

David Wilson Long
Dennis B. Ragsdale
John B. Waters III
J. Michael Ivens
J. Randolph Miller
Garrett P. Swartwood
Jennifer Milligan Swindle*
Lee A. Popkin
W. Michael Baisley
Kyle A. Baisley



Long, Ragsdale & Waters, P.C.
ATTORNEYS AT LAW

Taylor D. Forrester
Alexander O. Waters
Oliver D. Adams
William D. Edwards
J. Scott Griswold
Mycol E. Scott
C. Paul Harrison[†]
Christopher A. Hall[†]

John B. Waters, Jr. (1929-2018)
R. Louis Crossley, Jr. (1953-2019)

April 13, 2022

Knoxville-Knox County Planning
City-County Building, Suite 403
400 Main Street
Knoxville, TN 37902

Re: Agenda Item No. 20
File Nos. 4-M-22-SP and 4-G-22-SP
7921 and 7923 Thompson School Road (the "Property")
APPLICANT CORRESPONDENCE

Dear Commissioners,

I represent I-75 Partners, LLC ("Applicant") in its requested (i) Sector Plan amendment from Agricultural to Low Density Residential ("LDR") and (ii) rezoning from Agricultural to Planned Residential ("PR") at up to 5 du/ac for Property. Planning Staff recommends amending the Sector Plan to LDR and rezoning the Property to PR, but at a density of only up to 2 du/ac, which Applicant submits is not only insufficient but is also inconsistent with the surrounding developments and densities approved thereon.

The Growth Policy Plan and surrounding developments support up to 3 du/ac

The Applicant is agreeable to accept a density of **2.9 du/ac** as that is consistent with the Rural Area designation because the provisions of Section 3.5 of the Growth Policy Plan¹ are met. Although 2.9 du/ac is a significantly lower density than what has been approved for the adjacent parcels and other surrounding tracts, the Applicant submits that this is appropriate for the Property.

Section 3.2 of the Growth Policy Plan provides:

Rezoning within the Rural Area shall be limited to the following districts: Agricultural (A), Estate (E), Open Space (OS), Floodway (F), **Planned Residential (PR at densities up to two (2) dwelling units per acre** based on the site's environmental characteristics and Health Department determination of septic system capability **(with the exceptions noted in #3.3 & #3.5 below)**...

¹ Attached hereto as Exhibit A.

(*Id.* **emphasis** added).

The exceptions of Section 3.5 provide:

Extension of low density residential development (densities of 1 to 3 dwelling units per acre) into the rural area shall be limited to the following conditions: (a) the property must be zoned. Planned Residential (PR); (b) provision of sanitary sewer and public water services; (c) connection collector and arterial roads from the proposed development to the Urban Growth Boundary or Planned Growth Area which meet the standards of the Knox County Engineering and Public Works Department or its successor; and (d) a traffic impact analysis demonstrating to the satisfaction of the planning commission that the effect of the proposed and similar developments in the traffic analysis zone will not unreasonable impair traffic flow along the arterial roads through the adjacent Planned Growth Area. **The intent of this section is to allow extensions of low density residential development into rural areas when urban services (sanitary sewer, water, and adequate roads) become available.**

(*Id.* **emphasis** added).

As detailed in the Planning Staff Report, this area has transitioning from rural, agricultural land to single family residential neighborhoods since 2007 when the Gibbs Elementary School was built. In addition, a new middle school was constructed in 2019, spurring additional interest in residential activity in this area. Utilities have been extended to service the newer residential developments that are adjacent to and/or near the Property. There have also been road improvements to the area including the realignment at the Thompson School Road/Fairview Road and East Emory intersection.

The Property is immediately adjacent to properties that have a Planned Growth Area designation under the Growth Policy Plan. The adjacent properties were rezoned within the past couple of years to PR with densities of 4.25 du/ac and 4 du/ac. As for traffic, a Traffic Impact Analysis can be required at the Concept Plan and Development Plan phase for the subsequent Use on Review. This review and approval process will ultimately determine the overall density of the proposed development.²

State of Housing Report for Knox County

The Knoxville Area Realtors Association recently published its 2022 State of Housing Report for Knox County (“Report”)³, and the findings therein are alarming as to the shortage of available housing and substantial price increase for housing based on the lack of supply. The Report states that the housing inventory in the Knoxville area remains near a record low, and, as of December 2021, “active listings in the Knoxville metro area were down 36% from the prior year and down 69% from pre-pandemic levels.” The Report found that home prices in the Knoxville area are

² The average vehicle trips per day calculation in the Staff’s Report appears to be calculated based on a density of 5 du/ac. In addition, the estimated student yield appears to be calculated based on a density of 5 du/ac.

³ A copy of the 2022 State of Housing Report for Knox County is attached hereto as Exhibit B.

nearly 35% higher than in 2019, “meaning the typical home is almost \$70,000 more expensive than pre-pandemic.” Per the Report, the median price of a new home in the Knoxville metro area was \$359,502 at the beginning of 2022, meaning the average new home is affordable only to households with an income of \$81,161 or more, which means 70% of households (250,442) in the Knoxville area cannot afford the median priced new home.

The Report noted that a significant portion of the growth in housing demand across the past two years can be traced back to a strong net migration. Since the onset of the COVID-19 pandemic, there’s been a sharp rise in the number of people moving to Knox County from outside of Tennessee. In fact, per the Report, nearly 10,000 people moved to the Knoxville metro area in 2020, and that this amount increased during 2021.

The Report concluded that if the housing production levels continue at the current pace (which is insufficient), the Knoxville area could cede its status as an “affordable” place to live in just a few years. Therefore, addressing the chronic undersupply of housing and declining affordability is critical to region’s future. One way to address these issues is to develop housing in places that people want to live. In many places in Knox County overly restrictive or subjective land use policies prevent housing construction in high-productivity places, thereby preventing land from being developed for its best and highest uses. The places where new housing is most desired and most cost-effective are in the areas of Knox County where new housing developments face the most opposition from community opposition and land use regulations.

In the instant request, there is no dispute that Gibbs area is a highly desirable place to live. This desire did not happen overnight, rather it is a culmination of several factors that include the new Gibbs schools, as well as the addition of new utility extensions, the significant road improvements in the Gibbs area and the housing costs have been more affordable compared to other areas in Knox County that are experiencing residential development.

Conclusion

The Applicant requests that this Planning Commission approve both the Sector Plan Amendment to Low Density Residential and the rezoning to Planned Residential with a density of up to 2.9 du/ac. We believe that this is an appropriate request for the Property that will result in an appropriate development for the Gibbs area all while adhering to the applicable plans and regulations.

Respectfully yours,

LONG, RAGSDALE & WATERS, P.C.

By: _____

Taylor D. Forrester

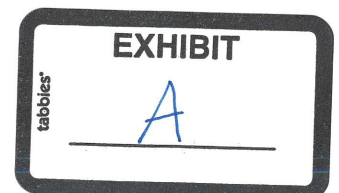
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K n o x v i l l e
F a r r a g u t
K n o x C o u n t y

Growth Policy Plan

Recommendations
of the
Growth Policy
Coordinating Committee
to the
Knoxville City Council,
Farragut Board of Aldermen,
and Knox County Board
of Commissioners

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Zoning Ordinance as a “use on review” may be approved by the Planning Commission if they find that the proposed development complies with all applicable standards in ordinance.

- 3.2 Rezoning within the Rural Area shall be limited to the following zoning districts: Agricultural (A), Estate (E), Open Space (OS), Floodway (F), Planned Residential (PR at densities up to two (2) dwelling units per acre based on the site’s environmental characteristics and Health Department determination of septic system capability (with exceptions noted in #3.3 & #3.5 below), Transition (T), Historic Overlay (H), Planned Commercial (PC), subject to the conditions listed below in #3.4, and Light Industrial (LI) and (I), subject to the conditions listed below in #3.6. By February 1, 2001, MPC shall deliver recommended text of new Planned Business/Industrial Park, Neighborhood Commercial and Rural Community Commercial zoning districts to County Commission for legislative action. Upon the enactment of these zoning district regulations, these new zones shall replace the PC, LI and I zones in the preceding list of zones.
- 3.3 Rezoning on slopes of 25 percent or more shall be limited to the following zoning districts: Open Space (OS), Estate (E) and Planned Residential (PR) at densities of one (1) dwelling unit per two or more acres. Rezonings on slopes of 15 to 25 percent shall be limited to zoning districts which have a minimum one (1) acre lot size; Agriculture (A), Estate (E), Open Space (OS), and Planned Residential (PR) on lots of one (1) or more acres are appropriate.
- 3.4 In rural areas, rezoning to Planned Commercial (PC) shall only be approved for commercial uses or services needed to serve rural area residents, such as food markets, convenience stores, gasoline service stations and professional or business offices. A site plan shall be reviewed and approved by the Metropolitan

Planning Commission concurrently with any rezoning to Planned Commercial in the Rural Area. Such commercial facilities and rezoning shall be consistent with the Sector Plans adopted by the planning commission.

- 3.5 Extensions of low density residential development (densities of 1 to 3 dwelling units per acre) into the rural area shall be limited to the following conditions: (a) the property must be zoned Planned Residential (PR); (b) provision of sanitary sewer and public water services; (c) connecting collector and arterial roads from the proposed development to the Urban Growth Boundary or Planned Growth Area which meet the standards of the Knox County Engineering and Public Works Department or its successor; and (d) a traffic impact analysis demonstrating to the satisfaction of the planning commission that the effect of the proposed and similar developments in the traffic analysis zone will not unreasonably impair traffic flow along the arterial roads through the adjacent Planned Growth Area. The intent of this section is to allow extensions of low density residential development into rural areas when urban services (sanitary sewer, water, and adequate roads) become available. These areas should be reclassified “Planned Growth” when the growth plan is periodically revised and amended.
- 3.6 Land within the Rural area may be rezoned for business parks or industries only under the following conditions:
- a.) The rezoning is consistent with the applicable Sector Plan. The Sector Plan may be amended upon recommendation of the Metropolitan Planning Commission in accordance with provisions of state law regarding adoption and amendment of regional plans.
 - b.) Wetlands, floodways, streams, or hillside lands with pre-development slopes of 16 % or greater, as defined in Section 82-30 of the Knoxville-Knox County Subdivision