

WORLD'S FAIR SITE
KNOXVILLE, TENNESSEE

Strategies for the Development of a
Convention Center and the Redevelopment
of the World's Fair Site

July 27-31, 1998
An Advisory Services Panel Report

ULI—the Urban Land Institute
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ABOUT ULI-THE URBAN LAND INSTITUTE

ULI—the Urban Land Institute is a nonprofit research and education organization that promotes responsible leadership in the use of land in order to enhance the total environment.

The Institute maintains a membership representing a broad spectrum of interests and sponsors a wide variety of educational programs and forums to encourage an open exchange of ideas and sharing of experience. ULI initiates research that anticipates emerging land use trends and issues and proposes creative solutions based on that research; provides advisory services; and publishes a wide variety of materials to disseminate information on land use and development.

Established in 1936, the Institute today has some 14,000 members and associates from 77 countries, representing the entire spectrum of land use and development disciplines. Professionals

represented include developers, builders, property owners, investors, architects, public officials, planners, real estate brokers, appraisers, attorneys, engineers, financiers, academicians, students, and librarians. ULI relies heavily on the experience of its members. It is through member involvement and information resources that ULI has been able to set standards of excellence in development practice. The Institute has long been recognized as one of America's most respected and widely quoted sources of objective information on urban planning, growth, and development.

This Advisory Services panel report is intended to further the objectives of the Institute and to make authoritative information generally available to those seeking knowledge in the field of urban land use.

Richard M. Rosan
President

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ULI Catalog Number: ASK 002
Cover photo: Karen A. Danielsen

ABOUT ULI ADVISORY SERVICES

The goal of ULI's Advisory Services Program is to bring the finest expertise in the real estate field to bear on complex land use planning and development projects, programs, and policies. Since 1947, this program has assembled well over 200 ULI-member teams to help sponsors find creative, practical solutions for such issues as downtown redevelopment, land management strategies, evaluation of development potential, growth management, community revitalization, brownfields redevelopment, military base reuse, provision of low-cost and affordable housing, and asset management strategies, among other matters. A wide variety of public, private, and nonprofit organizations have contracted for ULI's Advisory Services.

Each panel team is composed of highly qualified professionals who volunteer their time to ULI. They are chosen for their knowledge of the topic of the panel and screened to ensure their objectivity. ULI panel teams are interdisciplinary. Teams typically include several developers, a landscape architect, a planner, a market analyst, a financial expert, and others with niche expertise needed to address the project. ULI teams provide a holistic look at development problems. Each panel is chaired by a respected ULI member who has previous panel experience.

The agenda for a five-day panel assignment is intensive. It includes an in-depth briefing day

composed of a tour of the site and meetings with sponsor representatives; a day and a half of hour-long interviews of typically 80 to 100 key people within the community; and a day and a half of formulating recommendations. Many long nights of discussion precede the panel's conclusions. On the final day on site, the panel makes an oral presentation of its findings and conclusions to the sponsor. At the request of the sponsor, a written report is prepared and published.

Because the sponsoring entities are responsible for significant preparation before the panel's visit, including sending extensive briefing materials to each member and arranging for the panel to meet with key local community members and stakeholders in the project under consideration, participants in ULI's five-day panel assignments are able to make accurate assessments of a sponsor's issues and to provide recommendations in a compressed amount of time.

A key strength of the program is ULI's unique ability to draw upon the knowledge and expertise of its members, including land developers and owners, public officials, academics, representatives of financial institutions, and others. In fulfillment of the mission of the Urban Land Institute, this Advisory Services report is intended to provide objective advice that will promote the responsible use of land to enhance our environment.

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CONTENTS

ACKNOWLEDGMENTS	5
PANEL MEMBERS AND STAFF	6
FOREWORD: THE PANEL'S ASSIGNMENT	7
OVERVIEW AND SUMMARY OF RECOMMENDATIONS	9
MARKET ISSUES AND POTENTIAL	15
PLANNING AND DESIGN	24
DEVELOPMENT STRATEGIES	33
IMPLEMENTATION	40
CONCLUSIONS	46
ABOUT THE PANEL	47

ACKNOWLEDGMENTS

On behalf of the Urban Land Institute, the panel members and staff would like to thank Mayor Victor Ashe and the Public Building Authority (PBA) of the county of Knox and the city of Knoxville, Tennessee.

In particular, the panel would like to take this opportunity to express its appreciation to individual members of the PBA, the sponsor for this panel—Mike Edwards, administrator and CEO; Darlene Smolik, COO; Brian Gracey, executive director of property development; and Tom Mc Adams, special projects counsel—for serving as the primary sponsor liaisons with the panel and facilitating on-site logistics. The panel and staff would also like to thank Don Parnell, executive vice president, and Pete Crowley, director, of Central City Development of the Knoxville Area Chamber Partnership for their insightful information on the city

and the project. Mike Wilds, executive director of the Knox County Tourist Commission, and Norman Whitaker, executive director of the Metropolitan Planning Commission, also deserve acknowledgment for their important roles in the convention center project. Special thanks go to Pete Crowley and to Becky Ishibashi and other PBA staff for their logistical support in assembling an extensive briefing book.

The panel would also like to express its gratitude to the many civic leaders, business leaders, and citizens of Knoxville who took the time to share their ideas, insights, and opinions with the panel during the interview process. The citizen participation process is always crucial to the panel's end product. The panel's recommendations are a blend both of the city's concerns and of the input of all participants.

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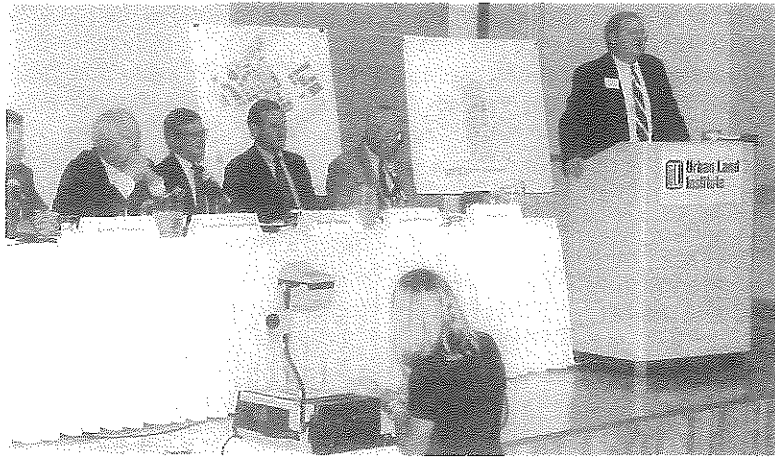
Rose Kim
Events Manager

FOREWORD: THE PANEL'S ASSIGNMENT

The panel was asked to address a series of issues related to the existing plans for the convention center, drawn up by the Public Building Authority (PBA). The main question raised by the sponsor was whether the World's Fair site could reasonably support private development in conjunction with a convention center, given Knoxville's potential local, regional, and national markets.

The sponsor also wanted the panel members to consider the following issues and themes as recommendations were developed:

- What is the package of amenities that could realistically be developed to support the convention center and to draw local and regional patrons? The panel was also asked to identify potential market opportunities appropriate for the site.
- How can the sponsor address the public's concerns for preserving or enhancing the park's existing features? These concerns include the preservation of green space and open areas for concerts and large events.
- What is the potential drawing power of the convention center and its influence on the redevelopment of the downtown?
- What benefits and impacts might the convention center have on surrounding uses, such as the Fort Sanders neighborhood and the University of Tennessee, and how could the impact on existing businesses and historic structures be minimized?
- What impact would the convention center have on existing infrastructure, and what new infrastructure would be needed to serve the site?
- How should the PBA proceed with the development strategy, and how should it structure the relationship with the developer to recapture eventually the public investment in the site?



Mike Edwards of the Knoxville Public Building Authority introduces the panel presentation.

The panel began its orientation for the Knoxville assignment by reading a detailed briefing book provided by the sponsor. Panel members followed up this preparation with on-site visits, a viewing of areas surrounding the CBD, and a one-and-one-half-day series of interviews with more than 100 interested individuals, who shared their insights, ideas, and opinions on the World's Fair site. Then the panel worked through the information presented. This report is a consensus response to the sponsor's questions.

Mike Kelly, panel chair, takes questions from the audience during the public presentation.



The panel believes that this assignment has offered a unique opportunity to review land planning concepts for a parcel of urban land that has significant meaning for the people of Knoxville: the World's Fair site. The site retains a superb potential resource for the redevelopment and revitalization of a major portion of the CBD. The fact that a new convention center has been approved for this site, together with the opportunity to modernize and enhance the park as a destination gathering place, is clear evidence of the community consensus behind beginning to remake the downtown into a regional destination.

The panel broke into teams to address four basic response areas to the questions presented to them: market issues and potential, planning and design, development strategies, and implementation. The panel's primary assignments were to provide an overview of prospective and potential land uses for the World's Fair site, based on building a new convention center, and to analyze the center's potential impact on Knoxville, the downtown, and adjacent areas.

Of primary concern were the lack of existing attractions and amenities close to the new convention center's site, and the fact that convention center business *by itself* will not support substantial added private development. Some people interviewed by the panel expressed the view that, for the convention center to succeed the PBA and the city will also have to create simultaneously a magic bullet or a major destination draw that will automatically make the World's Fair Park a site that can compete with other famous entertainment and attractions.

The original development objectives that the city established for the convention center have offered a guide to the panel as it has developed its recommendations. The panel feels that every one of the goals can be successfully accomplished without a magic bullet solution. The city's development objectives state that the convention center should:

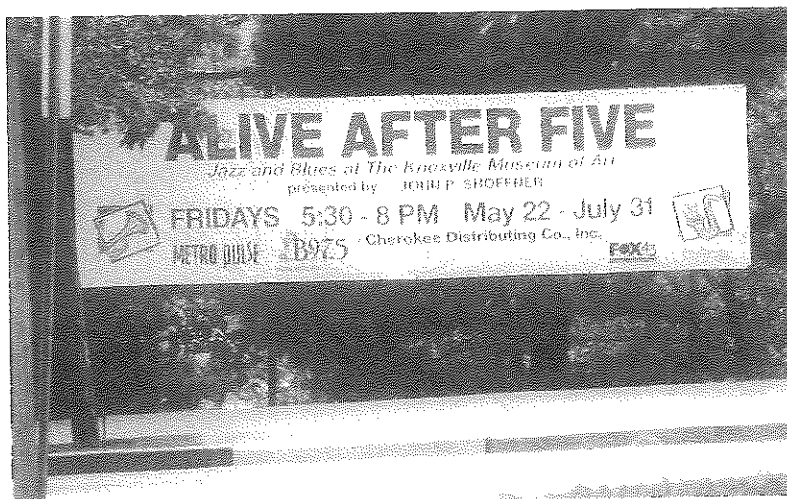
- Serve as an economic catalyst.
- Stimulate additional development/redevelopment for the Knoxville area.
- Bring more local people downtown.

- Reinforce the downtown's position as regional hub.
- Strengthen Knoxville as the gateway to the Smoky Mountains.
- Create appeal to convention organizers and meeting planners.
- Present a high-quality image of the community, reflecting local assets and resources.
- Generate peripheral development for the convention center, to establish a competitive edge.
- Provide additional entertainment/recreational amenities.

The panel suggests that the community must successfully renovate and restore a major portion of the World's Fair site as a public park. The most beneficial impact the convention center could provide to the community would arise from a program to preserve and enhance the park, reconnecting the park to the Tennessee River and allowing the continued use of the site as a gathering and event place.

The ten panel members contributed their time and expertise to the city of Knoxville on behalf of ULI and the citizens of Knoxville. This report documents the panel's findings, conclusions, and recommendations, which were publicly presented to the sponsors and interested citizens of the city of Knoxville on July 31, 1998, at the conclusion of the panel's work.

The panel recommended holding more events such as the one advertised here on the World's Fair site to draw more people to the downtown.



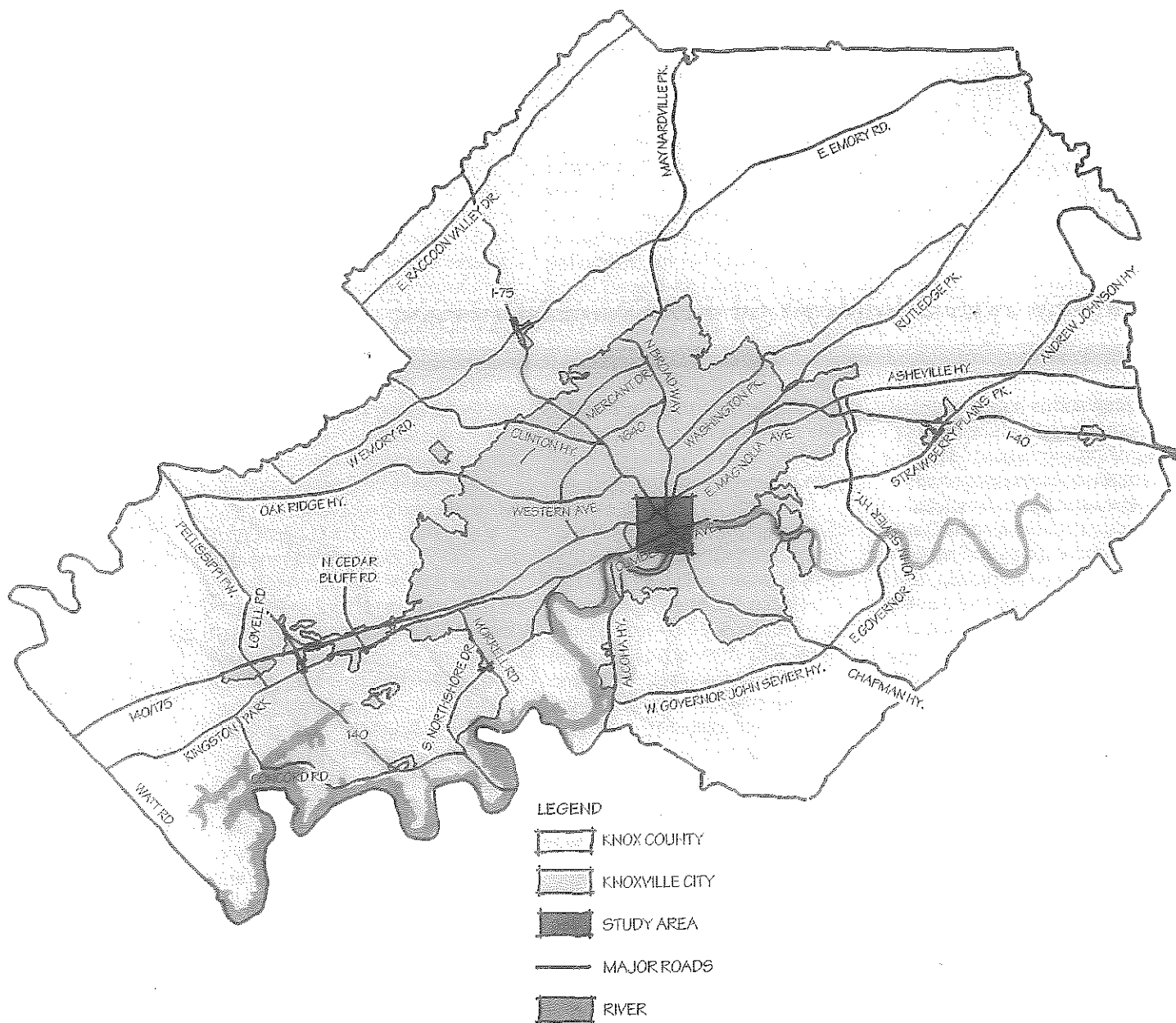
OVERVIEW AND SUMMARY OF RECOMMENDATIONS

Located within a day's drive of more than half of the U.S. population, Knoxville stands at the crossroads of three major highways and near the most visited national park in the United States. Three national parks and seven recreational lakes lie within a 90-minute drive of the city. Knoxville is less than an hour from Gatlinburg and Pigeon Forge, two major entertainment destination cities in East Tennessee.

Knoxville's downtown, like many American central business districts, has experienced population loss and has lost business to the suburbs. Recognizing the need to draw both the local and the tourist trade to the downtown, Knoxville believes that building a world-class convention center will jump-start private investment in the convention center site and inject new business activity into the downtown. This facility is to be large enough to attract major national and local conferences, trade shows, and events.

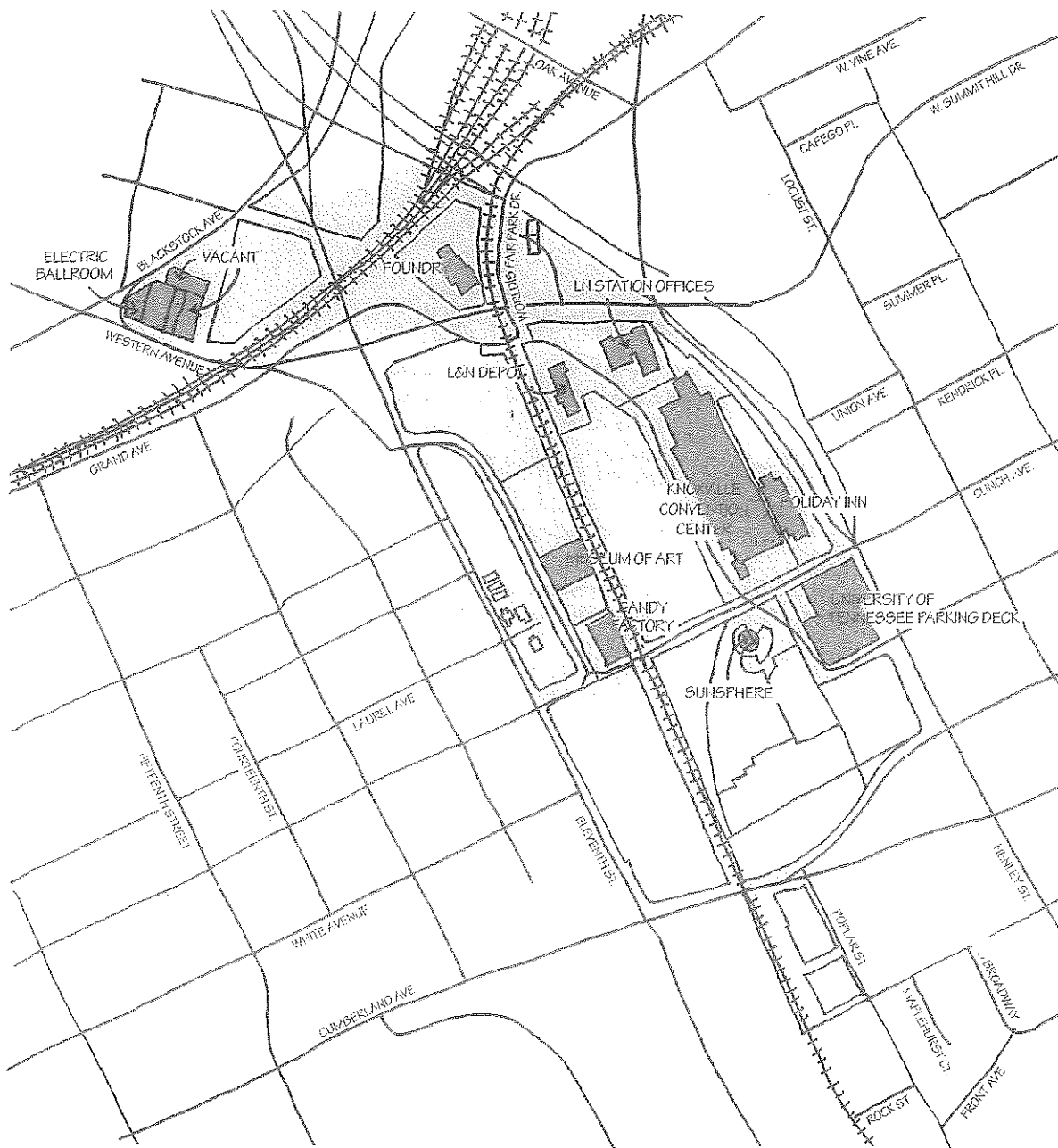


CITIES WITHIN 600 MILES OF KNOXVILLE



The city of Knoxville believes that it should capitalize on its location at the intersection of I-75 and I-40 and at the entrance to the Great Smoky Mountains Na-

tion of housing the University of Tennessee and the Tennessee Valley Authority (TVA) and of being close to the Oak Ridge National Laboratories.



SELECTED DETAIL ON WORLD'S FAIR SITE AND ENVIRONS

SITE DESCRIPTION

The city of Knoxville, through the PBA, selected the 53-acre former 1982 World's Fair site for the convention center after a site se-

lection process that included a substantial amount of public scrutiny; the choice of site ultimately was based on community consensus. The site was deemed

the most appropriate because of its name recognition, the available land, its location near the intersection of I-40 and I-75, and its proximity to the downtown.

The World's Fair site remains a popular place for big events. Here the park is being set up for an outdoor rock concert.

After the fair closed in 1982, the temporary structures were removed, leaving the site with a mix of new and historic structures. Opened in 1986, the Knoxville Museum of Art, a 55,000-square-foot facility, is the site's most recent addition. The buildings remaining from the World's Fair include the Sunsphere, an amphitheater, and a 65,000-square-foot exhibit hall. The historic L&N Station and the L&N Depot building have been used as restaurants and for catering. The Candy Factory, another historic structure, is a seven-story brick factory/warehouse used for arts and crafts workshops and for the production of hand-crafted chocolates. The site also has a passive water feature built for the World's Fair that runs almost the length of the park, an aging viaduct that bisects the site at midpoint, and a gated railroad track that traverses the length of the site. There are several parking lots scattered throughout the site in various states of improvement.



The site has served as a city park since the end of the fair and continues to be used for short-term city events, festivals, and concerts. Despite the central location and the site's recognition potential, little to no development has occurred on the site in the past 16 years. This new convention center will be the largest development undertaken in the city's history.

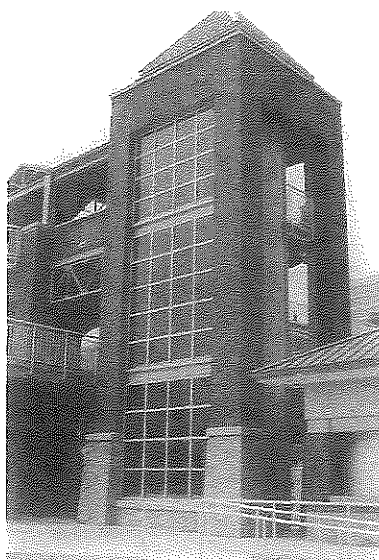
Before the ULI panel was assembled, the PBA had prepared a conceptual master plan for the development, enhancement, and expansion of the site. The PBA had worked with a number of consultants to site and plan the convention center and had tentatively selected a site for the building near the southernmost portion of the World's Fair site. The site selection process received an enormous amount of public attention

and input before the convention center's site had been decided. The PBA had also issued an RFO seeking qualifications from developers interested in building the convention center.

The convention center project and the redevelopment of the World's Fair site are parts of a larger revitalization effort for Knoxville. The city has the following ongoing or recently completed public and private projects that will be influenced or affected by the redevelopment of the World's Fair site:

- **Riverfront Development.** This project is a combination of public and private ventures. The waterfront park is part of a larger riverfront development on the Tennessee River. The project also includes a restaurant, a commercial area, a residential

Gateway Pavilion (left) and Knoxville's new riverfront development (right).



development, and the Women's Basketball Hall of Fame. The city of Knoxville and the National Park Service are jointly developing a regional information center along the river, to be called the Gateway Pavilion.

- *Market Square.* The city has adopted a redevelopment plan for the historic structures fronting on a large city plaza in Knoxville's downtown. Market Square currently contains a modest mix of uses, including restaurants, retail uses, and office space.
- *Old City.* The Old City is a turn-of-the-century commercial section full of restored and unrestored warehouses and other historic structures that has had mixed success as a commercial, entertainment, and downtown residential area.
- *Minor League Baseball Stadium.* A stadium has been considered for the northern end of the World's Fair site, near the intersection of Interstates 40 and 75.



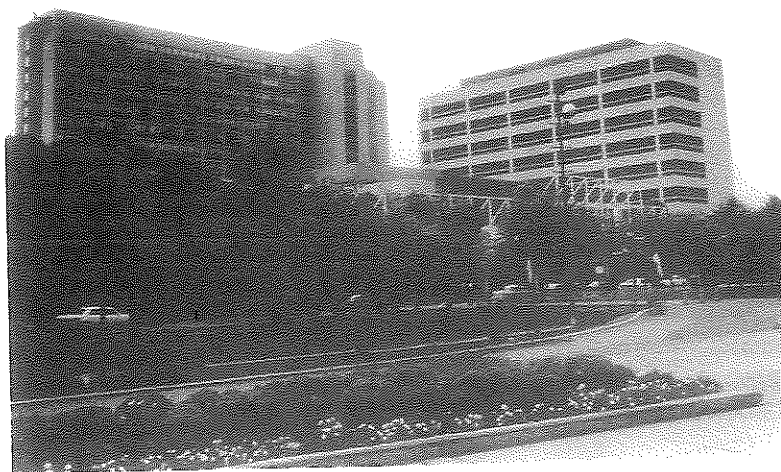
Jeanne Giordano presents her recommendations during the public meeting.

SUMMARY OF FINDINGS AND RECOMMENDATIONS

The panel believes the following strategies are the most important to ensure reasonable success for a new convention center on the 1982 World's Fair site:

- The city should draw up a master plan for the site that includes residential elements, limited commercial uses, civic spaces, and park facilities with recreational venues. The master plan should also involve a site-specific hospitality strategy that is part of a citywide hospitality or tourism plan. A master plan needs to be developed to create a first-class park that will be a defining image for Knoxville and to establish a commitment to open space preservation. The master plan should:
 - Use a theme for the World's Fair site as the guiding principle for design and parcel development, such as one related to the Smoky Mountains.
 - Open up the site's culvert, and restore the creek and water features.
 - Use plant species native to the Smoky Mountains.
 - Remove the rail line.
 - Encourage additional museums drawing on local history and attractions.
 - Develop multiple festival places.
- The panel believes that the proposed 400,000- to 450,000-square-foot convention center plan is appropriate, with approximately 100,000 square feet of that space devoted to exhibition space. The panel suggests an alternative place on the World's Fair site—a location facing Henley Street—to that originally proposed for the convention center. This alternative site would offer many development advantages over the original site proposed. Locating the convention center on the alternative site, which is closer to the downtown, will draw more visitors to the businesses that now exist in the CBD.

The Holiday Inn borders the site.



- Enhanced amenities on the site and near the convention center are needed and should be built to mirror the scale of the site and not to overwhelm it. Amenities needed include existing hotel renovation and expansion, plus retail, restaurant, and entertainment uses to support the convention center.
- The city will not be able to support new hotel space solely based on the convention center traffic. A city's economy drives the need for new hotel space; thus, until the business climate can support such space, the panel recommends that existing hotels be renovated and expanded before new ones are built.
- The plan should try to concentrate activity support for convention center users in and around the downtown, where there are already natural nodes of development, such as Market Square.
- Downtown residential development should also be part of the strategy to support new retail and the Market Square redevelopment. Local demand generated by people living downtown will help support retail and other amenities needed to level off the peaks and valleys of the convention center trade. The city should support residential development by instituting a friendly permit process and supporting the conversion of historic buildings. Keeping residents in the downtown should involve the Fort Sanders neighborhood in the plan. The plan should also promote medium-density redevelopment along 11th Street. Portions of the Fort Sanders neighborhood should have historic zoning overlays to help control designs as development/redevelopment occurs in the Fort Sanders neighborhood, and to make the area eligible for historic preservation tax credits for rehabilitation.
- The panel recommends that the city establish two dedicated positions to work toward the successful development of the World's Fair site. The more important position would be a dedicated project manager (who may work for the PBA if appropriate) to oversee the day-to-day activities of the convention center construction. The project manager should be someone who comes from the private sector or possesses significant private sector expertise and is skilled in the administration of multiuse projects. The other position would be a full-time marketer who would promote the downtown. Either the marketer should be hired under the Central Business Improvement District (CBID), or the city of Knoxville should start a new agency or office devoted to this purpose.

MARKET ISSUES AND POTENTIAL

DEVELOPMENT CONCEPT SUMMARY

The PBA plan for the reuse of the 1982 World's Fair site has focused on the construction of a state-of-the-art convention center. The PBA has prepared a concept plan to address the needs and opportunities presented by the initiative, using the following goals:

- To achieve the success realized by other destination cities in obtaining additional economic benefits for the community as a result of their investment in a convention center.
- To respect the original concept of a diverse range of commercial uses to be located at the site (proposed by various advocates between 1981 and the present).

The PBA and the city have recognized the importance of selecting the optimal location for the convention center. Based on criteria identified by their consultants and others, several sites have been identified and analyzed, with the World's Fair site emerging as the one preferred by local interests and meeting planners.

Advocates of World's Fair site reuse have suggested opportunities for developing new activities that would strengthen, enhance, or sustain the performance of the convention center itself and the parts of downtown Knoxville that surround the World's Fair site. These reuses or initiatives could include such compatible elements as:

- Residential units: multifamily and single-family housing priced at market rates and targeted primarily at single professionals, empty nesters, faculty members, and visiting executives.
- Additional cultural and recreational amenities to comple-

ment the Knoxville Museum of Art and the existing amphitheater. Logical themes to be exploited in the Knoxville area include technology and nature, as exemplified on the one hand by the Tennessee Valley Authority (TVA) and Oak Ridge National Laboratories and on the other hand by the Smoky Mountains.

- A larger, upgraded park on the World's Fair site that can become the living green space for Knoxville.

Market support for many of these uses must be evaluated to assist the PBA and any future development partners in determining the highest and best use for the other parcels on the site.



The panel's marketing team, Blount Hunter (left) and David Petersen (middle rear), interview concerned citizens.

Tom McAdams, special counsel to the Public Building Authority, briefs the panel.

COMMUNITY GOALS AND OBJECTIVES

Market studies prepared for the community and PBA in 1992 and 1997 identified the need to expand support facilities near or adjacent to the convention center and to enhance the overall attractiveness of Knoxville as a destination. Accordingly, the PBA's concept plan has proposed to develop, or encourages others to develop, the following:

- New or expanded hotels near the new convention center.
- Retail, restaurant, and entertainment enterprises nearby, either as a newly built complex like an urban entertainment center (UEC) or as freestanding elements.
- Additional tourist-oriented attractions and destinations.

The ULI panel concurs with this plan and encourages the PBA to adopt a development plan that positions the entrance to the convention center as close as possible to the existing nucleus of downtown hotels.

ROLE OF THE PBA

Given its successful track record in developing major projects sponsored by the city and county governments, the PBA has been authorized by the city of Knoxville to initiate development of the convention center on the World's Fair site and to encourage the private development of other uses on the World's Fair site through various means, including participation in public/private joint ventures.

A request for qualifications (RFO) issued by the PBA in May 1998 has attracted responses from several regionally and nationally known developers of projects similar to those contemplated in the PBA concept. The PBA will prepare a building program defining the required and optimal building areas to be developed on the World's Fair site and in the surrounding areas.

MARKETING AND DEVELOPMENT STRATEGIES

The panel's marketing team has evaluated whether a unified development approach for the World's Fair site was possible and concluded that, based upon community goals and objectives, such an approach is not only realistic but desirable for the World's Fair site. As was done with the site selection process, a community consensus and strategic resolve should serve to define the goals for the World's Fair site reuse.

Knoxville expects to attract one or more development teams that will undertake at-risk development of the private development portion of an overall public/private project. The interviews have suggested reasonable community acceptance of a state-of-the-art meeting and conference center. As a result, this one element of the site reuse is assumed to be proceeding; however, the nature and extent of additional commercial development on the site—while such development is deemed appropriate and desirable by PBA members and other constituents in the community—are less evolved as concepts.



DEFINING A THEME

Theming the redeveloped World's Fair site should continue as a strategy. The 1982 World's Fair was organized around an energy theme, with an emphasis on a combination of education and fun for the family. By all accounts the clarity of theme provided a successful marketing base for the fair. Similarly, a comprehensive, compelling theme can be a desirable aspect of a master plan for the World's Fair site.

From a marketing perspective, theming becomes a useful tool. A theme provides a marketing platform and a focused basis for generating market support, and the theme need not be of a commercial nature. Valid ideas for application in the Knoxville area could range from the great outdoors to Appalachian life. A possible strategy of maximizing the passive park space on the World's Fair site would present opportunities for developing a theme to distinguish this park. A theme should reflect inherent, unique attributes of the site or setting, to maximize competitive advantage. A theme that can be easily replicated will have diminished impact; those that are artificially generated may have shorter life cycles than those that are more indigenous or genuine.

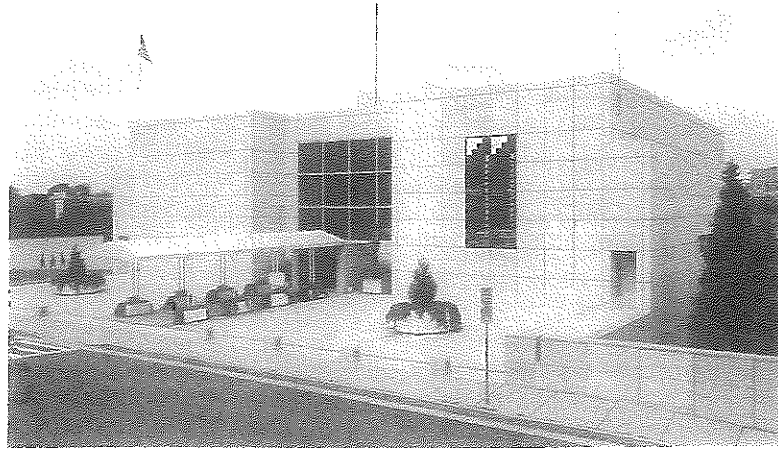
In addition to providing a marketing platform, a theme would assist in the selection process when multiple development proposals are under consideration. All things being equal, a proposal that best fits or enhances the chosen World's Fair site theme would stand out among competing development concepts.

IDENTIFYING SOURCES OF MARKET SUPPORT FOR PROPOSED DEVELOPMENTS

The Knoxville region has diverse sources of market support, including a growing resident base, a large student population, and a visitor market. The visitor market can be further divided into destination visitors and a substantial pass-through population. These sources of market support reflect external factors, including Knoxville's geographic location, its strategic position at the intersection of three major interstate highways, and internal characteristics like the main campus of the University of Tennessee, and a stable economic base.

Each of the key sources of market support can be readily documented and quantified:

- The resident population of the metropolitan statistical area (MSA) itself is approaching 600,000 through natural growth, fueled by a reasonably strong local economy.
- The University of Tennessee represents a submarket of nearly 30,000 students, generating numerous economic benefits related to expenditure and turnover.



- The overnight visitor market in the MSA is estimated at 1.8 million per year, with estimates of pass-through tourist/visitor traffic of 9 to 11 million per year.
 - Making an assessment of the World's Fair site's market potential will be a dramatically different task from projecting market support for a specific development concept located on a specific parcel. It is not possible to define the World's Fair site's market potential except in response to a relatively specific development proposal. In assessing the potential and probable consumer responses to a World's Fair site development concept, full consideration must be given to the sources of market support, as identified using realistic assumptions such as:
 - The aggregate market response to the specific items of the development proposal, as determined by the viability and sustainability of the concept itself.
 - Physical access to the site.
 - Presence or absence of competitive concepts.
 - Marketing prowess of the operator in achieving broad project awareness.
- Knoxville's market potential base is vast, although tapping into key sources of market support will pose several distinct challenges, including these facts:
- The resident market, while growing, is of modest size by national standards.
 - The student population, while large and robust, does not generate the full spectrum of retail spending that would come from a comparable number of employed households.
 - The visitor market in Knoxville is modest relative to those of nearby tourist destinations. A strategic goal of intercepting pass-through visitors is rational, though full of risks.

Many destination attractions and uses would be appropriate for the urban civic space that the World's Fair site represents. The existing Knoxville Museum of Art is a prime example of a noncommercial destination attraction that suits the location. Other facilities serving civic, cultural, artistic, recreational, or tourist purposes would be appropriate on the World's Fair site, and limited commercial development would be appropriate, based on the assumed convention center.

The public sector should proceed with caution, however, on large-scale projects such as theme parks, urban entertainment centers, or themed visitor destinations because of the high costs and high risks of this type of development. The PBA must understand the magnitude of market support required for an urban entertainment center of a size sufficient to have a chance of becoming a critical-mass destination in the Knoxville market. The panel estimates this size to be 200,000 square feet and suggests considering an example based on the following market support assumptions:

- That \$80 million in annual sales would be required to support the proposed 200,000-square-foot critical mass, with operating productivity of \$400 per square foot.
- That sales productivity of less than \$400 per square foot would jeopardize the ability of the development to cover construction and/or development costs.

- That 5 million annual visits would be required at the level of average per capita spending associated with this type of development (\$10 per person).
- That generating 5 million patrons in the Knoxville market would require substantial market penetration.

To reach the required level of traffic to support the proposed facility fully:

- Every adult in the Knoxville MSA must visit six times per year;
- Every convention center attendee must attend;
- Every student at the University of Tennessee must attend twice per month during his or her eight-month annual stay in Knoxville; and
- Every downtown worker must visit 25 times per year (once every other week).

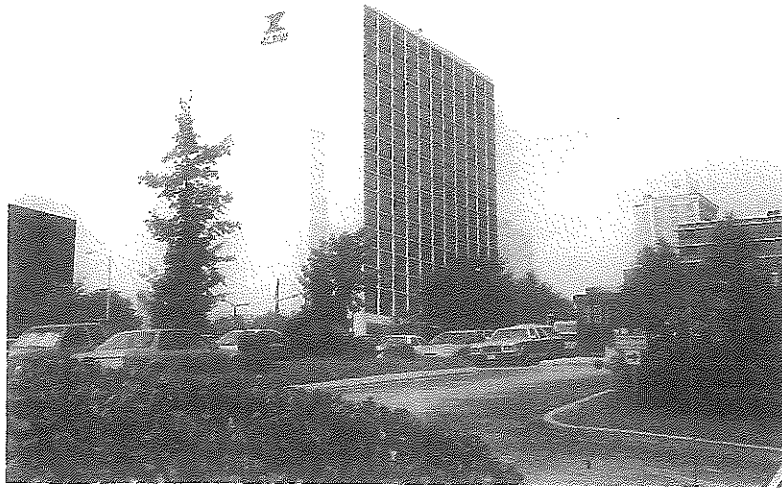
In addition, *the proposed development would still need to capture 25 percent of all tourists who drive through the region, or 100 percent of overnight visitors (those using hotels) in the Knoxville region.*

The panel's marketing team believes that the probability of generating and sustaining this level of traffic, or market penetration, is not likely. Therefore, such an urban entertainment complex should fall outside the domain of public involvement. Although the concept of a stand-alone urban entertainment complex may not be viable, assuming a critical mass on the World's Fair site, critical elements of an urban entertain-

ment complex may be individually viable. For example, a multi-screen cinema may be profitable in a location on or adjacent to the World's Fair site. Other commercial demand could be accommodated in areas surrounding the site—including the Old City, Gay Street, and Market Square—if appropriate linkages can be established with the World's Fair site.

The modest market support base associated with the Knoxville region serves to limit the number of realistic prospects among entertainment venues and operators that will realistically consider this market without a substantial inducement or subsidy that, under typical circumstances, would be requested of the developer and ultimately of the city. Proven leaders in the entertainment/theme-restaurant industry will demand considerable sums to enter any market they perceive to be marginal compared with their usual operating markets. For most industry leaders, Knoxville and communities with comparable sources of market support represent untested opportunities.

Most successful tourist destinations and entertainment nodes reflect unpredictable and/or unprecedented results based on the market dynamics unique to their own sites. Mere attempts at duplicating projects that appear to be successful elsewhere without replicating the critical underlying market factors will doom such imitations to failure.



The Hilton Hotel, located near the proposed convention center, stands to benefit from the new construction at the World's Fair site.

CONVENTION CENTER

The size of the proposed center (400,000 to 450,000 square feet) appears to be reasonable and consistent with the supply of approximately 1,200 hotel rooms in the downtown. The PBA may elect to conduct more surveys among potential users, focusing on the activities of the TVA, Oak Ridge National Laboratories, and the University of Tennessee. This information could be used to confirm the projected amount of rentable space and to support the reallocation of space between meeting and exhibition uses.

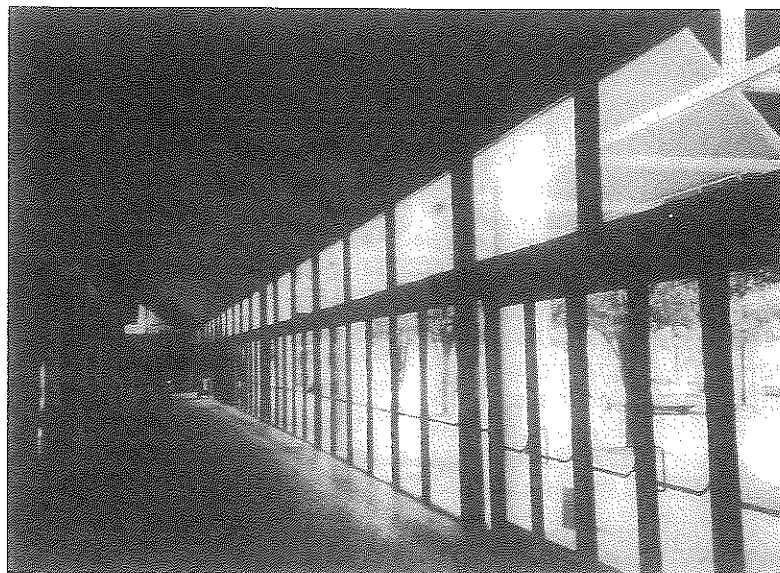
Further, such target market research may reveal the cost-effectiveness of phasing convention center development, giving priority to meeting and assembly space, and delaying exhibit hall construction to a future phase of development. Past use patterns at the existing convention center may have been dictated more by booking policy (or the absence of such a policy) than by market demand. Lucrative conventions and trade shows will not be attracted to the new center if newly instituted booking policies regarding local consumer shows are not strictly enforced.

SUMMARY OF MARKET DEMAND: CONSIDERATIONS AND ISSUES

The types of buildings, enterprises, and/or activities envisioned by the current and previous proposals for the reuse of the World's Fair site may be grouped as follows:

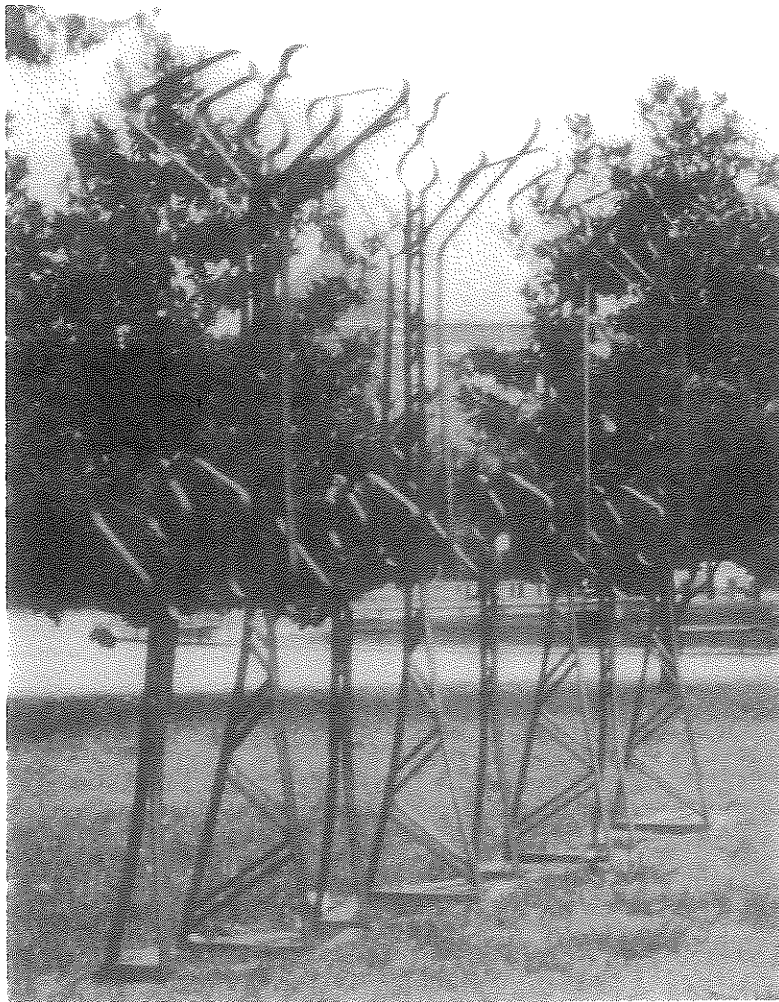
- *Convention Center.* Current plans suggest a total building area of 400,000 to 450,000 square feet, to accommodate an exhibit hall, meeting rooms, ballroom, and mechanical and other nonrental space.
- *Commercial Uses* needed to support the convention center:
 - *Hotel:* a maximum of 200 to 300 new or renovated sleeping rooms.
 - *Retail/restaurant:* a maximum of 50,000 square feet of leasable space.
 - *Entertainment:* a possible multiscreen cinema and/or other elements, as successfully tested.
- *Visitor-Related Uses* not essential to support the convention center.
- *Other Commercial/Related Uses* on the World's Fair site.

The following discussion of the market for these uses is based on prior consultants' reports, opinions of persons interviewed by the ULI panel, and panel members' experiences in evaluating similar uses in comparably sized markets. Each of these proposed ventures must be carefully weighed against the PBA's evaluation criteria, including cost, risk, plausibility, and track record. If the PBA adopts a development policy to include or exclude uses not related to the convention center, the optimization of the World's Fair site reuse could address a diverse (and conflicting) list of potential uses.



Looking out from inside the existing convention center facility on the World's Fair site.

Public art on the World's Fair site.



VISITOR-RELATED USES NOT ESSENTIAL TO CONVENTION CENTER SUCCESS

Respondents to the PBA's developer RFO and previous proposals for reuse of the World's Fair site have included visitor-related enterprises that could benefit the Knoxville economy and the city's residents. The PBA's ability to capture these opportunities and develop a state-of-the-art convention center will be linked to the funding available to PBA, to the community's willingness to develop the World's Fair site, and to competing mandates to rede-

velop other parcels in the area surrounding the World's Fair site.

Some visitor-related uses that are not essential to the marketability or success of the convention center might involve different criteria for determining desirability. For example, the development decision behind the Knoxville Museum of Art was not a purely economic decision.

Other commercial or related uses on the World's Fair site should be based on specific proposals and should be evaluated as they materialize.

OTHER OBSERVATIONS ON THE MARKETABILITY OF THE PROPOSAL

The success of the PBA's development plan and investments will be contingent on critical factors that may be outside PBA's direct control. These factors include many that have already been addressed: downtown office space occupancy and employment growth; the perception of personal safety in the CBD at night; encouragement, support, and financial inducements/incentives for existing and emerging restaurants; retail and entertainment ventures and parking; event programming, management, marketing, and cleanup; and pedestrian-scale corridors with physical and visual linkages with one another. Addressing these issues will have an impact on convention center use and on spin-off commercial ventures.

Lastly, unlike most PBA efforts, this development program may require a five- to ten-year time frame to optimize its buildout. A phased program of development and prioritization will recognize the importance of the PBA's oversight of this development, as compared with its usual role as turnkey developer of single-purpose or freestanding projects.

The panel commends the city of Knoxville for its thoughtful and careful approach to reusing the World's Fair site for a civic purpose. The impetus for constructing a competitive convention center in this case stems from a strategy of broadening the economic base of the region by importing revenue from visitors who currently bypass Knoxville; this is a credible aim. Also, a new convention center will contribute significantly to residents' quality of life in the Knoxville region.

To realize the full benefit of importing visitor revenue requires an acknowledgment that the construction of the convention center must be only one tactic within a larger "hospitality strategy." The community must challenge itself to identify and implement additional tactics for realizing the benefit of enhanced tax revenue and employment from visitors. Realizing the goal of importing visitor revenue does not end with the decision to fund and construct a convention center; rather, it begins with the construction of the convention center and continues through many other tactics broadly applied in the downtown and across the community.

The panel is optimistic that the Knoxville region can devise additional tactics to execute a comprehensive hospitality strategy. The panel also believes that the community will see its hospitality strategy as just one aspect of bringing new vitality to its downtown. Other approaches to revitalize the downtown include business attraction and retention, activity/event programming, and building conservation/improvement elements.



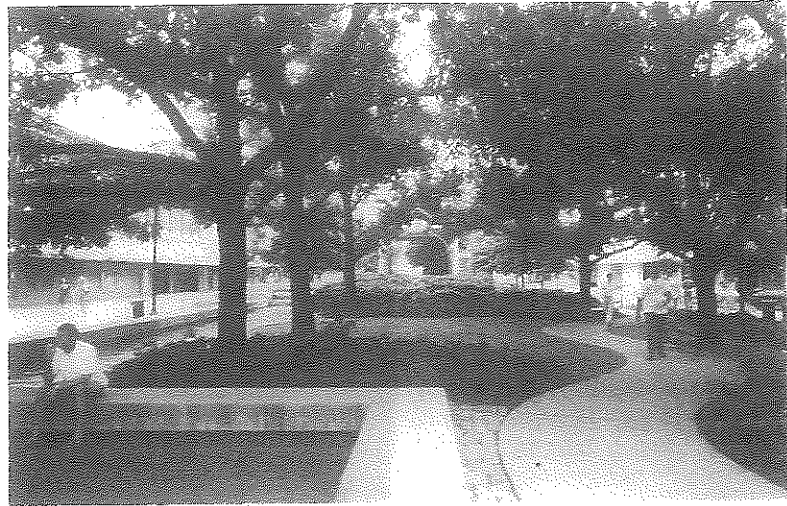
*Approach to downtown via
Henley Street near the inter-
state intersections.*

Downtowns achieve success when they become crossroads destinations for visitors, residents, and all sectors of local market support and when they provide multiple reasons for their use. A downtown that is a strong employment node where people voluntarily opt to spend discretionary time and money is more balanced than a vertical office park with a nine-to-five population. A downtown that is the preferred site for apartment, condominium, loft, or townhouse living by a wide variety of income groups can support a broader array of retail and service establishments than a place where all workers retreat to their homes after work. A CBD using its unique urban environment as the basis for an entertainment/dining district that appeals to residents, tourists, and

workers has a means of competing with the more standardized commercial strip found in every community. A downtown actively programmed for and genuinely embraced by a wide portion of the local population becomes important in the lives of many.

Downtowns typically contain the one-of-a-kind institutions, activities, and vistas, that are sources of community pride. Downtown Knoxville's attractive physical setting and distinctive character offer significant opportunities for creating a robust district that includes the former World's Fair site while extending well beyond the boundaries of the panel's study area.

Parklike features already exist around the site.



PLANNING AND DESIGN

The Sunsphere and the Tennessee Amphitheater are the last remaining buildings from the 1982 World's Fair.



CONTEXT FOR PLANNING

As the panel commenced its assignment, the PBA had already developed a conceptual master plan for the reuse of the World's Fair site resulting from the site selection process. The master plan included a site and location study of possible private development. The PBA then sought developer interest on its proposed uses.

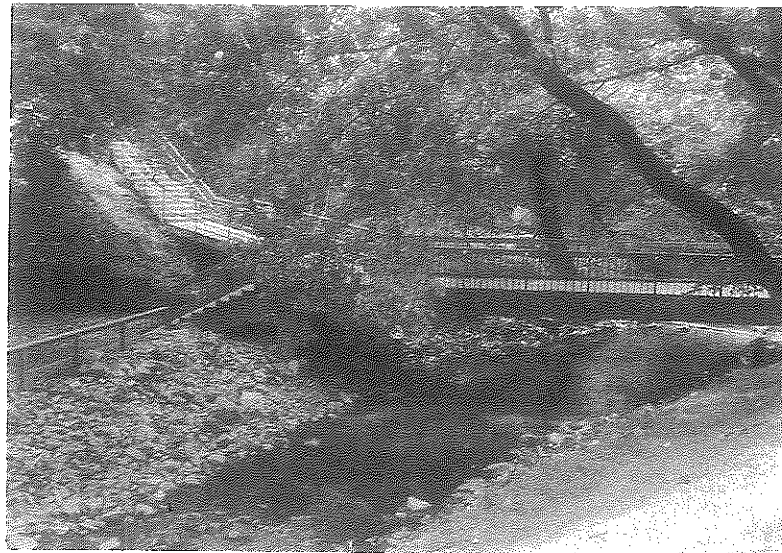
It is the panel's firm conviction that it is now time to establish a comprehensive master plan for the World's Fair site, with a major public park as one of the site's main features. The great cities of the world are renowned as much for their open space—such as New York's Central Park or San Francisco's Golden Gate Park—as they are for a single building or development. The panel believes that the park on the World's Fair site can play a similar role and be the defining image for Knoxville.

The site's master plan must establish the community's commitment to preserving a major open space, and must be a permanent record of the legacy of the Knoxville World's Fair, one of the city's defining moments in recent history. Furthermore, the

master plan should establish the public space and the infrastructure system that connects the city to the Tennessee River and should designate those parcels that are best suited for development compatible with the park's primary functions. When completed, the park should be a magnificent open space, specifically designed for multiple public uses, readily accessible to everyone, and fringed with compatible public and private development. The current image of the old World's Fair Park can be replaced with one of a first-class park with contemporary uses and festivities while preserving icons from its history, like the SunSphere.

CONCEPT FOR THE PARK

The panel's concept for the park is highly compatible with the city's recent slogan of "Nature and Technology." The concept uses a Smoky Mountains metaphor in which the stream (Second Creek) is brought back to the surface as much as it is possible south of Cumberland Avenue. Properly designed, with small dams to form waterfalls and pools and lined with terraces and walkways, the stream can be the focal point, the ribbon that ties the park together and connects it to the Tennessee River. However, investigations into the health and safety issues related to stream restoration need to be explored.



Walkways and terraces line lower parts of Second Creek.

Furthermore, the Smoky Mountains are extremely rich in biological diversity, with as many native species as in all of Europe. Native species should be used extensively for planting the area so that it can be a botanical park (not a botanical garden), to complete the Smoky Mountain metaphor.

The railway line *must* be removed from the park because the line's continued use for freight (including propane) is totally incompatible with the anticipated park uses. The Nature and Technology theme should be further enhanced by encouraging additional museums that celebrate the region's history and achievement. Examples could include a technology museum focusing on the TVA and the Oak Ridge National Laboratories, and a crafts museum capturing the region's rich heritage. Festival spaces designed

within the park would support other compatible uses at the periphery, such as the convention center. Restaurants, entertainment facilities, and pedestrian and bicycle access would produce a level of activity not seen since the 1982 World's Fair.

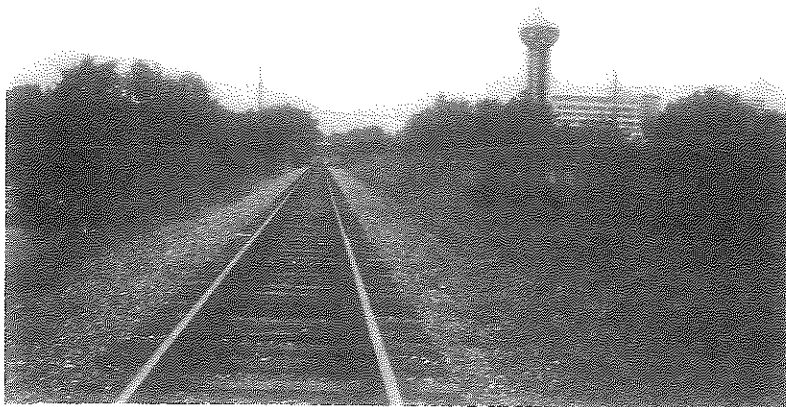
SITING THE CONVENTION CENTER

CURRENT SITE PROPOSAL: CUMBERLAND AVENUE AND 11TH STREET

The panel was asked to critique PBA's current site plan, which includes a new convention center at the corner of Cumberland Avenue and 11th Street. While understanding the advantages of the proposed site in terms of ease of construction and schedule, the panel is deeply concerned about the following issues:

- The proposed convention center site is constrained by the railroad and must be designed to go over it on the primary entrance side. The panel strongly believes that the rail line should be removed. Though this probably cannot be achieved in the near term, the panel recommends against designing the convention center around a rail line and believes the rail line must be removed from the site.

This railway line traverses the World's Fair site.



RAILROAD TRACK PREVENTS
FIRST-CLASS PARK
EXPERIENCE

SERVICE ROAD FOR
CONVENTION CENTER
IS INCOMPATIBLE WITH
PARK

COMBINED WIDTH OF RAILROAD
TRACK, SERVICE ROAD, AND
BERM MAKES WIDTH OF
FESTIVAL SPACE TOO NARROW

LOCATION OF CONVENTION
CENTER BLOCKS CONNECTION
WITH UNIVERSITY

SCALE OF CONVENTION
CENTER IS INCOMPATIBLE
WITH FT. SANDERS
NEIGHBORHOOD

LOCATION OF CONVENTION
CENTER AND PARKING
DECK PREVENTS
CONNECTION TO
RIVERFRONT

CONVENTION CENTER
CONSTRUCTION
CAN BEGIN SOON

EXISTING EXHIBITION HALL
CAN OPERATE DURING
CONSTRUCTION

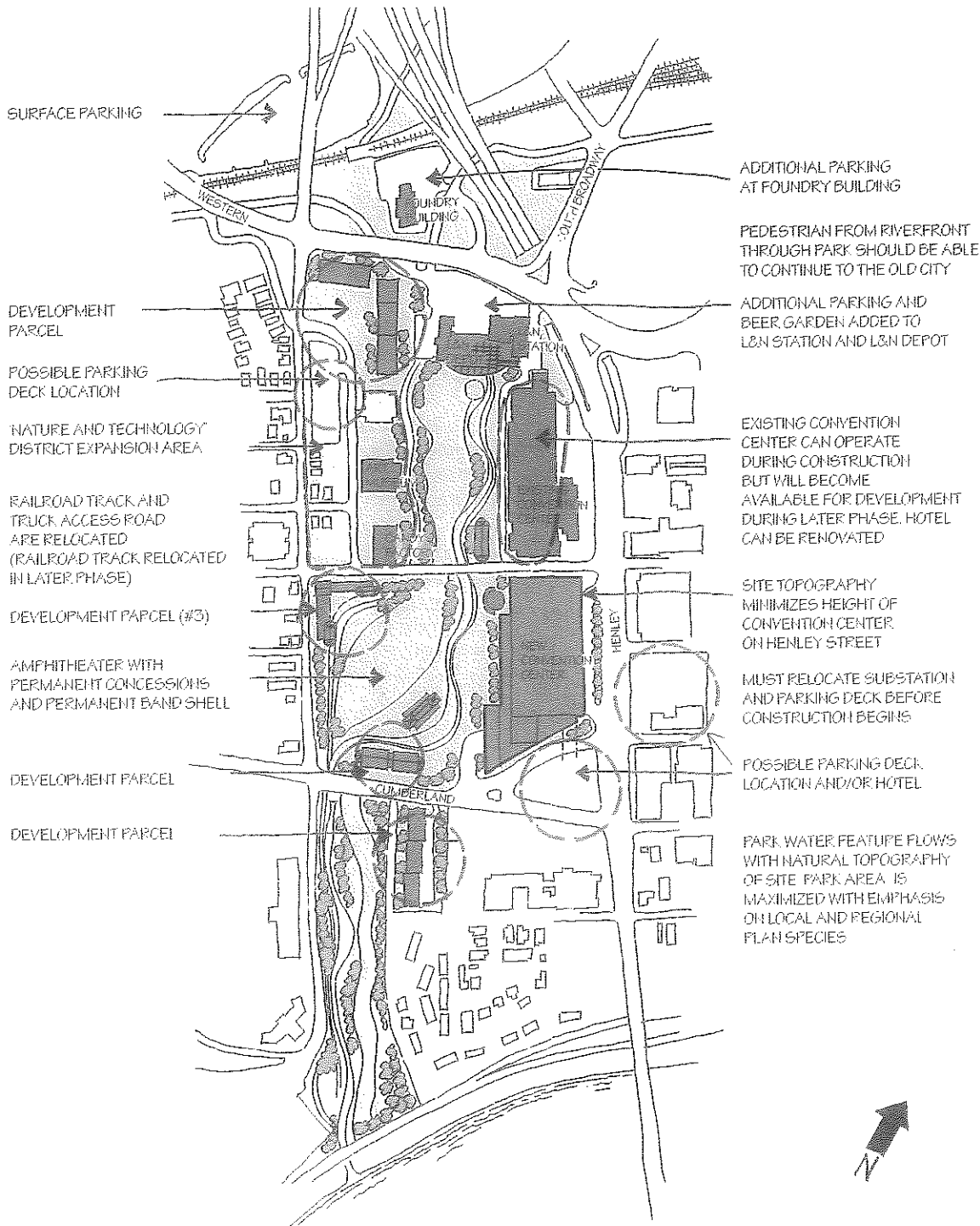
LARGE LAKE MINIMIZES
AVAILABLE PARK SPACE

CONVENTION CENTER
LOCATION IS REMOTE
FROM CENTRAL BUSINESS
DISTRICT

CONVENTION CENTER
EXPANSION TOWARD CITY
IS PROBLEMATIC

CURRENT WORLD'S FAIR PARK SITE PLAN

- Servicing the proposed convention center site will require truck access through the length of the park via a road that would parallel the rail line—a very lengthy route and an undesirable intrusion into the park.
- The current convention center siting is a major obstacle to the natural connection of the park to the elegant new waterfront development, the riverwalk, and the residential condominiums to the west.
- The proposed site is the one farthest west of the downtown and is least likely to encourage downtown spin-off activity from the convention center. The al-



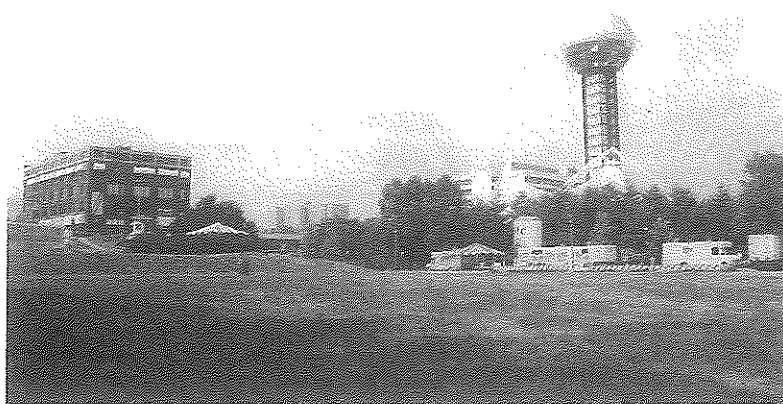
PROPOSED WORLD'S FAIR PARK SITE PLAN

ternative site is better directed toward the revitalization of the downtown. Pedestrian connections to the existing hotels, Market Square, and the Old

City would be significantly closer if a Henley Street location for the convention center were chosen, as discussed below.

- A convention center site must provide room for expansion, which would be difficult at the proposed site and would probably result in a complete severance of the park's connection to the river.

Rolling topography makes this section of the World's Fair site an excellent open air amphitheater.



- The university is somewhat separated from the downtown by Second Creek and the natural topography. The panel believes the connections between the university and the downtown should be stronger and the two brought closer together. A convention facility at the proposed location would raise another barrier between the two.
- Although the policy is to keep 11th Street substantially unchanged, the panel believes that significant new traffic will be generated on the street, which, in combination with the activity at the convention center, will adversely affect the Fort Sanders neighborhood.
- The proposed site is currently used for outdoor shows and events, and its topography indicates that it is most suitable for an amphitheater.

THE PANEL'S ALTERNATIVE SITE PROPOSAL

A number of alternatives within the World's Fair Park site have been considered for the new convention center. The panel's unanimous opinion is that a better site should be seriously reconsidered. Panel members recommend the Henley Street site between Cumberland and Clinch avenues. The benefits of the Henley Street site are that:

- The site lies closer to the downtown and would facilitates pedestrian movement between most of the hotels and the downtown.

- In the future, the convention center may generate the need for additional hotel space. The Henley Street site is closer to the adjacent blocks, including the state office building site directly across Henley Street, which would be suitable for new hotels.
- The alternate site's location across from the University of Tennessee conference center raises the possibility of joint use and higher demand for the new convention center's space.
- A pedestrian connection over (or under) Henley Street could easily be achieved. Better-timed "walk" lights are recommended.
- This alternate site has a close connection to the existing Holiday Inn on Henley Street.
- The railroad does not constrain the alternate site in the short or the long term.
- The alternate site would permit the facility to be expanded to the west.
- From a design standpoint, the alternate site would present some wonderful opportunities. For instance, the building could have three levels with just a

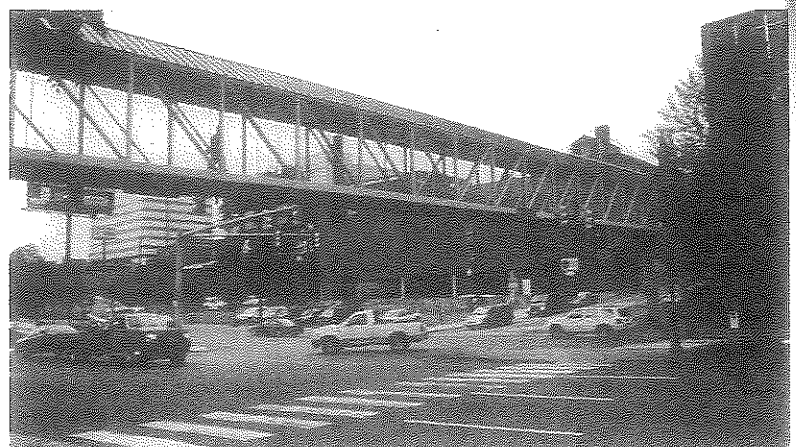
one-level façade facing Henley Street. This would enable a particularly appropriate façade treatment, perhaps with a regional theme, in keeping with the character of the existing downtown. To the west, the facility could have open terraces facing the public park.

- The alternate site would permit truck access from Cumberland Avenue, removing the need for the truck route through the length of the park that would be required to service the western site.
- The Henley Street site would allow the best visual and pedestrian connections to the river.

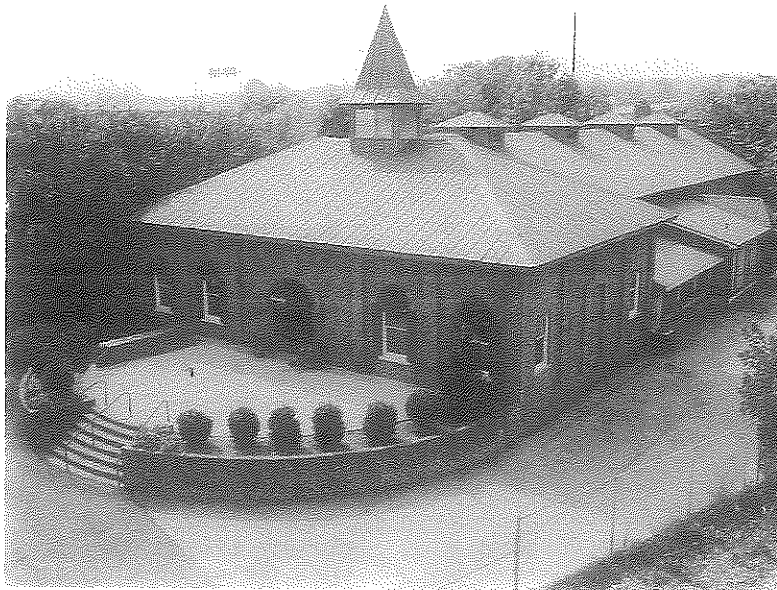
Though the following problems exist in shifting to this site, the panel believes they can all be overcome without harming the PBA's current schedule:

- The electric substation needs to be removed immediately. An alternative site is already being sought, and the panel believes that the substation could be removed shortly after the scheduled construction date.
- The Henley Street site would require the removal of the University of Tennessee parking garage and storage facility, an unattractive building that is in disrepair. Its removal is seen as a benefit to the block, even though the parking and the underground storage area will have to be replaced.

Existing walkway over Henley Street.



- Parking and access will be an issue, just as they are at the Cumberland Avenue/11th Street site. However, a three-story building might ease the truck access problem and allow some underground parking with access to Cumberland Avenue. The triangle of land at Cumberland Avenue and Henley Street could be developed with a parking deck (two stories up and two to three stories underground), with a subterranean pedestrian connection to the convention center.

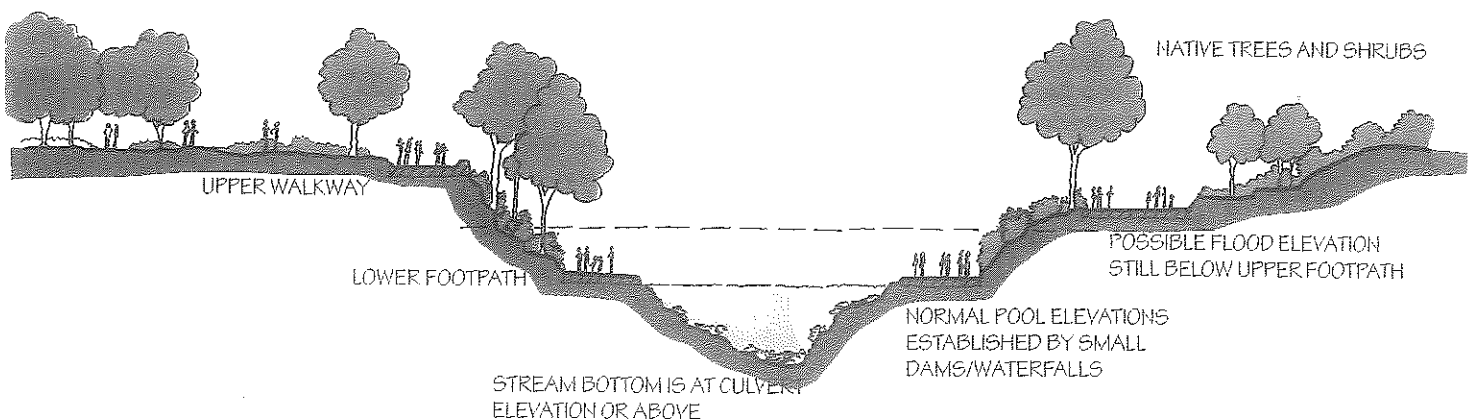


Now used mostly as a catering facility, this building housed a restaurant/beer garden during the 1982 World's Fair.

CIRCULATION AND PARKING

The panel encourages the PBA to hire a traffic consultant to help with planning for the convention center, although the master plan should also address parking and circulation. The panel suggests that the following points be considered in the traffic planning process:

- A baseball stadium has been proposed for north of the World's Fair site. If it is not built, this location would be appropriate for parking.
- Some additional on-site parking appears possible in conjunction with the restaurant/beer garden complex.
- The triangle of land at the intersection of Cumberland Avenue and Henley Street could be used for structured parking.
- Privately developed buildings should be expected to accommodate their own parking needs as far as possible.
- Although responses to this idea from people interviewed were mixed, the panel recommends that Clinch Avenue be reopened to restore the im-



TYPICAL SECTION THROUGH STREAM

The Chocolate Factory, on the proposed Nature and Technology Place, produces handmade confections on the premises.



portant connections between the Fort Sanders community, the downtown, and the park. This will require restoring and enhancing Clinch Avenue into a festival street that could easily and regularly be closed for major events like concerts and fireworks.

- Service vehicle circulation will be needed inside the park. To the maximum extent possible, roads should be designed to handle multiple uses, including walking, bicycling and other recreational uses like rollerblading.

DEVELOPMENT PARCELS

The drawing on page 27 shows the panel's concept for the site's redevelopment, including the preferred locations for the convention center, the public park, and other parcels. Following is a list of potential uses; actual uses will depend on timing and market analysis.

- If noise from the freeway can be mitigated, medium-density housing makes sense on the site's northern portion. Other uses may prove appropriate over time.

- What the panel refers to as "Nature and Technology Place" currently contains the art museum, the Candy Factory, and a number of related or compatible uses. The potential exists to expand this area with additional museums, featuring exhibitions of local significance. Supporting uses, a parking ramp, restaurants, and shops would also be appropriate and should be encouraged.
- The parcel of land at the corner of Clinch Avenue and 11th Street overlooks the amphitheater and has potential for development, although its use is not clear at this time.

- A potential development site exists off Cumberland Avenue, below the convention center and next to the stream. A themed restaurant—possibly called Tavern on the Fair—reminiscent of the Tavern on the Green in New York's Central Park would be appropriate at this location.
- Because the parcel south of Cumberland Avenue adjoins Maplehurst Street, it would make a logical extension of that residential area. Another feasible use to be included would be some parking for the World's Fair Park.
- The old exhibition facility represents a long-term development opportunity. It should probably not be considered for alternative use until the new convention center has opened. At that time, it should be made available for compatible uses, such as retail, entertainment, or exhibitions.

Keith Campbell draws plans of the panel's recommendations.



- While the state office building on Henley Street and the parking triangle at Cumberland Avenue and Henley Street are not currently within the park boundary, these buildings are tied to the development strategy. The triangle might accommodate a parking deck for the convention facility, while the office site offers redevelopment potential for parking or a hotel.
- Numerous concession opportunities will also be possible in the park; bicycle or roller-blade rentals and appropriate food services are a few examples.

EVENTS

THE RATIONALE

It is important that the downtown's energy level be raised and kept active, using existing resources. To await the next surge of building activity is not necessary. Knoxville already has the raw materials and a sense of what brings people to the downtown. Everything from chili cookoffs to rock concerts attracts a large crowd.

The panel had the good fortune to see a concert on the fair site and to witness the crowd's enthusiasm. The site's existing terracing offered the crowd excellent acoustics and views. This site could provide a summer home for the symphony and opera in addition to being a venue for traveling musicians and outdoor movies. Picnic dinners and lunches, brought from home or provided by local restaurants, would ensure pleasant outdoor evenings for attendees.



One of the restaurants at Market Square.

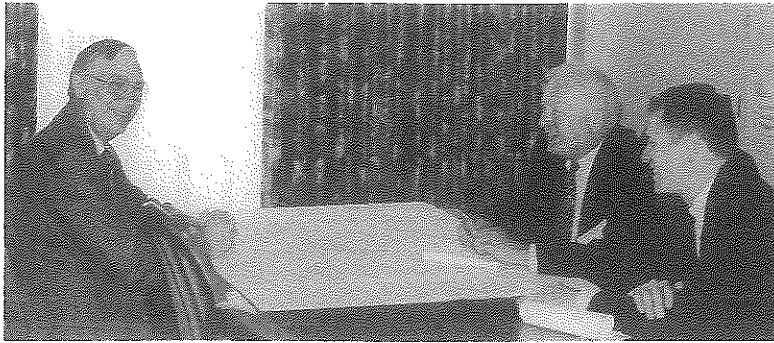
Through the interviews, the panel learned that there is a negative perception of personal safety downtown because of a small number of unfortunate incidents. Visible security is a must for all events. Fostering positive perceptions of a safe downtown is a job for a city's marketing department and downtown boosters.

The ongoing provision of events in the downtown should be considered important to the quality of life and the positive image of the city. While citizens are scattered in all directions, the downtown serves as the area's heart. The heart needs to be fed and nurtured while it awaits new development or redevelopment of older sections. A consistent message must be registered to the citizens and the outside world that someone cares about this place and that the setbacks experienced since the 1982 World's Fair are really over. Many of the joint ventures formed for special events could evolve into permanent activities, in a new venue related to the downtown's rebirth.

The panel encourages restoring events such as Saturday Night on the Town, which was highly touted by many of the interviewees. Events of all sizes, scattered about certain nodes of activity like Market Square, Krutch Park (a downtown facility), the art museum, the Old City, and the riverfront, encourage retail and restaurant use near these areas and keep people moving about different parts of their city. At times, all large and small venues can be used for a citywide happening that could grow into something for which Knoxville becomes famous. The city enjoys a climate that permits people to be outdoors all year; the weather should be mined as an asset.

The continuous implementation of high-quality events, together with appropriate marketing, sells the city. The buildup of good will and publicity will eventually send the positive message out of the community to other places and make other people interested in Knoxville's activities.

The design team. Chris Degenhardt (right rear) and Keith Campbell (right front), learn important design considerations during the interview process.



EVENTS IMPLEMENTATION

A qualified person, specifically focused on the downtown, should be responsible for all aspects of special events. This person must be able to "think outside of the box," to build relationships with appropriate sponsors, and to see connections with other experiences inside and outside the city. The candidate must form liaisons and devise activities with cultural and sporting groups, work around historical and ethnic events and holidays, form joint ventures, offer a public space for a corporate product launch, and/or invite TV and radio coverage and programming.

Most often, funding is not the problem standing in the way of special events; lack of imagination is. There are many ways to use public-space programming as a quid pro quo with a sponsor, to sell ads in a brochure, or to charge admission when absolutely necessary. The goal should be as many free events as possible so that the greatest number of people can participate. Organizing and fundraising for events can be made easier by repeating successful programs annually or seasonally.

The city's director of cultural affairs often executes these duties because much of the event space is under the city's domain. The local business improvement district usually provides staffing; in Knoxville, the CBID would offer this service. The chamber of commerce would not become as directly involved because the focus is specifically the downtown. The job will require someone to devise and produce events, to reach out to all available resources, to form joint ventures, and to make things happen. In addition, this person must be responsible for the broad marketing and publicity of the events.

A substantial annual operating budget for events and publicity will be essential. Funding will be needed for a full-time professional staff person and for outside support, as dictated by the event, mailings, ads, equipment rental, and so forth. Basic support will come in the form of state and local corporate sponsors, nonprofit corporations needing to reach a broader audience, up-and-coming performers, craftspeople, and artists looking for a venue.

DEVELOPMENT STRATEGIES

IMPORTANCE OF THE STRATEGY

Economic benefits of convention activity happen almost entirely outside convention facilities. Because the convention business is intrinsically uneven, it cannot be the basis upon which substantial new retail offerings are developed. Conventions can be an exceptionally valuable addition to ongoing businesses, particularly hotels, for which they can drive occupancy levels and rates up enough to make existing marginal properties viable. The same can be said of retail, entertainment, and restaurant operations. Convention centers, however, are never the core of the business; as noted elsewhere, the core must be locally or regionally based. Therefore, one of the key issues addressed in this strategy is supplementing and strengthening Knoxville's economic base.

In addressing the World's Fair site itself, the same basic issue arises. That is, what should be done to draw the highest numbers of people to the site from the Knoxville region? Essentially, the support for on-site developments and the motivation for fashioning a particular site image must come largely from the needs and interests of the region's residents.



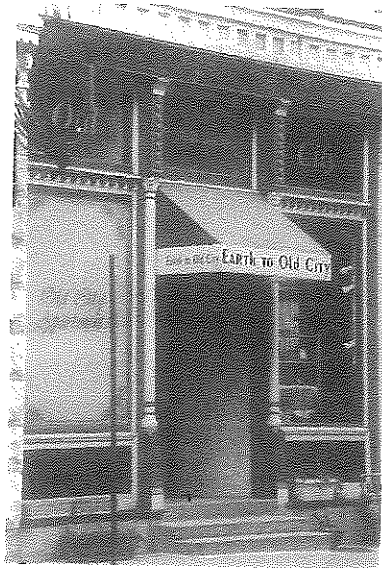
Jeremy Alvarez and Alicia Mazur probe for ideas to use in their development strategies.

In formulating this strategy, the panel assumed several key premises:

- Development of the site and its surroundings must be first-rate and durable—as free from compromises of quality as possible.
- Activities on the World's Fair site should be integrated with Knoxville's other attractions, such as the Tennessee River, historic neighborhoods, the university, and the downtown.
- Site planning, selection of development elements, and public investment choices should build on the strengths and qualities that exist in Knoxville today.

In addition to these premises, the panel wishes to point out several of Knoxville's assets that appear to offer the strongest opportunities for direct and positive interaction with the World's Fair site developments. First is Knoxville's compact and handsome downtown, which is currently underused and largely empty evenings and on weekends. Downtown employees do not have substantial retail choices that would allow them to shop there during lunch breaks or after work—typically a major revenue source to downtown merchants. The panel believes the downtown's long retail decline can be reversed, gradually; doing so is vital in order to complement the benefits that convention business can bring.

Late 19th-century buildings in the Old City have been restored and converted into antique stores, boutiques, restaurants, and apartments. Restaurants and bars are popular among University of Tennessee students and downtown workers.



Everyday customers—the people who shop again and again—form the core source of trade for virtually any retail merchant. The most direct approach to boosting everyday customers would be to increase the number of downtown residents. To put this point in perspective, remember that a resident may have a financial impact equivalent to 30 to 40 convention visitor-days on a downtown economy.

The panel understands that the vast majority of citizens prefer to live in places outside the downtown, but reenergizing the streets would require only that a very small proportion of the region's population live there. The panel believes that interest in city living exists in the Knoxville region and that an aggressive effort should be mounted to support investors willing to convert the many vacant, former commercial buildings into apartments and lofts.

Knoxville's downtown is full of excellent late 19th- and early 20th-century buildings. The city is walkable: a mere ten or 12 minutes is all that is needed to traverse the downtown from end to end. The city also has a large number of cultural resources, such as the two historic and active theaters located within a few blocks of each other; and the beginnings of downtown living, in Kendrick Place, Pembroke, Fort Sanders, and the Old City. Many cities would love to have the potential that downtown Knoxville has, and the panel believes that Knoxville should capitalize on these assets, making housing as much a priority as the World's Fair site development.

With all this to offer, downtown Knoxville has the potential to achieve real status as East Tennessee's premier urban place and, ultimately, as an attraction in itself. Making the transition from a vacant and ignored downtown to a lively place can be done. Broad trends, such as the aging of the baby boomers and their desire for urban amenities, suggest that demand for such places is rising. However, the panel cautions that this kind of change is gradual. Although it took 40 years for the downtown to slip to its current condition, the reversal can be much faster. Combining more downtown residents with the potential presence of several thousand multiday visitors to the convention center could be a potent catalyst for change.

ADJACENCIES: THE CENTRAL BUSINESS DISTRICT

Knoxville stands to gain most from the convention center development and the World's Fair site if public investment is part of a more comprehensive downtown revitalization strategy. The strategy is simple: Knoxville needs more residents, office workers, and visitors walking around the downtown.

Knoxville has many of the pieces of a downtown revitalization strategy already in place, with several ongoing development projects such as the Women's Basketball Hall of Fame, Volunteer Landing, the Justice Center, and the designation of historic Market Square as a redevelopment area targeted for mixed uses. To a large extent, the development projects that Knoxville is pursuing



Justice Center in downtown Knoxville, under construction.

are located around the downtown's periphery, leaving a "hole in the donut," or a void that many of the panel's interviewees seemed to believe could be bridged by running a trolley. But the panel recommends that the connections be more fundamental than that. A series of individual developments throughout the downtown of varying scales and uses would serve to fill in the long stretches that are now largely vacant.

Consistent with this line of reasoning, the Market Square redevelopment becomes of the utmost priority—it must produce a mixed-use, 24-hour activity center in the heart of downtown. Implementation of the redevelopment plan should receive the same level of attention as that of the World's Fair site development, and sufficient city funding should be allocated to move forward with the plan.

Based on the interviews, there seems to be a small but growing market segment that is interested in living downtown. Whatever gets built in the area seems to lease or sell quickly. By simply doubling the approximately 1,500 residents currently living downtown, the panel believes Knoxville will have a more vibrant core, particularly if the residential development is near the Central Business Improvement District (CBID). Because of the built-in demand that residents provide for restaurants and stores—the same facilities that conventioners want—the city should be doing whatever it can to encourage residential conversion throughout the entire CBID. Revising any zoning and building codes inconsistent with that direction is one approach to accomplishing the goals of diversifying the downtown. Many model ordinances exist because cities across the country are revitalizing their downtowns with this strategy.



Market Square with TVA Tower, one of the larger office structures in downtown, to the rear.

An aerial view of downtown Knoxville with the World's Fair site in the distance.



Because many properties suitable for conversion are located in designated historic districts, available incentives for the rehabilitation of commercial and rental residential projects should be promoted. The city should also explore the possibility of adding new incentives for condominium projects.

The time is also right for additional office development. The vacancy rate for new Class A office space in downtown Knoxville stands at approximately 7 percent, with few large blocks of contiguous space. The diminishing supply of Class A space and the resultant increase in rents in suburban Knox County have led to a renewed interest in building office space downtown. The city could assist in the assembly of land and could work with the CBID to prelease enough tenants so that private sector financing could be made available for just one 500,000-square-foot building. A building this size could generate another 2,000 employees who would come to the downtown daily. The panel believes this is not an unrealistic goal given that 400,000 square feet of office space was leased in 1997. Downtown Knoxville, with 40 percent of the city's office space, must strengthen and maintain its position as the dominant office market in the city.

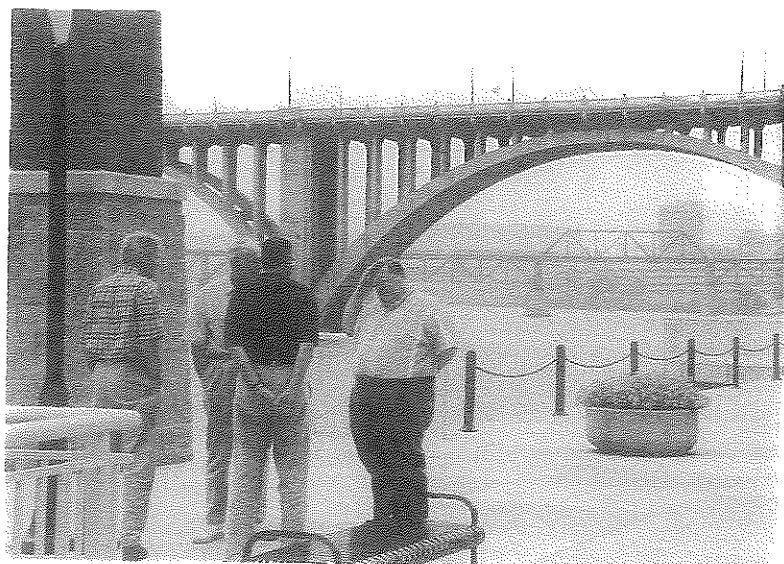
A critical component of the downtown office development strategy should be to diversify the nature of the office market tenant. Given the proximity of the University of Tennessee and Oak Ridge Laboratories, the high-technology focus the city and CBID are pursuing at Market Square is appropriate. Job retention and attraction—as seen in the proactive program that is currently being pursued in the area of industrial recruitment—should be priorities for both the city and the CBID. Individual attention should be provided to companies looking to expand or relocate, and individualized incentive offers should be made based on demonstrated company need and public benefit.

Currently, there are some 17,000 downtown office employees and 1,500 residents. Taken together, the efforts described above would contribute significantly to the downtown's vitality and to its ability to sustain the stores and restaurants that will attract more visitors and offer conventioners places to spend money in Knoxville. Although the number of visitors has not been tallied, indications are that the region's visitor capture rate is quite modest.

ADJACENCIES: OTHER INNER-RING NEIGHBORHOODS

Turning the World's Fair site into a part of the city that would link the downtown with the surrounding neighborhoods is also critical to the success of the repositioning of the site. The panel strongly supports the ongoing efforts to improve the greenway connections encircling the downtown: from the river to Volunteer Landing, the Coliseum area, the Old City, and the World's Fair site. Pedestrian and bikeway connections should continue to be a particularly important part of the greenway planning.

Oakleigh Thorne, Mary Weissburg, and Blount Hunter ask Tom McAdams a question during the tour at Volunteer Landing.



The panel believes that the Fort Sanders neighborhood in particular is an important potential market for the downtown and the World's Fair site. Similarly, any residential development plans throughout the center city (including such new additions as church-based retirement facilities) should be encouraged to help create demand for retail and other services. The existing neighborhood of Fort Sanders with its 4,000 residents, could be a big demand generator. For instance, the most direct way to tie Fort Sanders to the heart of downtown redevelopment, or Market Square, is via Clinch Avenue. Downtown, Clinch Avenue is an attractive, tree-lined street that is home to Krutch Park. Opening the street through the site on non-special event days would go a long way toward integrating the World's Fair site back into the city and connecting it to nearby customers.

The panel believes that the Fort Sanders neighborhood has market significance. Therefore, along the boundary with the World's Fair site, 11th Street should be redeveloped into medium-density housing. A code enforcement program, coupled with low-interest loans tied to the preservation of significant structures, would also help to improve this neighbor to the World's Fair site.



The panel recommends that Clinch Avenue, currently sealed off through the World's Fair site, be closed only during events in order to bring more people downtown.

The proximity of substantial new development on the World's Fair site could have a destabilizing effect on Fort Sanders without sufficient protections. This is one reason the panel recommends against locating the convention center at 11th Street and Cumberland Avenue. The panel also recommends rezoning to prevent commercial encroachment along the western side of 11th Street. Another possibility is designating a historic zoning overlay district for portions of Fort Sanders. Boundaries should be limited to the most significant areas rather than the entire district set aside by the existing National Register of Historic Places.

If the PBA and the city see that the World's Fair site and the convention center are developed within the context outlined above, the panel firmly believes that the likelihood of success will be strong. The recognition that urban economies are complex systems that cannot be repaired by quick, single solutions necessitates this integrated approach.

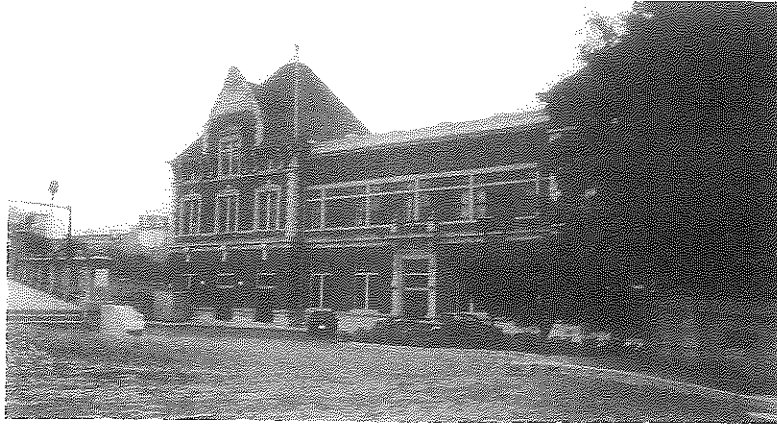
STAGING THE DEVELOPMENT ON THE WORLD'S FAIR SITE

Development of the site should proceed continually over a period of years. The World's Fair site is large and complex and will make considerable demands on both management and capital. The work and the outlays lend themselves to being addressed in two phases. The following discussion assumes the location of the convention center at the alternative site proposed by the panel, at Henley Street between Cumberland and Clinch avenues.

Phase I of the project would result in the following products:

- A master plan for the World's Fair site.
- A new convention center of 400,000 to 450,000 square feet, with appropriate associated parking that reflects the conditions in the site area.
- The northern portions of a major new park, extending roughly from the south side of the L&N Station and Depot area, to south of the Clinch Avenue viaduct, to the west side of the new convention center.

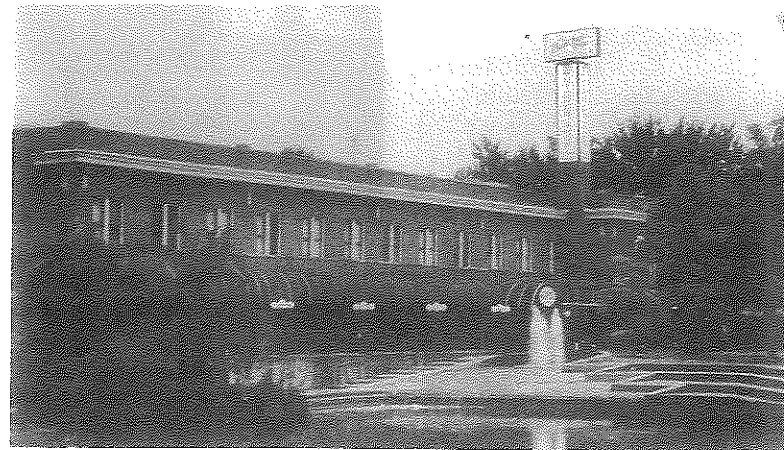
The historic L&N Station Building.



The L&N Depot Building.

- Clear identification of a series of development parcels, a general plan for their reuse, and the capacity to market them for reuse. Actual development of these parcels may or may not occur during Phase I.

In addition, the staging plan assures that a significant portion of the current open space, essentially the area in the southwestern quadrant, will remain open and available for community use throughout the construction period. This would allow for the continued festival functions that Knoxvilleans have come to appreciate. It also would provide for continued use of the existing exhibition facility so that ongoing business can be retained. In the longer term, another use can be considered for the exhibition building. Other staging issues include the relocation of the electric substation and demolition of



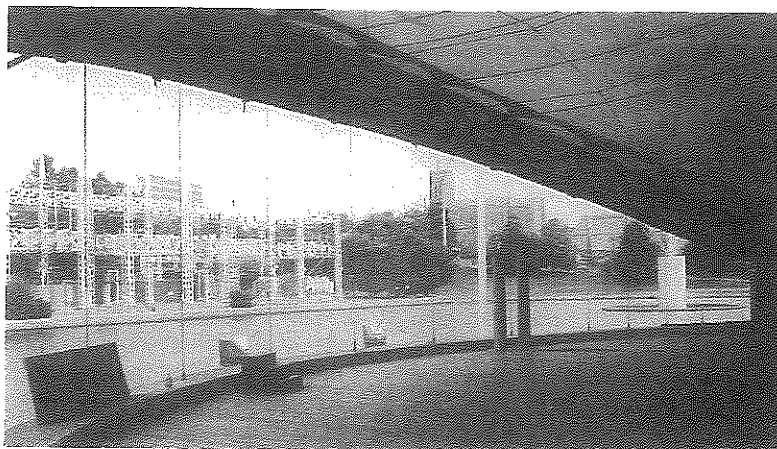
the University of Tennessee garage and warehouse building. Alternative parking to replace the garage sites will have to be made available.

In Phase II, the freight rail line on the site's western portion would be relocated, permitting the completion of the public park. Also in Phase II, based on the master plan, other activities would

proceed, including reopening the Clinch Avenue viaduct and making other traffic and circulation improvements for cars, bikes, and pedestrians.

The panel also recommends off-site actions during this phase, such as redeveloping Market Square and improving support for new residential development in the downtown. Technical assistance would be given on applications for historic preservation tax credits, and improvements would be made to the capacity of the city to review and comment on permit applications for the rehabilitation of buildings.

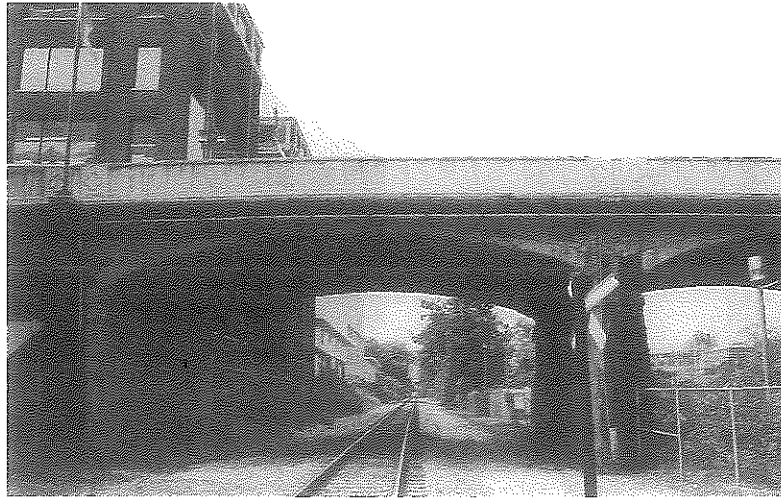
Phase I of convention center construction requires relocating the electric substation, shown here from the Tennessee Amphitheater.



PUBLIC AND PRIVATE RESPONSIBILITIES

Redevelopment of the Knoxville World's Fair site will require substantial public investment in its initial phase, with strong opportunities to capture increased private participation over time as the various development parcels on the site, and redevelopment of off-site locations, proceed.

There are two principal concerns. First is the capital cost of reestablishing the site as a first-class destination. Second is the long-term issue of maintaining the site and the public facilities. The capital costs of the convention center and the public park are clearly investments in Knoxville's and the region's future. It will be difficult to identify significant nongovernmental support for these elements. Some foundation and/or corporation support may be solicited for the park or portions



Freight rail line under Clinch Avenue viaduct.

of the park, and the involvement of major horticultural and other interested groups might bring some capital to the effort. Founding a nonprofit organization to redevelop the park could provide a vehicle for fundraising and would ease foundation participation. Knoxville should accept the fact that the capital costs of these two large elements (the convention center and the public park) will be borne mostly by the public sector.

In terms of operating costs, two related issues arise. The convention center will have normal operating costs for a facility of its size. However, the park as recommended here will have higher operating costs than a comparably sized neighborhood park because it will be intended to be a much finer and more carefully maintained park. The panel believes the truly unique botanical and water features must be kept in excellent condition in order to maintain the park's drawing power.

It may be necessary to establish a nonprofit institution to redevelop the park, which has unique botanical and water features.



Panelist Oakleigh Thorne (left) and Marv Weissburg (right) during the interviews.



IMPLEMENTATION

The panel is confident that the recommendations outlined in this report can be implemented by the PBA and the local community. Knoxville has exhibited its leadership and innovation in planning and building the World's Fair site in 1982 and in more recent improvements, including the Gateway Pavilion and Volunteer Landing. The current effort to improve Knoxville's position in the convention center business is another example of civic leadership and insight. The following sections discuss specific implementation issues and suggested strategies.

ORGANIZATIONAL ISSUES

Because of the project's complexity and the number of years it will take to build out, the panel suggests that the PBA identify departmental and reporting functions to streamline decision making and performance accountability. Such a departmental organization might also help the PBA to implement other elements, such as land leasing or sale and project controls.

PUBLIC INVESTMENT ISSUES

The panel suggests that public investment and funding activities be phased consistent with the recommendations of the panel's development strategy team. The first phase must focus on the initial site elements necessary to permit convention center construction and on the initiation of park renovations, including current site impediments like the electric substation and parking deck relocations, improved pedestrian and vehicular connections, and access. Some time during the first 12 months of the project, an environmental analysis should be conducted. Private sector developers, the PBA, and lenders will require clean or near-clean sites. It will be beneficial to uncover any potential liabilities as soon as possible.

The second phase should focus on removing of the freight rail line; continuing the improvement of vehicular and pedestrian circulation; and making improvements to streetscapes, utilities, greenways, and parkland itself. This phase might also include the demolition of additional structures and the reopening of the Clinch Avenue viaduct.

In both phases, the panel suggests the use of federal, state, and county grants wherever possible and, where appropriate, the application of the recent state-tax legislative initiatives to supplement the funding needs. Although corporate funding may at present be exhausted, future donations for the plan's public components might be possible. Attention to annual budgeting for a superior level of streetscape maintenance will be necessary. These funds should be used to replace and refresh landscaping and to maintain clean streets, lighting, and curb stops.

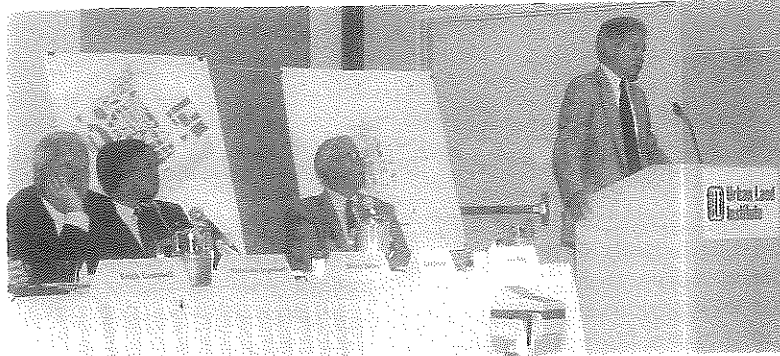
PROJECT MANAGEMENT

The panel concurs with the PBA's plan to retain a project manager to oversee the day-to-day activities. The project scale, the diverse land uses, the need to interact with developers, and the length of the buildout will require a dedicated individual, who must come from the private sector and be skilled in the administration of mixed-use development projects. Although compensation is expected to be salaried, performance bonuses paid on the basis of completion dates at or ahead of schedule and at or under budget may be helpful to attract skills and experience.

The search for the project manager could be begun through advertisements in various trade publications or through the services of a recruiter with a specialty in real estate or construction management. The project manager (PM) should be assisted by a small team, at most two individuals, in coordinating the contractual agreements for the PBA, depending on construction and development scheduling.

The PM should be responsible for developing a business plan to assure an orderly development program. The business plan should cover the following items, which are listed in the order of phasing outlined in the development strategy:

- Construction of the convention center.
- Overall landscape and park site development.
- Utility plans.
- Removal of the University of Tennessee parking garage, the railroad, and the substation.
- Comprehensive parking layout for present and future needs.
- Preparation of advertising and requests for proposals (RFPs) for developers on future sites and for other projects within the World's Fair site area.
- Expansion of the greenway connection to the waterfront and the downtown, and development of other open space as appropriate.



Oakleigh Thorne presents the implementation team's recommendations during the public meeting; other panel members look on.

- Preparation of a schedule for the entire site, including the development of additional parcels and the preparation and issuance of RFPs.

PBA should evaluate RFPs by setting design and density standards as part of its master plan. As conditions change, modifications to the plan will be expected and should be updated to reflect changes based on the predetermined design and density standards.

For the most part, site development should be the PBA's responsibility; it should pay for the basic infrastructure, including some parking facilities and all utilities. If the convention center is oriented to Henley Street as suggested in this report, then the PBA should collaborate with developers of proposed projects on the eastern side of Henley Street, to include such elements as elevated walkways, parking decks, and other needed connections.

The selection of the developer(s) for other designated sites within the park should be done on the basis of compatibility with the concept of the World's Fair site development and that of downtown revitalization. The developer's proposal should be chosen based on the quality of the architectural design, the planned use of the site, developer capability and skills, and the strength of the financial proposal.

INDUCEMENTS FROM THE PUBLIC SECTOR

Because of the limited forms of financial incentives to attract the private sector to the project, the panel recommends that the PBA first complete site improvements in those areas designated for private sector development. Developers expect the delivery of finished sites complete with access, streetscapes, and utilities.

Panel members work through their recommendations.



An unresolved issue is parking and its relationship to the designated development site or the total project. Shared parking facilities and prorata allocations may be required. The burden of maintenance and costs to carry the unused portion of any shared parking structure will be the PBA's responsibility to be recaptured later. Parking requirements within and exclusive to the development site should primarily be the responsibility of the developer.

DEVELOPER AGREEMENTS

The panel has also been asked to recommend a strategy for negotiating the developer agreement for the convention center, including the concessions, incentives, and subsidies that the public sector should offer. The panel suggests that there are rules of thumb that should be kept in mind when structuring the developer agreement. The following are the basic elements of a general developer agreement, indicating what should be expected from the developer and the public sector:

- *Project Description.* Each agreement should disclose the elements of the project that clearly define circulation and access rights and related development activity.

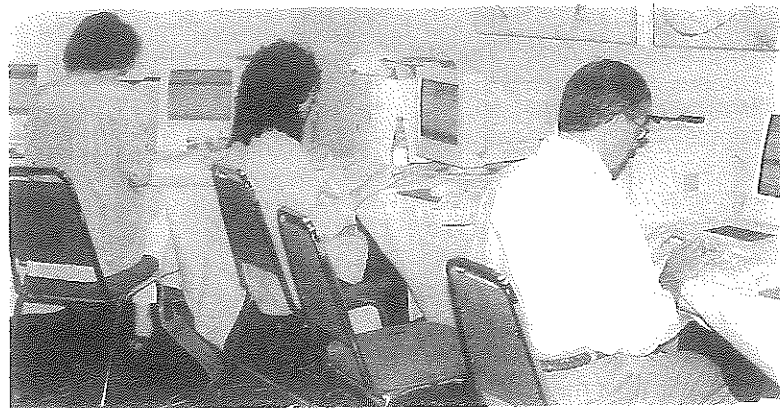
- *General Obligations of the Parties.* A clear definition of the obligations of the parties will be required to avoid disputes about delivery of finished parcels or services to be provided by the PBA.
- *Policies, Land Leases, and Fee Transfers by Sections.* Either before the individual agreement or within each agreement, the city's land disposition policy should be identified. There is no rule about which disposition program is best, but there are disadvantages for the developer in using a land lease, relating to subordination and financing. Each land disposition may require a different approach.

DOCUMENTS NEEDED

The following items are documents that the PBA should require of potential developers. These papers will contain information that the PBA should use to negotiate and make developer selections.

- *Public/Private Cost Distributions.* It is important to identify clearly the public versus the private sector costs. This topic will later become an issue in the public sector's recapture of its investment.
- *Review of the Developer's Financial Condition.* Due diligence is of the utmost importance. The city must thoroughly understand the ability of the developer to put equity of sufficient amount into the project, to deliver the project on time, and to fund operating deficits.

Panel members write their recommendations for the draft report.



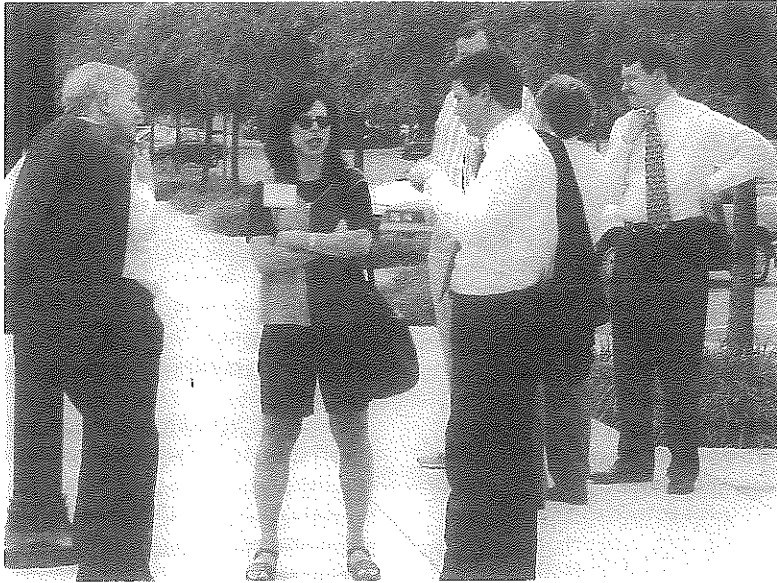
- *Construction Financing Commitments:*
 - *Letters of Credit.* A contingent credit facility may be arranged with local area banks to cover development risks associated with infrastructure construction or incidental site work not covered by performance bonds.
 - *Review and Coordination between PBA and the Lender.* The PBA should establish a working relationship with the selected developer's lenders to ensure that the necessary documents and appropriate procedures are followed, and to protect PBA's interests. Common interests between the lender and the PBA will include: the due diligence concerning the developer's creditworthiness; valuation issues and the lender's underwriting guidelines; legal counsel oversight; agreement on operating pro formas; remedies for and processes for dealing with construction budget failures (relating to both construction timing and costs); and common review of and requirements for closing documents.

- *Opinions of Counsel.* The developer should supply the PBA with appropriate legal opinions on its authority to undertake the development of a section or the whole project. In this case, legal opinions regarding zoning and land use may not be required, as the city and the PBA are expected to be partners in the site's redevelopment. The PBA should provide clear and marketable title, and the developer should pay for the title insurance. Legal opinions regarding the enforceability of the developer's contracts should form the bases for a solid foundation of the agreements.

The former land use on the site of the rail yard will most definitely require a full-scope environmental study. The panel contends that the PBA should undertake the study immediately and pay for an abatement or remediation if necessary. The lender may require a "file closure" or a "no further action" letter from the state after remediation, should it be necessary.

- *Construction Contracts and Performance Bonds.* The PBA has had prior experience with binding contractors and the use of performance bonds ensuring the completion of new construction projects. The panel suggests that the PBA rely on its previous relationships with the legal community to protect its interest in seeing that construction is completed as designed. Much of the language in these documents is driven by local practices and laws.
- *Subordination of PBA's Interests during the Construction Period.* In general, the construction lender will not permit subordination of its interest to another party during this critical time. It will be important to protect the PBA against the loss of control of the asset, of the legal issues surrounding the construction performance bonds, and of contracts. However, the larger issues will relate to filling the project with tenants after the construction has been completed. Clearly defined merchandising and leasing responsibilities between the lender and the PBA in the event of the developer's default are critical to identify at this point.

The panel on tour.



- *Preleasing Requirement.* Nearly all permanent lenders require some degree of preleasing for new office and retail projects. The amount of space committed before a takeout varies by lender and by city. Generally, about 50 percent of any newly constructed office space must be preleased before a permanent lender will commit to financing. A retail project requires an anchor, or at least 50 percent of the stores, being preleased. New apartment construction does not have to be preleased, but the market must clearly justify construction; this is usually demonstrated by very low vacancies, steady population growth, and diversified employment.
- *Architect's Certificate of Complete Documents.* The lender and the PBA should feel comfortable about the completeness of the specifications and should be assured that the plans are complete enough in every detail to deliver the product as designed. A third-party architect's review and certification of completeness will provide the lender with these assurances. Again, the PBA's prior experience with builders may have already proved useful on this point.
- *Insurance Certificate.* The developer must provide appropriate insurance certificate(s) relating to the project, to cover the construction and the building against weather and other contingent events.

GROUND LEASES

The following items are to be considered in drawing up ground leases:

- *Term.* These leases seldom have terms of less than 50 years. Any initial ground lease negotiated for the project must be longer than typical first mortgages, which run about 25 to 30 years.
- *Title.* How the PBA holds title as owner of the leased site may affect its tax status. The panel suggests that legal counsel be consulted.
- *Annual Rent.* The amount of the annual rent can be determined by a formula or by negotiation.

The formula approach requires appraisal of the asset to identify its value. After value has been established, a negotiated rate of return is agreed upon (normally 8 to 10 percent) and is applied to the asset's value.

More often, the amount of the annual rent arises out of the interplay of subordination, the application of annual rent escalations using annual consumer price index (CPI) changes or other national indices, and project times. All rent typically is paid monthly in advance, but deferral of a portion of the rent or other participating interests may be necessary as private development and financing incentives.

- **Inflation Protection.** Erosion of future income from the ground lease due to inflation should be prevented by using a fixed annual increase or CPI adjustment. These increases or steps in the lease income can be applied for five-year periods or annually. Over the long term, the site should be reappraised about once every 15 to 20 years to overcome the gap between the use of national indices and the actual changes in the real estate market. This approach is commonly referred to as "mark to the market."
- **Subordination.** In drafting the agreement, the PBA has the option of subordinating or not subordinating its position to a lender or lenders. Should the PBA subordinate its interest to a lender, the PBA could lose the land in the event of a foreclosure. If the PBA elects not to subordinate, however, the ability of the developer to finance the project is impaired.

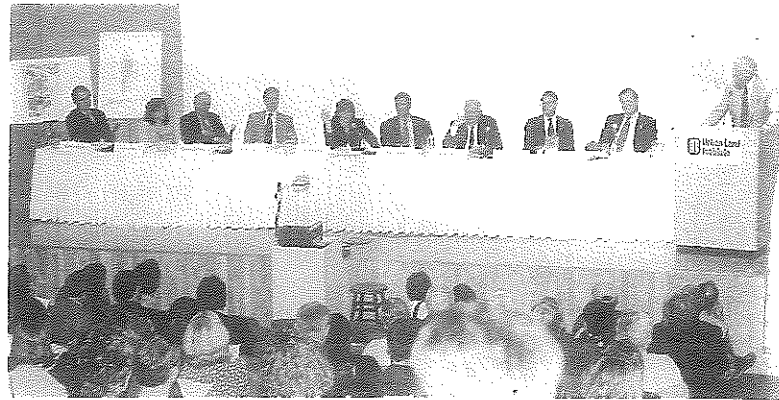


From mid-photo clockwise:
Mike Kelly, Jeanne Giordano,
Dave Petersen, Oakleigh
Thorne, and Marv Weissberg
interview state legislators

OTHER PROVISIONS

- **Land Pricing.** Determining the land price for individual parcels can be accomplished by one of two methods: competitive bidding or the use of three appraisers. Instructions to the appraisers are important to protect the position of the PBA, as it will be providing off-site infrastructure improvements and some parking.
- **Recapture of Public-Invested Funds.** While recognizing that this is a point of negotiation and that seldom are all points captured in one agreement, remember that the PBA will create value and inducements at public expense by making site improvements, thereby facilitating profits for the private sector. Accordingly, some device returning future monies to the public sector is equitable.
- **Factors open to Negotiation.** Using a third-party financial consultant, the panel suggests that the PBA review the list below to recapture its capital costs incurred creating value at the project site. These factors can be applied annually or at milestones, such as refinancings or asset sale. The developer's priority in receiving cash from the project is an important negotiable element.
 - Refinancing thresholds.
 - Annual income participation above a floor.
 - Sale proceeds participation.
 - Developer's preferences.

Jeannie Giordano (seated at center) answers a question during the public presentation at the Museum of Art.



CONCLUSIONS

The panel's assignment was to provide an overview of prospective and potential land uses for the World's Fair Park site, given the new convention center decision and its future impacts on Knoxville, the downtown, and adjacent areas.

Of primary concern was the lack of existing attractions and amenities close to the new convention center and the fact that convention center business *by itself* is not sufficient to support substantial added private development. There was a feeling expressed by some whom the panel interviewed that, for the convention center to succeed, the PBA and the city must create at the same time a magic bullet—a major destination draw—that would in one giant step make the World's Fair site a rival to other regional destinations and pull people off the freeways into downtown Knoxville. The panel does *not* accept this definition of success as necessary or realistic. To us, achieving the development objectives established for the convention center by the city can be successfully accomplished without a magic bullet.

The panel suggests that of equal or even greater importance to the community is a successful renovation and restoration of the public park at the World's Fair site. To preserve and enhance this outstanding urban park, including its connection to the river as a gathering place and event venue could represent the greatest long-term success of any convention center spin-off.

The panel believes that success will follow upon meeting the city's original development objectives and implementing creative plans in progressive and measured increments. The PBA and the community will succeed when:

- A creative master plan is developed for the World's Fair site with a primary objective of providing a first-class convention center and first-class public park spaces, with private development sites specifically identified.
- A new convention center is designed, constructed, and operated on the World's Fair site in the very best space and is recognized both by the local community and by meeting planners as an outstanding facility, internally and externally.

- The local community recognizes the World's Fair Park, with its public spaces, water features, and landscaping, as an outstanding amenity and public gathering space.
- The entire CBD is embraced and promoted as the place for an entertainment, retail, and major destination. Its success will involve the Riverfront, Market Square, the Old City, the Women's Basketball Hall of Fame, the Museum of Art, the Candy Factory, and all other future CBD opportunities.
- A priority is established that encourages housing construction of all types within and adjacent to the central business district, including the provision of financial and regulatory assistance.

The PBA and the city of Knoxville are poised to take full advantage of all that the World's Fair site has to offer. Knoxville has the tools and the ingredients at hand to develop a first-class destination site. The panel's recommendations offer a solid guide to achieving this goal.

ABOUT THE PANEL

MICHAEL F. KELLY PANEL CHAIR

Minneapolis, Minnesota

Kelly is managing director of Madison Marquette Realty Services, a private national real estate developer and service company concentrating on specialty retail projects. Kelly's primary responsibilities are in strategy and management services. Madison Marquette owns more than 13 million square feet of retail and mixed-use properties and is currently developing or redeveloping seven major projects. The firm employs more than 300 people and has offices in Minneapolis, Cincinnati, New York, and Dallas.

Before the formation of Madison Marquette, Kelly served as director of real estate for the J.L. Hudson Company in Detroit and in various executive positions with the Dayton Hudson Corporation in Minneapolis. In 1977, he was named president and CEO of

Dayton Hudson Properties. When the corporation divested its real estate holdings in 1980, Kelly led a management buyout of the real estate division and formed the Center Companies, which was the nation's largest manager of retail properties for institutional investors, with some 35 million square feet. Kelly sold the Center Companies to General Growth Properties in 1989 and formed Marquette Partners. In 1995, through a private merger, this company became Madison Marquette.

Kelly holds a law degree from the University of Michigan and a bachelor's degree in business from the University of Notre Dame. He is a past president and trustee of ULI—the Urban Land Institute and a past trustee of the International Council of Shopping Centers. He is also a member of the Minnesota and Hennepin County Bar Associations, as well as the Michigan and Detroit Bar Associations.

JEREMY J. ALVAREZ
Philadelphia, Pennsylvania

Alvarez is vice president and director of planning at Urban Engineers, Inc., a planning, engineering, and construction services firm headquartered in Philadelphia. The firm's projects include highway and transit studies, joint use analyses for transit projects, urban revitalization programs in older retail areas, and the location of major facilities, including a proposed new baseball stadium.

Prior to joining Urban Engineers in 1997, Alvarez served for six years as executive director of the Central Philadelphia Corporation, a private, nonprofit organization funded largely by the business community. There, he was the chief planner for one of the largest public/private ventures in the city's history, the Avenue of the Arts, a \$400 million investment in arts facilities and supporting infrastructure that has fused arts and economic development interests.

Alvarez began his career with seven years on the Philadelphia City Planning Commission, where he focused on community revitalization in older neighborhoods. This position was followed by 11 years as chief of planning with Kise, Franks & Straw, a planning, architecture, and historic preservation firm. There Alvarez's master planning assignments included Atlantic City and Vineland, New Jersey; Dover, Delaware; and new towns in Saudi Arabia. He also conducted numerous transportation studies, including a 57-mile route location study for a new north/south highway for the state of Delaware. The community involvement process for this project became a national model for the Federal Highway Administration.

Alvarez holds a bachelor's degree in architecture from the University of Pennsylvania. He is an assistant professor in the urban studies program at Penn and has had similar assignments at Temple and Drexel universities. He is a member of the American Institute of Certified Planners.

KEITH W. CAMPBELL
Chicago, Illinois

Campbell is associate vice president at RTKL Associates in Chicago. He has 20 years of experience, including commercial and mixed use developments with retail, entertainment, office, hotel, and residential uses. In addition to RTKL, Campbell has worked for three other Chicago architecture firms: Anthony Belluschi Architects; Booth/Hansen & Associates; and Harry Weese Associates.

His project experience includes One Midtown Place in Atlanta; Park Meadows Retail Resort in Denver; the Emporium Market Street in San Francisco; Izumi Otsu Port America Retail and Entertainment Center in Osaka, Japan; and the Kiev Financial Center in the Ukraine. In the Chicago region, projects include 900 North Michigan Avenue, 101 North Wacker, and Howard Street redevelopment.

Campbell holds both a bachelor of fine arts and bachelor of architecture degree from the Rhode Island School of Design. He is a member of the American Institute of Architects and the National Trust for Historic Preservation.

CHRISTOPHER DEGENHARDT
Mill Valley, California

Degenhardt formed his own consulting practice in 1995 that focuses on development strategy and master planning for resort and recreational developments, large-scale residential or community development, and urban revitalization.

Degenhardt's experience has included the conceptualization and management of numerous large-scale projects in the United States, Europe, and southeast Asia. Examples are the Konak Pier redevelopment in Izmir, Turkey, a festival retail and entertainment complex with 150,000 square feet of gross leasable space; and the Melbourne Docklands Authority, Melbourne, Australia, a redevelopment project that will turn acres of unused waterfront property into a 60,000-seat stadium, as well as office, residential waterfront retail, and recreational uses. Degenhardt recently chaired an international delegation of ten developers and professionals to the state of Montenegro to assist in the revitalization and privatization of its tourist industry.

Before forming his own company, Degenhardt spent 28 years with EDAW, Inc., serving 15 years as its president and chairman. During that time, he played a major role in projects such as the plan for Mission Bay, San Francisco; Northstar at Tahoe, a year-round resort near Tahoe, California; and Phase II of the Green Valley community in Henderson, Nevada.

JEANNE GIORDANO
New York, New York

Giordano established her own practice in 1996. Jeanne Giordano, Ltd., specializes in urban design, planning, and program implementation, with an emphasis on unique retail environments and special events. Among the firm's clients are the Times Square Business Improvement District; the Alliance for Downtown New York; the Asia Society Museum; and British Rail-track. Giordano has also been a member of value planning teams for Penn Station/Amtrak; the World Trade Center; and the Staten Island Ferry Terminal.

From 1989 to 1995, Giordano was director of the Grand Central Terminal Development Office, responsible for master-planning the restoration and reuse of this landmark. The result has been the reestablishment of a living, vital public space with diverse retail and entertainment uses.

During the 1980s, Giordano worked in Philadelphia. At Rouse & Associates, she was project manager for Penn's Landing, a 37-acre waterfront project. For Carley Capital Group, her responsibilities included the renovation of Amtrak's 30th Street Station. Another project involved Harrison Court, a landmark 100-year-old industrial building converted into offices and retail spaces. From 1975 to 1979, Giordano was director of development for the City of Salem, Oregon, the state capital. Working with a staff of 40, she was responsible for a multimillion-dollar retail and commercial downtown revitalization effort.

Giordano received a bachelor's degree from Rosemont College and was a Loeb Fellow in environmental studies at Harvard University's Graduate School of Design. She is also a fellow in design from the American Academy in Rome and a fellow of the Salzburg Seminars in Urban Planning. Among her professional memberships are ULI—the Urban Land Institute, Inner-City Council, and the American Institute of Architects Committee on Design.

BLOUNT HUNTER
Norfolk, Virginia

Hunter formed H. Blount Hunter Retail & Real Estate Research Company in 1996. The company is an independent research and advisory firm whose clients have included the Rouse Company, the Taubman Company, Prime Retail, Inc., the Palladium Company, LDR International, Enterprise Development Company, and Barton-Aschman Associates. Projects have included festival marketplaces, factory outlets, regional malls, and urban entertainment districts.

Hunter has more than 20 years of experience in consumer research and site analysis. From 1984 to 1996, he worked for the Rouse Company in Columbia, Maryland, as senior research analyst in the research and site strategy department. Hunter led research efforts related to shopping center development feasibility, merchandising/leasing, marketing, and operations troubleshooting. He earned national recognition for his expertise in urban retailing, food courts, and tourism-related retailing and conducted more than 50 investment analyses for the company's acquisitions/management program. He has completed retail studies in virtually all major metropolitan markets in the United States, as well as smaller markets in more than 40 states, Canada, and Puerto Rico.

From 1980 to 1984, Hunter was director of research and communications for Goodman Segar Hogan, Inc., one of the mid-Atlantic's largest regional developers and institutional management firms. He established the Tidewater Office Market Survey of supply/demand conditions while performing retail site analyses for strip centers and regional malls. From 1977 to 1980, he was a research analyst in the sales development department of the *Virginian-Pilot* newspaper in Norfolk, Virginia. He analyzed the results of the annual Hampton Roads Opinion Survey and used these data to recommend store location strategies to retailers in the Norfolk metropolitan area.

Hunter is a member of ULI—the Urban Land Institute, the International Downtown Association, and the International Council of Shopping Centers.

ALICIA MAZUR

Chicago, Illinois

Mazur is a deputy commissioner with the Chicago Department of Planning and Development. In this capacity, she is coordinator of the city's central district, responsible for supervising a staff of seven. Mazur's division works on planning implementation and city-initiated development for a six-square-mile area including the Loop and surrounding districts such as River North and Near South.

Recent projects have included the following:

- Preparation of an urban design and building reuse plan for State Street and Michigan and Wabash avenues, Chicago's traditional core.
- Mixed-income redevelopment of the Cabrini-Green public housing project. Mazur's involvement has included designing and participating in a charrette for overall planning; overseeing the establishment and implementation of a tax increment financing district; and preparing RFPs and evaluating proposals for redevelopment of city-owned land.
- Conveyance of city-owned properties and/or negotiation of tax increment finance deals for prominent properties.

Prior to becoming a deputy commissioner, Mazur served as the department's downtown real estate market analyst and as a project manager for the redevelopment of Chicago's historic resources. She coordinated the conversion of the *Chicago Bee* building, on the city's South Side, into a branch public library and also managed several streetscaping projects along the historic boulevards, including the innovative public art component of the Martin Luther King Drive renovation. She was instrumental in creating a local property tax incentive for the rehabilitation of commercial and industrial landmarks.

Mazur has a bachelor's degree from Tufts University and a master of science degree in urban and regional planning from the University of Wisconsin at Madison where she received an Urban Land Institute fellowship. She is a native of Nashville, Tennessee.

DAVID C. PETERSEN

Tampa, Florida

Petersen is managing director of the development advisory group at PricewaterhouseCoopers (formerly Price Waterhouse). He has more than 30 years of experience in real estate economics and municipal finance and has directed studies for sites located in 43 states, five provinces, and 15 countries. His assignments have included new-community master plans, light-rail and mass transit systems, resort developments, and themed entertainment attractions.

In the years before joining Price Waterhouse, Petersen was a consultant with Booz Allen Hamilton and a security analyst and bond underwriter for investment banking firms in San Francisco and New York. He was also the first executive director of the Lexington Center Corporation in Lexington, Kentucky. Lexington Center is a mixed-use development that includes a 370-room Hyatt Regency hotel, an 80,000-square-foot specialty retail mall, a 23,000-seat sports arena, and a 70,000-square-foot convention center.

Petersen's ongoing research interest is to quantify the essential uses and conditions that enable a "nine-to-five" downtown to become a 24-hour city. His college and continuing education in economic planning has been augmented by independent research and study tours in more than 40 international cities. Petersen is a member of the Urban Land Institute and the Congress for the New Urbanism. He is the author of *Sports, Convention, and Entertainment Facilities*, and was a contributor to the *Downtown Development Handbook* and *ULI on the Future*.

OAKLEIGH J. THORNE

Kensington, Maryland

Thorne has more than 33 years of experience in real estate market economics. His client services include the development of participating debt-structure alternatives, joint venture agreements, investment-grade due diligence efforts, and exploitation of non-performing assets. As principal of Thorne Consultants, he is responsible for managing consulting activities throughout the eastern United States.

Previously, Thorne was director of acquisitions for Huntmar Associates, Ltd., and actively sought the purchase of investment-grade real estate in the mid-Atlantic region for European equity funds. In addition, he negotiated and acquired several parcels for industrial and office projects in the Washington area.

Thorne was first vice president and regional manager of Coldwell Banker's consultation division in Washington for eight years. His primary responsibilities included business development and profit and loss performance for Coldwell's East Coast consultation offices. He designed Coldwell's office lease analysis system for tenants seeking new or expansion space in major northeastern urban markets. Prior to that, he was vice president of acquisitions for the Richard Roberts Company in Hartford, Connecticut.

Thorne's real estate counseling experience has involved mixed-use development, multi-family condominium and apartment projects, hotels, industrial facilities, office buildings and business parks, nursing homes, seniors' housing, planned residential developments, and the entire range of shopping centers.

MARVIN F. WEISSBERG

Arlington, Virginia

Weissberg is the founder and chairman of the board of Weissberg Corporation, one of the Washington, D.C., area's major commercial real estate development companies. Formed in 1955, the corporation has constructed more than 20 shopping centers and nearly 2 million square feet of private office buildings. The corporation has also developed residential apartment houses, condominiums, mixed-use urban developments, and hotel properties.

In 1980, the Weissberg Corporation developed the Flour Mill in Georgetown, a prestigious neighborhood in Washington. The Flour Mill is a \$30 million mixed-use residential condominium and commercial complex that has earned an award for the achievement of excellence in historic preservation and architectural design from the American Institute of Architects.

Weissberg has a bachelor of science degree in civil engineering. He has served as a guest lecturer at the George Washington University Law School and is a member of ULI—the Urban Land Institute and its Inner-City Council.