

# Council approves Gay St. tax break

Sign ordinance OK'd, allowing for marquee at Tennessee Theatre

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The Knoxville City Council approved a plan Tuesday that would allow the city to give tax breaks to developers along four blocks of Gay Street.

The panel also passed a new sign ordinance that regulates the use of electronic message boards. The motion will allow the Tennessee Theatre's historic marquee to keep shining downtown.

Council members voted unanimously to give tax increment financing deals, or TIFs, and other incentives to potential investors in the 300, 400, 500 and 600 blocks of Gay.

The plan encourages preservation of the historic area and is designed to help promote returning Gay Street to its former glory days of bustling commerce.

Wayne Blasius, owner of the Phoenix Building, 418 Gay St., praised the measure. He thinks TIFs will help him with a new project — securing Mast General Stores, a regional retailer, in his latest purchase at 402 Gay St.

The store would occupy the ground and basement floors of the 75,000-square-foot, five-story building. The remaining space would be converted into condominiums, he said.

"It'll be a catalyst for bringing other retail stores downtown," Blasius said.

According to state law, TIFs may be offered only within an established redevelopment district. Such incentives avoid the risk of any direct public funding.

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The funding method dedicates all added tax revenues from a property, once it is reappraised, to pay for surrounding infrastructural improvements such as sidewalks, or to retire a developer's debt.

The city adopted a resolution in October authorizing Knoxville's Community Development Corp. to prepare

a redevelopment and urban renewal plan for the downtown section to encourage revitalization. Last week KCDC held a public hearing on the plan.

Knox County commissioners will vote on the measure Dec. 20.

In other matters, City Council approved a new sign ordinance in a 7-2 vote. They passed the measure on an emergency basis to allow Tennessee Theatre officials to finish a \$23.5 million renovation

by the end of the year.

Work is set to end by Dec. 14. The landmark will open its doors on Jan. 14.

"This town is abuzz with anticipation of reopening the theatre," said Bill Snyder, former University of Tennessee chancellor and Tennessee Theatre house organist. "This will be the premiere entertainment center and art support in all of East Tennessee."

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