

Council Letter  
City of Knoxville  
May 2, 2022

Agenda Item: Approving a Downtown Revitalization Grant for 101 and 105 S Third Street.

Background:

In January 2022, the City applied to IEDA for a Downtown Housing Grant on behalf of the owners of 101/105 S Third Street (viz. Candi's Flowers and A & P Public House). In the application, the City proposed the following funding allocation for the \$300,000 project that will add three rental apartments to the second floor of the building:

IEDA	\$150,000	50%
City	\$ 75,000	25%
Owners	\$ 75,000	25%

In February 2022, City Council approved \$300,000 to fund similar downtown revitalization applications for FY 2023. To date, Council has allocated \$200,000 of these funds to other applications (i.e., \$100,000 each to 203 E Main and 205 E Main. \$100,000 currently remains available.

City Staff have learned that IEDA has awarded a Downtown Housing Grant to this property. It would be appropriate at this time for City Council to approve the \$75,000 municipal grant to the project as described above.

If the proposed municipal grant is awarded by Council, \$25,000 would remain unallocated in this program for FY 23.

Policy Question: Should City Council award a \$75,000 municipal grant for the Downtown Housing Project at 101/105 S Third Street?

Budget Impact: \$100,000 currently remains unallocated in this FY 2023 program. Sufficient funds are available to make the award as proposed in this report.

Recommendations: Staff recommend that Council approve the proposed municipal grant.

Supporting Documents: None