	2036	\$36,587	\$1,278,256	\$1,314,842
16	2037	\$40,245	\$1,434,075	\$1,474,320
17	2038	\$40,245	\$1,498,578	\$1,538,823
18	2039	\$40,245	\$1,569,205	\$1,609,451
19	2040	\$40,245	\$1,646,460	\$1,686,705
20	2041	\$44,270	\$1,812,112	\$1,856,382
21	2042	\$44,270	\$1,904,284	\$1,948,554
22	2043	\$44,270	\$2,004,833	\$2,049,102
23	2044	\$44,270	\$2,114,431	\$2,158,700
24	2045	\$48,697	\$2,320,303	\$2,369,000
25	2046	\$48,697	\$2,434,258	\$2,482,955
26	2047	\$48,697	\$2,434,258	\$2,482,955
27	2048	\$48,697	\$2,434,258	\$2,482,955
28	2049	\$53,566	\$2,603,270	\$2,656,836
29	2050	\$53,566	\$2,603,270	\$2,656,836
30	2051	\$53,566	\$2,603,270	\$2,656,836
TOTAL		\$1,093,882	\$38,168,625	\$39,262,507

Statement of Projected Costs

The projected costs for the redevelopment project are referenced in the description of financial resources. The total projected TIF revenues are approximately \$30 to \$40 million over 30 years and currently project costs are approximately **\$35 million**.

This projected costs for the redevelopment project actually represents the public-sector investment in public infrastructure; environmental improvements; equitable community economic development; as well as affordable housing and neighborhood development that is prescribed in the Plan. It can be expected that the private sector investment when added to other funding sources is projected at over \$235 million. (See p. 45, Exhibit 16 for Total Sources and Use of Funds).

Community Redevelopment Plan Budget Categories.

Community Redevelopment Plan TIF Fund Budget		
Budget Categories	Percentage	Fund Allocation
1. Streetscapes, Crosswalks, Stormwater, Street Lights & Wi-Fi	60%	\$ 21 M
2. Blight Remediation, Affordable Housing, CLT, & Site Acquisition	30%	\$ 10.5 M
3. Neighborhood Anchor Development, Parks & Green Space	10%	\$ 3.5 M
BUDGET TOTAL	100%	\$ 35 M

This effort is truly grounded in community. This group has invested their careers in working to improve this particular place. A TIF designation is just one small part of the much larger strategy and effort that they have worked to implement.

Use of Funds

Use and distribution of increment for the TIF Trust Fund for projects is overseen by the CRA with guidance from the Klondike Partnership and the community. In an effort to ensure that there are sufficient funds in the Trust Fund for management of the TIF District and for supporting projects, the CRA will not review requests or applications for funding until the TIF Trust Fund balance has accrued a minimum of \$300,000. Should ten years pass from the date of approval of the TIF District without the TIF Trust Fund reaching a balance of \$300,000, the TIF District shall sunset and any remaining balance after CRA expenses are covered shall be refunded to the City and County.

Project Sources and Uses

The Comprehensive Redevelopment Project Budget is over \$235M for the 30 - Year Term.

Projected Sources and Uses of Funds for the Klondike TIF District.

Anticipated Sources

Incremental TIF Revenue	\$ 35,000,000
Conventional & Other Debt (1)	120,593,580
Equity (Philanthropic and Public Support)	80,395,720
<hr/>	
Total Sources	\$ 235,989,300

Anticipated Uses

Multifamily Development	\$ 12,940,000
Single Family - Renovation (Home Ownership)	9,536,000
Single Family - Renovation (Rental)	47,055,000
Single Family - New Construction (Home Ownership)	95,125,000
Single Family - New Construction (Rental)	36,333,300
Community Infrastructure	21,000,000
Blight Removal, Community Land Trust & Affordable Housing	10,500,000
Neighborhood Anchor Development	3,500,000
<hr/>	
Total Uses	\$ 235,989,300

(1) Assumes an average LTV of 60%

CHAPTER 6: NEIGHBORHOOD IMPACTS¹⁵

Neighborhood Impact of the Klondike Community Redevelopment Plan

If a redevelopment area contains low or moderate-income housing, the Redevelopment Plan must contain a neighborhood impact element which describes in detail the impact of the redevelopment upon the residents of the redevelopment area and the surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population, and other matters affecting the physical and social quality of the neighborhood.

The Klondike Community Redevelopment Plan planning area does contain low and moderate-income housing, so in accordance with Section 14 (3) of the CRA Act, a description of the neighborhood impact is required. The impact of the proposed redevelopment as planned should maintain or improve the physical and social quality of the community, especially regarding low- and moderate-income residents who would be most directly affected by several of the proposed redevelopments.

Overall, the quality and living conditions in the Area should improve, and not continue to degrade, resulting in a positive impact for those residents. Likewise, clear measures of a stabilizing and improving neighborhoods shall be seen such as stabilizing property values; an increasing property tax base; an increased incidence of homeownership; the steadying of the social infrastructure in the revitalizing area due to less deterioration and less residents moving away from their long-term neighborhood.

Relocation and Replacement Housing

It is not anticipated that the issue of replacement housing on an involuntary basis will arise. The philosophy of the Plan is that it is important to maintain the current social structure and neighborhood network that exists in the Area today. The objective is to enhance the quality of life and investment climate for the existing families by eliminating vacant lots, and uninhabitable housing units, and by creating new housing on these properties. The overall goal of the Plan is the retention and thriving of the existing population of the Klondike Neighborhood.

Relocation of existing renters is expected to be minimal in the redevelopment area. The Plan calls for the condemnation process to be consistent with the Community Redevelopment Act of 1998, however eminent domain should avoid all owner-occupied residential properties.

There is not an intention to acquire properties by eminent domain unless a redevelopment opportunity arises that is currently unanticipated and is deemed vital to the overall effort. If this occasion arises, the eminent domain action could be approved by the CRA.

Relocation assistance would be provided in accordance with the CRA Act and applicable statutes.

Newly constructed residential dwellings are envisioned for currently vacant lots or where structures are in poor physical condition, while vacant and underutilized residential buildings should be renovated. It is anticipated that no homeowner will be unwillingly displaced from their home as the residential program is intended to be focused on infill and vacant property. If relocation were unavoidable, appropriate measures will be undertaken to ensure that it be handled in an equitable and fair way.

¹⁵ *Moving Forward*, Community Redevelopment Plan, Klondike Partnership. August 2022.

Traffic Circulation

Traffic circulation within the Area should be enhanced and not adversely affected. No road closures nor detours are anticipated outside of normal construction activities. The proposed streetscape improvements and road extensions are expected to simultaneously improve the network of road facilities improving the safety of motorists and pedestrians on improved roadways.

Environmental Quality

Overall, the environmental quality of the Area based upon the proposed redevelopments should be maintained or improved as a result of the redevelopment. Improved water quality, decreased storm water runoff and decreased erosion along the creeks that cross the study area should result from redevelopment, bank stabilization and park improvements projects. Air quality is not expected to be impacted significantly one way or another. Environmental remediation will be required on a case-by-case basis, if needed, and will be required if adverse environmental conditions exist.

Physical and Social Equity

Other physical and social quality effects anticipated by this Community Redevelopment Plan will be the stabilization of property values, increased safety, and security, improved social health, and the end to decline and beginning of improvement of the conditions of the neighborhood. These will help stabilize families, improve living conditions, create a stable tax base for the City and County, and serve to stabilize the growth of the community through reinvestment in existing infrastructure and resources.

Availability of Community Facilities and Services

The Plan recommends an increase of parks, recreation, walking trails, and play areas as part of the community facilities and services in the area. Similarly, improvements to local churches, convenience retail, and service providers will result in the maintenance or improvement of facilities and services for the community.

Effect on School Population

With the introduction of new housing, both infill residential and new development, the effect on the school population is expected to increase slightly but not enough to immediately warrant new facilities. The demographics in the study area show an aging population with fewer school aged children and families. Given current demographic profiles the impact is expected to be minimal to the school system.

Historic Property Impact

Physical effects anticipated by this Plan will not cause negative impact on historic properties in the area. Except as listed below, there are no historic designated buildings or places in the project area, and it is not the intent of this Plan to redevelop historic property whether on the sites or off them. The following list are sites that are either eligible or are designated that fall within the boundaries of the proposed Area.

- Northside Campus
- Friendship Baptist Church
- 1320 Jackson Avenue
- Tom Lee House - 923 Mansfield
- Klondike Elementary School
- Madison Height Bayou
- 1276 Jackson Avenue
- Keel Ave Baptist Church

Economic Impact on Adjacent Properties

The removal of the blight and decay in the Klondike Community Redevelopment Area will have a positive impact on nearby developments since the blight and distress of these properties are not contained on their sites but have a detrimental impact on the entire surrounding area. New public infrastructure that will be built for the site and adjoining areas will improve the entire neighborhood and help to cast the district in a different, more positive light.

Furthermore, the new mixed-income, mixed-use developments envisioned for the properties will attract private investments directly to the site and neighborhood. The mix of income among the residents will increase the purchasing power of the community and create more commercial opportunities and activities within the neighborhood. All these factors will further attract new investments and developments to the neighborhood and improve the opportunities for existing businesses and properties.

The attraction of new investment and developments in some underserved neighborhoods can also lead to the problem of displacement of long-term residents. This negative effect of gentrification is due to rising property values making it expensive or impossible for lower and moderate-income residents to continue living in the area. However, this community redevelopment plan taps some of that increase in land values to subsidize new affordable housing units as a part of each development and creates an existing homeowner maintenance program for long-term low to moderate-income Klondike residents.

Expected Benefits to the City of Memphis and Shelby County

There are numerous expected benefits to the City of Memphis and Shelby County from the implementation of the Plan. A primary goal of the Plan is to create vibrant, walkable, mixed-use neighborhoods in the inner city. The Plan is expected to attract investment, increase population, expand access to affordable housing, and remediate blight throughout the Area. As a result, the Plan will improve property values, expand the tax base, as well as preserve and create jobs within the City and the County.

The Memphis 3.0 Plan targets investment and programming around anchor neighborhoods. The intended result of which is the creation of nodes throughout the City that will act as catalysts for development in the surrounding areas. This Plan builds on that principle and will likely help focus investment on the anchor

neighborhoods within the Area. The establishment of a TIF District will then help spread and channel the impacts of private investment to other neighborhood initiatives.

Additional Taxes for the City of Memphis and Shelby County

In addition to the benefits realized from maintaining a vibrant neighborhood and expanding the job base, the City and County are also expected to receive substantial additional tax revenue as a result of the redevelopment of the Area Plan. The TIF district is expected to generate ~\$40.7M over the 30-year period. During the implementation of the redevelopment of the Area Plan, incremental property taxes, above the base year, for Memphis and Shelby County are projected to total \$30.4 million. Additionally, Memphis and Shelby County will receive an estimated \$10.3 million of the total increment to be designated for debt service over the 30-year term.

Following the expiration of the Tax Increment term, the City and County will benefit from the entire increase in the property taxes. The Project and Future Redevelopment are also expected to generate additional local sales tax revenues with half of that amount being payable to each of the City and County.

Job Creation

The early phases of the future redevelopment are expected to support many temporary and permanent full-time jobs in the Area. There would also be the creation of indirect jobs in support of the new business operations.

It is anticipated that the plan will support thousands of jobs, both directly and indirectly, during the construction/renovation phase as well as from ongoing operations once redevelopment is complete. Additionally, the redevelopment will foster growth of businesses owned by minorities and women, and will protect existing locally owned, small businesses from being displaced. Primarily, job growth is anticipated to occur in these sectors: construction, retail, food, and personal services. In addition, efforts to foster growth of neighborhood retail entrepreneurs will be enhanced. Positions created as a result of incentives from the TIF Fund are dedicated to pay living wage or above.

The number of direct jobs as a result of each proposed individual development project has not been determined. However, the overall estimated economic impact of the district-wide Community Redevelopment Plan is projected to be over \$40 million and supports over 300 direct and indirect jobs over the 30-year TIF period. Additionally, based on the anticipated construction activity, the Area Plan should generate more than 2,800 construction related jobs.

KLONDIKE PARTNERSHIP COMMUNITY REDEVELOPMENT PLAN SOURCES¹⁶

Klondike Neighborhood Master Plan, May 2022 – cbz Partners

Klondike Partnership website “Moving Klondike Forward” www.movingklondikeforward.com

Memphis 3.0 Comprehensive Plan, Market Housing Study and Transit Vision 2019

U.S. Census Bureau, 2010 Census

The Memphis and Shelby County Unified Development Code (UDC)

¹⁶ *Moving Forward*, Community Redevelopment Plan, Klondike Partnership. August 2022.

APPENDIX A

APPENDIX A: PHOTOGRAPHIC EVIDENCE

Deteriorated and Dilapidated Buildings and Improvements

A vacant, dilapidated single family structure with deteriorated site improvements. Specific conditions include damaged and rotting siding; exposed sheathing; damaged roofing, fascia, and soffit; missing and damage masonry porch; deteriorated driveway pavement and curb apron; buckling fence with missing and rotting pickets; and a dilapidated detached accessory structure.



A burned out single family structure has not been demolished. The property shows clear signs of abandonment as lawn is unmaintained, trees are overgrown, and home furnishings are strewn across the front lawn.

APPENDIX A: PHOTOGRAPHIC EVIDENCE***Deteriorated and Dilapidated Buildings and Improvements***

A vacant, deteriorated, two-family structure with deteriorated site improvements. Specific conditions include damage and rotting siding; boarded up front doors; and deteriorated porch and walkway pavement; unmaintained and overgrown vegetation and discard dead tree limbs; deteriorated driveway where curb aprons are constructed.



A vacant, deteriorated, single family structure with deteriorated site improvements. Specific conditions include damaged and rotting siding, window framing, roofing, fascia and soffit; broken windows; cracked and crumbling concrete porch and stairs; unmaintained and overgrown vegetation; cracked and crumbling retaining wall; and trash discarded in front lawn.

APPENDIX A: PHOTOGRAPHIC EVIDENCE***Deteriorated and Dilapidated Buildings and Improvements***

A vacant, dilapidated, single family structure with deteriorated site improvements. Specific conditions include sagging exterior brick wall; damaged and missing, fascia, and soffit; broken windows; deteriorated porch railing; unmaintained and overgrown vegetation; and a sagging and bowing retaining wall.



A dilapidated, single family structure with deteriorated site improvements. Specific conditions include cracked exterior brick wall of carport; damaged fascia, and soffit; a hole in the carport roof; deteriorated driveway pavement; and rotten porch decking and stairs.

APPENDIX A: PHOTOGRAPHIC EVIDENCE***Deteriorated and Dilapidated Buildings and Improvements***

A deteriorated commercial structure with deteriorated site improvements. Specific conditions include deterioration of masonry walls and pavement.



Deteriorated wood and chain link fences along the rear lot line of several residential properties.



Deteriorated site improvements on a single family lot including deteriorated fencing and driveway pavement, inadequate parking facilities.



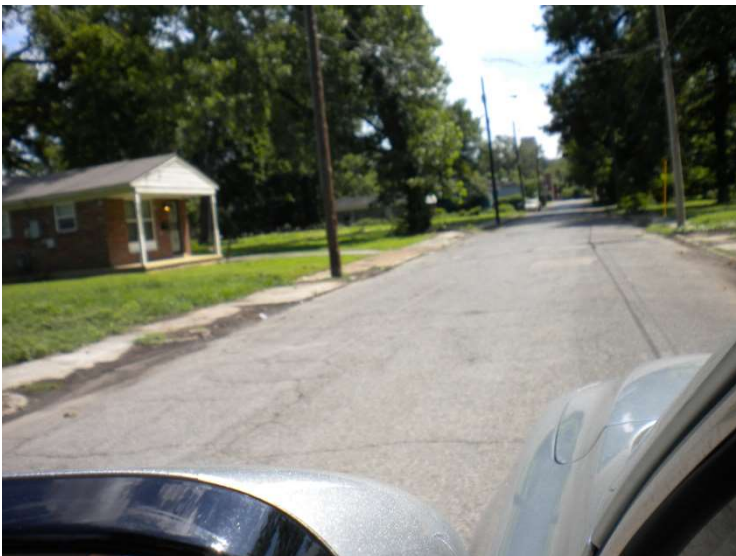
An abandoned construction site where a foundation and plumbing has been installed.

APPENDIX A: PHOTOGRAPHIC EVIDENCE***Faulty or Inadequate Street and Sidewalk Conditions***

1) Deteriorated sidewalks and stormwater drains obstructed by dead vegetation and debris. 2) Utility poles installed in the center of sidewalks rather than with a planting strip.



1) Deteriorated sidewalk pavement overgrown by unmaintained vegetation. 2) Sagging power lines hang low over residential properties. 3) Deteriorated street pavement.



1) Deteriorated sidewalk pavement overgrown by unmaintained vegetation. 2) Utility poles installed in the center of sidewalks rather than with a planting strip. 3) Deteriorated street pavement.



1) Narrow and deteriorated sidewalks. 2) Sidewalk obstructions create barriers for safe pedestrian access.

APPENDIX A: PHOTOGRAPHIC EVIDENCE

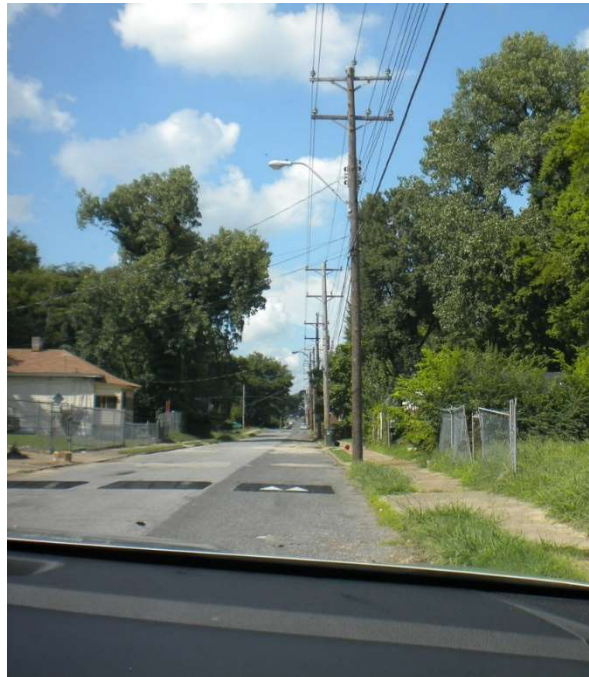
Faulty or Inadequate Street and Sidewalk Conditions



1) Deteriorated street pavement. 2) Deteriorated sidewalk pavement. 3) Overgrown vegetation obstructs pedestrian access along sidewalks.



1) Deteriorated street pavement. 2) Narrow and deteriorated sidewalk pavement. 3) Utility poles are not installed within a planting strip, creating a clear path obstruction for pedestrians. 3) Dead and overgrown vegetation obstructs pedestrian access along sidewalks.



1) Deteriorated street pavement. 2) Deteriorated sidewalks with overgrown vegetation. 3) Sagging power lines hang low over residential properties.

APPENDIX A: PHOTOGRAPHIC EVIDENCE

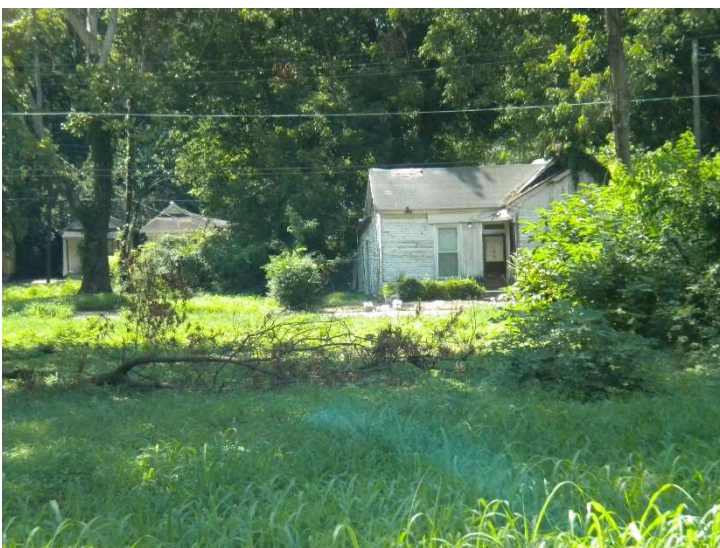
Conditions Endangering Life or Property & Unsafe and Unsanitary Conditions



1) A two-family structure is almost completely overgrown by unmaintained vegetation. 2) Trash discarded in the front lawn.



1) A single family structure on the left is almost completely overgrown by unmaintained vegetation. 2) A limb from a large unmaintained tree has fallen onto the roof of the house on the left. The same tree has limbs which are overgrown impacting the single family structure on the right.



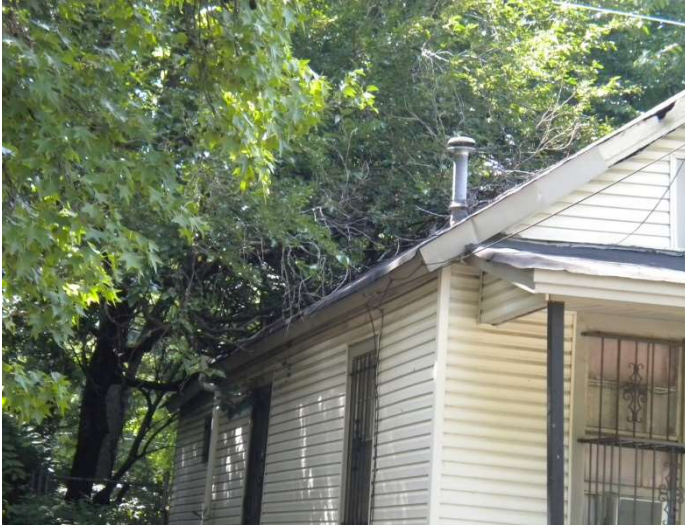
1) (forefront) A vacant lot has unmaintained vegetation and discarded dead tree limbs. 2) (background) A single family structure is almost completely overgrown by unmaintained vegetation.



1) A vacant, abandoned, single family structure is almost completely overgrown by unmaintained vegetation.

APPENDIX A: PHOTOGRAPHIC EVIDENCE

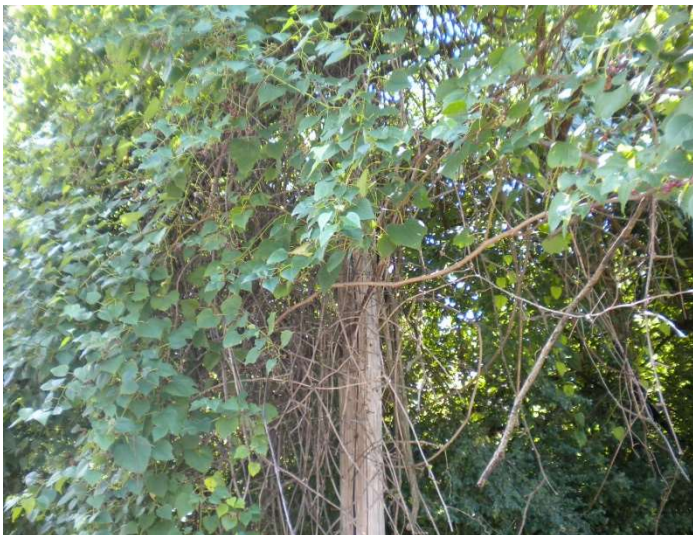
Conditions Endangering Life or Property & Unsafe and Unsanitary Conditions



1) Unmaintained vegetation and fallen limbs on the roof of a deteriorated single family structure.



1) Unmaintained vegetation and fallen limbs on the roofs of a deteriorated single family structure.



1) A utility pole completely covered by overgrown vegetation.



1) Unmaintained vegetation on a single family lot with deteriorated driveway pavement.

APPENDIX A: PHOTOGRAPHIC EVIDENCE***Conditions Endangering Life or Property & Unsafe and Unsanitary Conditions***

1) An automotive repair shop being operated from the detached garage of a single family structure. 2) Wrecked and inoperable cars and motorcycles parked in the drive, on the front lawn, and along the street. 3) Tires and other materials discarded on the sidewalk.



Trash and debris including mattresses discarded along the street.



Trash, debris, furniture, and dead vegetation discarded along the sidewalk creating an obstruction to safe pedestrian access.



Inoperable vehicles parked on the lawns of a residential lot.

APPENDIX B

APPENDIX B: PARCEL LIST